The House met at 10 a.m. and was called to order by the Speaker pro tempore [Mrs. Myrick].

DESIGNATION OF THE SPEAKER PRO TEMPORE

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

WASHINGTON, DC, July 25, 1996.

I hereby designate the Honorable Sue Myrick to act as Speaker pro tempore on this day.

NEWT GINGRICH, Speaker of the House of Representatives.

PRAYER

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

As Your Word tells us to do justly and to love mercy, help us, O God, to walk the path of justice and mercy in our lives. We admit that our ways are weak and our wishes can miss the mark and we too easily mind our own way. We know too that there are many paths available to us and there are choices we make every day. We pray, gracious God, for the insight and wisdom to follow the path that leads to faith, the road that strengthens hope, and the way that celebrates love. This is our earnest prayer. Amen.

THE JOURNAL

The Speaker pro tempore. The Chair has examined the Journal of the last day's proceedings and announces that the Chair has approved.

PLEDGE OF ALLEGIANCE

The Speaker pro tempore. Will the gentleman from Washington [Mr. Nethercutt] come forward and lead the House in the Pledge of Allegiance.

Mr. NETHERCUTT 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 bills of the House of the following titles:


H.R. 3283. An act to amend the Ethics in Government Act of 1978, to extend the authorization of appropriations for the Office of Government Ethics for 3 years, and for other purposes.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The Speaker pro tempore. The Chair will entertain eight 1-minute per side.

THE FIGHT TO CURE DIABETES

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

Mr. NETHERCUTT. Madam Speaker, today is a new day in the fight to cure diabetes. Not only Members of Congress but every group who is dedicated to curing this disease and preventing its health consequences, from the Juvenile Diabetes Foundation to the American Diabetes Foundation to the Coalition for Diabetes Research, they are all concerned about and they are united behind legislation that has been introduced by the gentlewoman from Oregon [Ms. Furse] and me and sponsored by over 230 other Members of Congress.

We all realize that the complications of diabetes can be prevented if the 16 million American diabetics and over 100 million diabetics internationally have the proper education about their disease and the means to take care of themselves.

This legislation does just that. Madam Speaker, it allows Medicare to cover the cost of diabetes education and the cost of blood testing and monitoring, critical factors if we are to reduce the $100 billion it costs American society each year to combat the results of diabetes.

I urge all my colleagues and the other 200 who have not sponsored it yet to support this legislation and give life to the fight against diabetes.

CONGRESSIONAL REFORM

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

Mr. DOGGETT. Madam Speaker, America has asked for real reform of the way this Congress operates, an end to the money chase and more attention to the Nation's business, and a bipartisan effort has been made to accomplish real campaign finance reform, supported by a number of independent citizen watchdog groups. But today, 1 week after Reform Week was canceled by the Gingrich leadership, today we will have phony reform and be denied completely an opportunity to even vote on a bipartisan reform of the way business operates here.

And what of the bill that will come before us? Well, 10 Republicans have described that Gingrich bill as fundamentally flawed, more so than the current system, as freezing the average American out of the political process. That is their description of the bill.

The independent watchdog groups like Common Cause have been more direct. They refer to this Thomas bill as phony reform that locks in the corrupt...
status quo, leaves open the floodgates of special interest PAC money and increases the amounts that the wealthy can give. This is not reform, it is a fraud.

CAMPAIGN FINANCE REFORM
(Mrs. MALONEY asked and was given permission to address the House for 1 minute.)

Mrs. MALONEY. Madam Speaker, today Speaker GINGRICH has an opportunity to do something truly positive for the American people, to give dying effort for real reform. Basically the Republican bill puts more money into the system, the Democratic bill favors less money in politics. The two bills are miles apart and dead on arrival. The only way to revive campaign finance in the Senate and to pass a viable bill here in the House is to create an independent strong commission that will come forward with a principal plan for an up-or-down vote.

Madam Speaker, Speaker GINGRICH and the President shook hands on it and publicly endorsed the concept. An independent commission is reform’s only chance in this Congress. Madam Speaker, only Speaker GINGRICH can make it happen.

WORKING FAMILIES FLEXIBILITY ACT
(Mr. BALLenger asked and was given permission to address the House for 1 minute.)

Mr. BALLenger. Madam Speaker, American working men and women need the Working Families Flexibility Act. Federal labor laws mandate that overtime compensation must be in the form of cash wages, even if the employer would prefer to have paid off or comp time.

The time has come to update these antiquated laws to reflect the evolving needs of today’s working families. For some employees, in today’s hectic pace, time off is more valuable than money. For working moms, dads, and single parents, time off allows them to better balance the often competing demands of work and family.

Some of my colleagues on the other side of the aisle claim that this is an attempt to weaken overtime protections in the law for employees. This is simply not true. The truth is that the Working Families Flexibility Act will give private sector employees the same options and flexibility which public sector employees have had for years. Let’s change the law to accommodate the needs of today’s workers who want more options and greater control over their working schedules. Support the Working Families Flexibility Act.

WHAT IS MISSING FROM OUR SCHOOLS IS PRAYER
(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Madam Speaker, something does not add up. Congress continues to spend more money on crime and cops, more money on jails and prisons, puts money into schools wherever possible, but you can still find drugs in our schools, guns and violence in our schools. There are even condoms in our schools, God forbid, rape, and even cases of murder in our schools.

About the only thing you cannot find in our school today is prayer. Even though “in God we trust” is written over all our buildings and on all our currency, about the only time you can hear God’s name in school is when God’s name is taken in vain. Shame, Congress. Shame, A nation and a Congress that will keep God out just may have invited the Devil. Think about that one.

IT IS TIME FOR OUR PRESIDENT TO SIGN COMMONSENSE WELFARE REFORM
(Mr. Hefley asked and was given permission to address the House for 1 minute.)

Mr. Hefley. Madam Speaker, the current welfare system cannot be defended. It is a system characterized by dependence, illegitimacy, and family breakdown.

Tuesday, the other Chamber, with a strong bipartisan vote, approved commonsense reforms that will stop welfare from becoming a way of life. These reforms honor work and encourage personal responsibility.

Bill Clinton campaigned on a promise to “end welfare as we know it.” It is now the fourth year of his Presidency and so far, he has done nothing but stand in the way of welfare reform. He postures. He talks tough, but he never commits.

Madam Speaker, it is time for Bill Clinton to lead. It is time for him to keep at least one of the promises he made during his campaign. It is time for Bill Clinton to get with the program and sign commonsense welfare reform.

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

Mr. Kildee. Madam Speaker, last week Bob Dole gave an education speech in Minneapolis during which he said that public schools are being driven into the ground by bureaucrats and teachers.

First of all, if Bob Dole wants to know what is going on in public schools he ought to visit a few—and talk to parents and teachers who are struggling to help students become knowledgeable and productive citizens in tomorrow’s world.

I would like to suggest that he visit Pontiac Central High School where this year a team of corporate engineers, students, and teachers designed and built an innovative robot that won first place in a nationwide competition of 73 teams. If Bob Dole were to visit a school like Pontiac Central High he might just get a glimpse of what we do best. If he should visit such schools as Pontiac Central High he might just get a glimpse of what we do best.

PRESIDENT CLINTON SHOULD LISTEN TO WHAT PEOPLE WANT AND SIGN WELFARE REFORM
(Mr. Jones asked and was given permission to address the House for 1 minute.)

Mr. Jones. Madam Speaker, this week Congress has taken bold steps toward enacting genuine welfare reform. The next step will be President Clinton’s. We will send him real work requirements, real time limits. We will end welfare for noncitizens. Our bill will lift 1.3 million people out of welfare and into jobs by 2002, and we will make the process where by able-bodied recipients stay on welfare for 13 years.

Many in Congress would say that welfare reform is cruel to children. Absolute nonsense. Nothing could be more cruel than to leave today’s children in yesterday’s welfare system. The goal of any true welfare reform is to lift children and families out of poverty and despair. If America is to prosper in the next century, we must reform welfare so that it honors work and encourages people’s responsibility.

Mr. President, the American people want you to sign this welfare reform bill. Please, Mr. President, listen to the people.

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

Mrs. Schroeder. Madam Speaker, today our prayer was about doing justice and loving mercy and today our legislative agenda is about descending these steps collecting more and more money from special interest groups. We have failed at campaign finance reform and we have failed miserably. This is not what the American people want. Common Cause points out that anybody who votes for this bill, he or she will be going along with having the richest people in America having even more influence and the average people having even less. Is that justice, coming...
down here with GOPAC and the Speaker. I do not think so.

It is time to admit we have failed. It is time to call upon the Speaker to go back to that bipartisan spirit he had when he shook hands with the President in New Hampshire, and it is time to get real reform that will bring dignity back to this House and get the special interest groups that are courting all of this out.

**THE PRESIDENT AND THE CONGRESS**

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

Mr. KNOLENBERG. Madam Speaker, here they go again. No ideas, so let us scare America with White House distortions and union leader lies.

Before Republicans took control of Congress last year, the President's 1995 budget had a rising deficit. Now overnight it is a budget hawk.

There is no real surprise here. The winds have shifted so the President has changed his sails.

But here is the truth: It is the Republican-led Congress that has cut the deficit. It has been cut $43 billion just last year. Yet the President has the gall to take the credit. It is like the rooster taking credit for the sunrise. We would have saved even more if the President had not stood in our way. He has literally fought against deficit reduction by begging for more spending on pet programs.

The only areas where the spending continues to grow out of control is Medicare and Medicaid, more than $50 billion. Yet when we tried to address the problem, he looked the other way.

What we get from the White House leadership is a steady stream of whining because they cannot cut themselves off from the spending gravy train.

Madam Speaker, I yield back the balance of White House promises withering on the vine.

**CAMPAIGN REFORM DAY**

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

Mr. FARR of California. Madam Speaker, I rise today to address this House regarding campaign reform day. That is the legislation that is going to be on the floor, and the choice today is between two bills, between two bills, which the Democratic side of the aisle is promoting, and the rich, which is what the other side is promoting.

The Speaker asked not long ago for more money to be delivered to political campaigns, and today the law allowing him to do it will be delivered to the floor. They claim that there is reform in their bill, but for whom? It hurts women, hurts minority candidates.

The Democratic bill is the only bill that responds to the American public. It sets limits. It sets limits on PAC's, sets limits on the rich, and it sets limits on wealthy candidates.

Colleagues, we have a choice today. We can perform for the interest or we can reform for the American public. Reject the Thomas bill. Support the alternative Democratic Farr bill. I ask for your vote.

**INTRODUCING THE VETERANS' CEMETERY PROTECTION ACT**

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

Mr. CALVERT. Madam Speaker, last month 128 bronze grave markers were stolen from the Riverside National Cemetery in my district—the second largest national cemetery next to Arlington.

This was a despicable act. Our Nation should have no tolerance for those who desecrate and vandalize the graves of brave Americans.

The men and women who are buried at Riverside National Cemetery and other national cemeteries have paid the ultimate price for our freedom. They deserve our deepest respect and our eternal thanks.

Today I am introducing the Veterans' Cemetery Protection Act. This bill will create a criminal penalty of up to 10 years in prison for vandalism or desecration of a national cemetery.

If the criminals try to profit from stolen property the penalty is increased to up to 15 years in prison or a $250,000 fine.

Many of you have already asked to cosponsor this legislation. If you are not yet a cosponsor and would like to show your support, please contact my office.

**SUPPORT THE FARR CAMPAIGN REFORM ALTERNATIVE**

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

Mr. CARDIN. Madam Speaker, many of us on both sides of the aisle have been waiting very patiently for this day when campaign finance reform would be before the House. This is our one opportunity in this term of Congress, and I must say we were extremely disappointed.

The rule that is being brought forward is very restrictive, will not allow for the bipartisan bill to be offered, and controls very much what we can consider on this floor. That is wrong.

The underlying bill moves in the wrong direction. The Republican bill would have us spend more money and put no limits on what we can be spent in campaigns. It carries out the wishes of Speaker Gingrich, stated that he thinks the problem with our campaign laws is that there is not enough money being spent.

My constituents disagree. We should be reforming the system to put controls on how much money can be spent and to reward small contributors, and that is exactly what the bill offered by the gentleman from California [Mr. FARR] will do. I urge my colleagues to support it.

No wonder that all of the public interest groups oppose the Republican bill, from Common Cause to Public Citizen, the League of Women Voters, U.S. PIRG. They oppose the Republican bill. I urge my colleagues to vote against that bill and support the Farr alternative.

**COMMONSENSE WELFARE REFORM**

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

Mr. KNOLLENBERG. Madam Speaker, let me go through some reasons I think America needs commonsense welfare reform. Between 1965 and 1994, the Government has spent $5.4 trillion, that's with a "T," on welfare programs. These programs were started under the proviso that we were waging a war on poverty. Thirty years and trillions of tax dollars later, poverty is winning.

Another reason we need to fix welfare is the alarming increase in broken families and especially teenage illegitimacy. Researchers at the University of Washington have found that increased levels of welfare benefits almost always lead to increases in teenage illegitimate birth rate.

Welfare does not fight poverty; it perpetuates it. Welfare creates a set of incentives that crushes the work ethic, ruins the family, corrupts basic morals, and ultimately destroys the trust between people that is so necessary for civilized society.

Madam Speaker, it's way past time to fix the broken welfare system.

**NO SUBSTANTIVE CAMPAIGN FINANCE REFORM**

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

Mr. MEEHAN. Madam Speaker, the most fundamental way that we can reform the way the Congress does business is to pass campaign finance reform. The Republican leadership today will renege on that promise to offer real, substantive campaign finance reform. It will happen today.

We had an opportunity. We were going to have reform week, and we have nothing. Now we have the Republicans presenting a bill before this House, calling it reform, that is a phony fraud.

Campaign finance reform is up, and tonight with a "T" from the Republican Party got up before this House in one minute to defend their piece of fraud legislation. Does that not speak volumes about today's debate? Not one of
them would get up and defend the cam-
paign finance reform bill that they are
going to present before this House
today. It is a disgrace.

We need to change our campaign fi-
nance system and we cannot get a bill
to do it. They want to increase influ-
ence. Not one of their Members will
come down and defend their bill. Amer-
ica is watching today, and Republicans
will pay the price in November.

PERMISSION FOR SUNDAY COM-
MITTEES AND THEIR SUB-
COMMITTEES TO SIT TODAY
DURING THE 5-MINUTE RULE

Mr. HEFLEY. Madam Speaker, I ask
unanimous consent that the following
committees and their subcommittees
be permitted to sit today while the
House is meeting in the Committee of
the Whole under the 5-minute rule:
Committee on Agriculture; Commit-
tee on Banking and Financial Services;
Committee on Commerce; Committee
on Economic and Educational Opportu-
nities; Committee on Government Re-
form and Oversight; Committee on In-
ternational Relations; Committee on
the Judiciary; Committee on Re-
sources; Committee on Small Busi-
ness; and Committee on Transportation
and Infrastructure.

Madam Speaker, it is my understand-
ing that the minority has been con-
sulted and that there is no objection
to these requests.

The SPEAKER pro tempore (Mrs.
MYRICK). Is there objection to the re-
quest of the gentleman from Colorado?
There was no objection.

HAPPY BIRTHDAY TO THE
CHAPLAIN OF THE HOUSE

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

Mr. MYERS of Indiana. Madam
Speaker, in the wee hours of this morn-
ing as we were finding a way to adjourn
and come back this morning, one in
our midst passed over the big 65. He
joined the Medicare-eligible society
that several of us have already joined.

If it was possible to sing happy
birthday under the rules of the House
we would do that this morning, but
since we can't, we do wish it to our
Chaplain, J. Im Ford, who is now eligi-
able to get Medicare. Of course he looks
that old, but it is kind of shocking to
realize that he really is, because we
have known J. Im for a good many years
now since he finally graduated from
West Point and came down to join us.

But, J. Im, we wish you many more
happy days. Your birthday almost
snaked by us here, but after we woke
up this morning we realized that you
are passing the big one, we wanted to
take this opportunity.

So, my birthday, J. Im.

Mrs. SCHROEDER. Mr. Speaker, will the
gentleman yield?

Mr. MYERS of Indiana. I yield to the
gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Speaker, I thank the
gentleman so much for pointing that out. It is such fun to see
people get older, is it not, but espe-
cially our Chaplain, and he wears it
very well.

I think the gentleman should sing. Is it
truly without the rules?

Mr. MYERS of Indiana. Reclaiming
my time, it is against the rules of the
House, yes.

Mrs. SCHROEDER. Mr. Speaker, how
said.

Mr. MYERS of Indiana. Most of us
cannot sing. The rules really protect
us.

Mrs. SCHROEDER. The gentleman is
the only one who could.

Mr. MYERS of Indiana. Thank goodness
we have that rule, otherwise we would be trying to do it all the time.

GENERAL LEAVE

Mr. MYERS of Indiana. Madam
Speaker, I ask unanimous consent that
all Members may have 5 legisla-
tive days within which to revise and extend
their remarks 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, and that I may be al-
lowed to include tabular and extrane-
ous materials.

The SPEAKER pro tempore is there
objection to the request of the gen-
tleman from Indiana?

There was no objection.

ENERGY AND WATER DEVE-
LOPMENT APPROPRIATIONS ACT,
1997

The SPEAKER pro tempore (Mrs.
MYRICK). Pursuant to House Resolution
483 and rule XXIII, the Chair declares
the following order: Amendment No. 4
offered by Mr. OBEY of Wisconsin; an amend-
ment offered by Mr. OBEY:

H8384

So, happy birthday, Jim.

If it were possible to sing happy
birthday to the Chaplain of the House for 1 minute.)

The SPEAKER pro tempore (Mrs.
MYRICK). Is there objection to the re-
quest of the gentleman from Indiana?

There was no objection.

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 fur-
ther consideration of the bill, H.R. 3816.

Mr. HEFLEY. Madam Speaker, I ask
permission to address the House un-
animously to ask that the following
be permitted to sit today while the
House is meeting in the Committee of
the Whole under the 5-minute rule:
Committee on Agriculture; Commit-
tee on Banking and Financial Services;
Committee on Commerce; Committee
on Economic and Educational Opportu-
nities; Committee on Government Re-
form and Oversight; Committee on In-
ternational Relations; Committee on
the Judiciary; Committee on Re-
sources; Committee on Small Busi-
ness; and Committee on Transportation
and Infrastructure.

Madam Speaker, it is my understand-
ing that the minority has been con-
sulted and that there is no objection
to these requests.

The SPEAKER pro tempore (Mrs.
MYRICK). Is there objection to the re-
quest of the gentleman from Colorado?
There was no objection.

RECORDED VOTE

The CHAIRMAN. The unfinished
business is the request for a recorded
vote on the amendment offered by the
gentleman from Wisconsin (Mr. OBEY)
offered by Mr. OBEY:

H8384

A recorded vote has been demanded.
A recorded vote was ordered.

The vote was taken by electronic de-
vice, and there were 185 ayes, 211
noes voting, as follows:

[Roll No. 357]

AYES—196

Mrs. SCHROEDER. Mr. Speaker, how
said.

Mr. MYERS of Indiana. Most of us
cannot sing. The rules really protect
us.

Mrs. SCHROEDER. The gentleman is
the only one who could.

Mr. MYERS of Indiana. Thank goodness
we have that rule, otherwise we would be trying to do it all the time.

GENERAL LEAVE

Mr. MYERS of Indiana. Madam
Speaker, I ask unanimous consent that
all Members may have 5 legisla-
tive days within which to revise and extend
their remarks 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, and that I may be al-
lowed to include tabular and extrane-
ous materials.

The SPEAKER pro tempore is there
objection to the request of the gen-
tleman from Indiana?

There was no objection.

ENERGY AND WATER DEVE-
LOPMENT APPROPRIATIONS ACT,
1997

The SPEAKER pro tempore (Mrs.
MYRICK). Pursuant to House Resolution
483 and rule XXIII, the Chair declares
the following order: Amendment No. 4
offered by Mr. OBEY of Wisconsin; an amend-
ment offered by Mr. OBEY:

H8384

So, happy birthday, Jim.

If it were possible to sing happy
birthday to the Chaplain of the House for 1 minute.)

The SPEAKER pro tempore (Mrs.
MYRICK). Is there objection to the re-
quest of the gentleman from Indiana?

There was no objection.

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 fur-
ther consideration of the bill, H.R. 3816.

Mr. HEFLEY. Madam Speaker, I ask
permission to address the House un-
animously to ask that the following
be permitted to sit today while the
House is meeting in the Committee of
the Whole under the 5-minute rule:
Committee on Agriculture; Commit-
tee on Banking and Financial Services;
Committee on Commerce; Committee
on Economic and Educational Opportu-
nities; Committee on Government Re-
form and Oversight; Committee on In-
ternational Relations; Committee on
the Judiciary; Committee on Re-
sources; Committee on Small Busi-
ness; and Committee on Transportation
and Infrastructure.

Madam Speaker, it is my understand-
ing that the minority has been con-
sulted and that there is no objection
to these requests.

The SPEAKER pro tempore (Mrs.
MYRICK). Is there objection to the re-
quest of the gentleman from Colorado?
There was no objection.

HAPPY BIRTHDAY TO THE
CHAPLAIN OF THE HOUSE

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

Mr. MYERS of Indiana. Madam
Speaker, in the wee hours of this morn-
ing as we were finding a way to adjourn
and come back this morning, one in
our midst passed over the big 65. He
joined the Medicare-eligible society
that several of us have already joined.

If it was possible to sing happy
birthday under the rules of the House
we would do that this morning, but
since we can't, we do wish it to our
Chaplain, J. Im Ford, who is now eligi-
able to get Medicare. Of course he looks
that old, but it is kind of shocking to
realize that he really is, because we
have known J. Im for a good many years
now since he finally graduated from
West Point and came down to join us.

But, J. Im, we wish you many more
happy days. Your birthday almost
snaked by us here, but after we woke
up this morning we realized that you
are passing the big one, we wanted to
take this opportunity.

So, my birthday, J. Im.

Mrs. SCHROEDER. Mr. Speaker, will the
gentleman yield?

Mr. MYERS of Indiana. I yield to the
gentlewoman from Colorado.
MON, LIVINGSTON, and HALL of Ohio changed their vote from “aye” to “no,” MS. BROWN of Florida, Messrs. NEUMANN, MATSUI, WYNN, and MANZULLO, and Ms. MCKINNEY changed their vote from “no” to “aye.” So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. WATTS of Oklahoma. Mr. Chairman, on rollcall No. 357, I was unavoidably detained with constituents. Had I been present, I would have voted “aye.”

AMENDMENT OFFERED BY MR. SCHAFFER

The CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Colorado [Mr. SCHAFFER] on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. SCHAFFER: Page 17, line 21, strike "aye" and insert in lieu thereof "(reduced by $1,930,200) (increased by $42,103,200), to"

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device and there were—ayes 279, noes 135, not voting 19, as follows:

AYES—279

NOES—135

[Roll No. 356]

HOUSE H8385

July 25, 1996

CONGRESSIONAL RECORD—HOUSE

NOES—211

Smith (MI) Thorkildsen Whitman

Stark Torres Williams

Stokes Towns Woolsey

Studds Upton Ynn

Stupak Vento Yates

Taler Wald Zimmer

Thompson Watt (NC)

Allard Foglietta Mica

Archer Foulke Molhan

Bachus Franks (CT) Moonhood

Baker (CA) Frelinghuysen Murtha

Baker (LA) Frisaa Myers

Ballenger Frost Myrick

Barcia Funderburk Methercutt

Barrett (NE) Gallegly Nef

Bartlett Gehrke Norwood

Barton Gonzalez Ortiz

Bass Gordon Packard

Bateman Greenwood Parker

Bentsen Geren Nusse

Berenger Guilloir Peizer

Bilbee Hall (OH) Paxson

Blute Hamilton Pickett

Bosco Hamilton Porterman

Bonilla Hastert Price

Bono Hastings (WA) Quillen

Boskayhorth Quin

Brewer Hefner Rada

Browder Hogen Rigs

Brown (CA) Hogeig Sisk

Bryant (TN) Hilliard Roberts

Bryant (TX) Hobson Roemer

Bunn Holder Rogers

Burton Hoyt Schaefer

Buyer Hunter Schiff

Callahan Hutchinson Scott

Calvert Hyde Seastead

Canady Inglis Shuster

Chambliss Jackson (IL) Skeen

Chapman Jackson (TX) Skelton

Connelly Johnson (CT) Smith (TX)

Clement Johnson (WI) Smith (WA)

Clinger Johnson, Sam Solomon

Clyburn Johnson, J. E. Souder

Collins (GA) Johnson, A. Spence

Combest Kasich Stump

Condell Kelly Steinholm

Coyne Kline Stup

Cramer King Taylor (MS)

Cramer King, T. Taylor (NC)

Crane Kline Teda

Cubin Knollenberg Thomas

Davis de la Garza LaFalce Thornberry

Del. ay Dally LaHood Tiahrt

Dicks Dazio Torricelli

Dingell Lewis (CA) Travani

Dossett Lewis (TX) Volmer

Doolittle Lightfoot Volmer

Doyle Linder Vocavich

Dreier Lipinski Walker

Dunn Livingston Walsh

Dunns Edwards Wamp

Elhers Eggleston Weldon (FL)

Ehrlich Eickelberry Weldon (PA)

English McCrery Weldon (FL)

Everett McGough White

Fattah McInnis Wicker

Fawcett McIntosh Wise

Fazio McKeon Wolf

Fields (TX) Meek Zeffl

Flanagan Meyers

NO NOT VOTING—24

Becerra Ford Smith (NJ)

Collins Coleman (CT) Taylor (NJ)

Conyers Crane Tauer

Diaz-Balart Crane Velazquez

Dornan Dade McEwen

Dornan Peterson (FL) Wilson

Flake Rose Young (AK)

Forbes Romney Young (FL)

MSSRS. BONO, BAKER, BUYER, JAC KISON of Illinois, and SCOTT, Mrs. MEEK of Florida, and Messrs. SOLO-
Mr. SMITH of Texas changed his vote from "aye" to "no".

Mr. CUNNINGHAM and Mr. FAWELL changed their vote from "no" to "aye.

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. This is a 5-minute recorded vote.

A recorded vote was ordered.

The result of the vote was announced as above recorded.

Mr. FLAKE. Mr. Chairman, this I returned to J.F. Kennedy Airport, which is in my district, to be with the families of those who were downed in Flight 800. Thus, I missed the following votes: roll call No. 357, I would have voted "yea"; roll call No. 358, I would have voted "no"; roll call No. 359, I would have voted "yes"; on final passage, I would have voted "yes"; and on the previous question, I would have voted "yes."

Ms. VELAZQUEZ. Mr. Chairman, during roll call votes 357, 358, and 359, I was unavoidably detained. If I were present, I would have voted "yes" on all three amendments.

Mr. JACOB. Mr. Chairman, the time is August 4, 2 p.m. Eastern. The channel is ESPN. The occasion is sublime.

Our colleague, the gentleman from Kentucky (Mr. Bunning) then and there will be inducted into baseball's Hall of Fame.

I know that my colleagues, like my wife and I, will be watching, and our VCR's will be watching as well.

And, Mr. JACOB, I want to join the gentleman who is about to speak in hearing the well-deserved encomiums on my dear friend forever in the past and forever in the future, the honorable, the very honorable gentleman from Indiana (Mr. MYERS).

Mr. FAZIO of California. Mr. Chairman, I ask unanimous consent to strike the last word.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. FAZIO of California. Mr. Chairman, in 1966 the gentleman from Covington, IN, and the gentleman from Jasper, AL, were elected to Congress. Little did they know that over the next 30 years they would share so much responsibility and be so much a symbol to all of us of the House of Representatives when it works together on a bipartisan basis. I say to my colleagues, "For 20 years it has been BEVILL and MYERS, and BEVILL, and it really didn't matter because you needed the two of them if you wanted to do anything, and for
The Chief Clerk said the vote was taken by electronic device and announced the result of the vote as—Yea 391, Nays 23, Not Voting 19. The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 1617, WORKFORCE AND CAREER DEVELOPMENT ACT OF 1996

Mr. GOODLING submitted the following conference report and statement of the bill (H.R. 1617) to consolidate and rework workforce development and literacy programs, and for other purposes:

CONFERENCE REPORT (H. REPT. 104-707)

The committee of conference on the disagreement votes of the two Houses on the amendments of the Senate to the bill (H.R. 1617), to consolidate and rework workforce development and literacy programs, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

SEC. 1. SHORT TITLE.

This Act may be cited as the “Workforce and Career Development Act of 1996”.

SEC. 2. TABLE OF CONTENTS.

The table of contents is as follows:

Subtitle A—State and Local Provisions

Subtitle B—Allocation

Subtitle C—Distribution for Employment and Training Activities

Subtitle D—At-risk youth activities
Sec. 113. Funding for State vocational education activities and distribution for secondary school vocational education.

Sec. 114. Distribution for postsecondary and adult vocational education.

Sec. 115. Special rules for vocational education.

Sec. 116. Distribution for adult education and job training.

Sec. 117. Distribution for flexible activities.

Subtitle C—Use of Funds

Sec. 121. Employment and training activities.

Sec. 122. At-risk youth activities.

Sec. 123. Vocational education activities.

Sec. 124. Adult education and literacy activities.

Sec. 125. Flexible activities.

Sec. 126. Requirements and restrictions relating to use of funds.

Subtitle D—National Activities

Sec. 131. Coordination provisions.

Sec. 132. Incentive grants and sanctions.

Sec. 133. National emergency grants.

Sec. 134. National assessment of need.

Sec. 135. Migrant seasonal farmworker program.

Sec. 136. Native American Program.

Sec. 137. Grants to outlying areas.


Sec. 139. Labor market information.

Subtitle E—Transition Provisions

Sec. 141. Waivers.

Sec. 142. Technical assistance.

Sec. 143. Applications and plans under covered Acts.

Sec. 144. Interim authorizations of appropriations.

Subtitle F—General Provisions

Sec. 151. Authorization of appropriations.

Sec. 152. Local expenditures contrary to title.

Sec. 153. Definitions.

Subtitle A—Amendments to the Wagner-Peyser Act

Sec. 201. Definitions.


Sec. 203. Designation of State agencies.

Sec. 204. Appropriations.

Sec. 205. Disposition of allotted funds.

Sec. 206. State plans.

Sec. 207. Repeal of Federal Advisory Council.

Sec. 208. Regulations.

Sec. 209. Effective date.

Subtitle B—Amendments to the Rehabilitation Act of 1973

Sec. 211. References.

Sec. 212. Findings and purposes.

Sec. 213. Definitions.

Sec. 214. Administration.

Sec. 215. Reports.

Sec. 216. Evaluation.

Sec. 217. Declaration of policy.

Sec. 218. Provisions.

Sec. 219. Individualized employment plans.

Sec. 220. State Rehabilitation Advisory Council.

Sec. 221. Evaluation standards and performance indicators.

Sec. 222. Effective date.

Subtitle C—Job Corps

Sec. 223. Definitions.

Sec. 224. Purposes.

Sec. 225. Establishment.

Sec. 226. Individuals eligible for the Job Corps.

Sec. 227. Skill development.

Sec. 228. Job Corps centers.

Sec. 229. Program activities.

Sec. 230. Support.

Sec. 231. Operating plan.

Sec. 232. Standards of conduct.

Sec. 233. Community participation.

Sec. 234. Counseling and placement.

Sec. 235. Advisory committees.

Sec. 236. Application of provisions of Federal law.

Sec. 237. Vocational education activities.

Sec. 238. Review of Job Corps Centers.

Sec. 239. Administration.

Sec. 240. Authorization of appropriations.

Subtitle D—Amendments to the National Literacy Act of 1991

Sec. 241. Extension of functional literacy and life skills program for State and local education agencies.

Sec. 242. Program of incentive grants.

Sec. 243. Review of programs.

Sec. 244. Assistance to States.

Sec. 245. Authorization of appropriations.

Sec. 246. Effective date.

Title III—Museums and Libraries


Sec. 302. Service of individuals serving on date of enactment.

Sec. 303. Transfer of functions from Institute of Museum Services.

Sec. 304. Service of individuals serving on date of enactment.

Sec. 305. Consideration.

Sec. 306. Transition and transfer of funds.

Title IV—Higher Education

Sec. 401. Reorganization of the Student Loan Marketing Association.

Sec. 402. Promotion of public and private higher education.

Sec. 403. Eligible institution.

Title V—Repeals and Conforming Amendments

Sec. 501. Repeals.

Sec. 502. Conforming amendments.

Sec. 503. Effective date.

Title VI—Purpose and Policy

(a) Purpose—The purpose of this Act is to transform the existing Federal education, employment, and job training programs from a collection of fragmented and duplicative categorical programs into streamlined, coherent, and accountable systems designed to (1) develop more fully the academic, occupational, and literacy skills of all segments of the population of the United States; and (2) to meet the needs of employers in the United States to be competitive.

(b) Policy—It is the purpose of Congress that adult education and literacy activities are a key component of any successful statewide workforce and career development system.

Sec. 4. Definitions.

Except as otherwise specified in this Act, as used in this Act:

(1) ADULT EDUCATION.—The term "adult education" means services or instruction below the postsecondary level for individuals—(A) who have attained 16 years of age; (B) who are not less than age 15 and not more than age 21; (C) who lack a mastery of basic skills and are not less than age 15; (D) who lack a mastery of basic skills and are not less than age 15; (E) who lack a mastery of basic skills and are not less than age 15; (F) who lack a mastery of basic skills and are not less than age 15; (G) who lack a mastery of basic skills and are not less than age 15; (H) who lack a mastery of basic skills and are not less than age 15; (I) who lack a mastery of basic skills and are not less than age 15; (J) who lack a mastery of basic skills and are not less than age 15; (K) who lack a mastery of basic skills and are not less than age 15; (L) who lack a mastery of basic skills and are not less than age 15; (M) who lack a mastery of basic skills and are not less than age 15; (N) who lack a mastery of basic skills and are not less than age 15; (O) who lack a mastery of basic skills and are not less than age 15; (P) who lack a mastery of basic skills and are not less than age 15; (Q) who lack a mastery of basic skills and are not less than age 15; (R) who lack a mastery of basic skills and are not less than age 15; (S) who lack a mastery of basic skills and are not less than age 15; (T) who lack a mastery of basic skills and are not less than age 15; (U) who lack a mastery of basic skills and are not less than age 15; (V) who lack a mastery of basic skills and are not less than age 15; (W) who lack a mastery of basic skills and are not less than age 15; (X) who lack a mastery of basic skills and are not less than age 15; (Y) who lack a mastery of basic skills and are not less than age 15; (Z) who lack a mastery of basic skills and are not less than age 15.

(2) AT-RISK YOUTH ACTIVITIES.—The term "at-risk youth activities" means activities authorized in section 122, carried out for at-risk youth.

(7) Career Grant.—The term "career grant" means a voucher or credit issued to a participant under subsection (e)(3) or (g) of section 121 for the purchase of training services from eligible providers of such services.

(8) Career Guidance and Counseling.—The term "career guidance and counseling" means a program that—(A) pertains to a body of subject matter and related techniques and methods organized for the development of career awareness, career planning, career decisionmaking, placement skills, and knowledge and understanding of local, State, and national occupational, educational, and labor market needs, trends, and opportunities, in individuals; (B) assists individuals in making and implementing informed educational and occupational choices; (C) is comprehensive in nature; and (D) with respect to the involvement of parents, wherein applicable.

(9) Chief Executive Officer.—The term "chief executive officer" means the chief executive officer of a unit of general local government in a local workforce development area.

Title VII—Community-Based Organization

(10) Community-Based Organization.—The term "community-based organization" means a private nonprofit organization of demonstrated effectiveness that is representative of a community or a significant segment of a community.

(11) Cooperative Education.—The term "cooperative education" means a method of instruction of education for individuals who, through written cooperative arrangements between a school and employers, receive instruction, including required academic and related instruction, by alternation of study in a school and with a job in any occupational field,
CONGRESSIONAL RECORD – HOUSE

July 25, 1996

H8389

which alternation shall be planned and supervised by the school and employer so that each contributes to the education and employability of the individual, and may include an arrangement in which work periods and school attendance may be on alternate half days, full days, weeks, or other periods of time in fulfilling the cooperative program.

12. COLLABORATIVE ACTIVITY. — The term "covered activity" means an activity authorized to be carried out under a provision described in section 501(f) (as such provision was in effect on the day before the date of enactment of this Act).

13. DISLOCATED WORKER. — The term "dislocated worker" means an individual who—
(A) has been terminated or laid off, or who has received a notice of termination or layoff, from employment; or
(B) is unlikely to return to a previous industry or occupation; or
(C) has been unemployed long-term and has limited opportunities for employment or reemployment in the same or a similar occupation in the area in which the individual resides; or
(D) was self-employed (including a farmer and a rancher) but is unemployed as a result of a general economic condition in the community in which the individual resides or because of natural disasters;
(E) is a displaced homemaker; or
(F) has become unemployed as a result of a Federal action that limits the use of, or restricts access to, a marine natural resource.

14. DISPLACED HOMEMAKER. — The term "displaced homemaker" means an individual who—
(A) has attained 16 years of age; and
(B) (i) has worked primarily without remuneration to care for a home and family, and for that reason has diminished marketable skills; or
(ii) is a parent whose youngest dependent child will become ineligible to receive assistance under the program for aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) not later than 2 years after the date on which the parent applies for assistance under this title.

15. SERVICE AGENCY. — The term "educational service agency" means a regional public multiservice agency authorized by State statute to develop and manage a service or program to provide a service or program to a local educational agency.

16. ELIGIBLE AGENCY. — The term "eligible agency" means—
(A) in the case of vocational education activities or requirements described in title I—
(i) the individual, entity, or agency in a State responsible for administering or setting policies for vocational education in such State pursuant to State law; or
(ii) if no individual, entity, or agency is responsible for administering or setting such policies pursuant to State law, the individual, entity, or agency in a State responsible for administering or setting policies for vocational education in such State on the date of enactment of this Act; and
(B) in the case of adult education and literacy activities or requirements described in title I—
(i) the individual, entity, or agency in a State responsible for administering or setting policies for adult education and literacy services in such State pursuant to State law; or
(ii) if no individual, entity, or agency is responsible for administering or setting such policies pursuant to State law, the individual, entity, or agency in a State responsible for administering or setting policies for adult education and literacy services in such State on the date of enactment of this Act.

17. ELIGIBLE INSTITUTION. — The term "eligible institution", used with respect to vocational education activities, means a local educational agency, an area vocational education school, an educational service agency, an institution of higher education (as such term is defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141a)), a State correctional educational agency, and a consortium of such entities.

18. ELIGIBLE PROVIDER. — The term "eligible provider", used with respect to adult education and literacy activities—
(A) one-stop career centers, means a provider who is designated or certified in accordance with section 108(b)(2)(A) of this Act; or
(B) training providers (other than on-the-job training), means a provider who is identified in accordance with section 107.

19. EMPLOYMENT AND TRAINING ACTIVITIES. — The term "employment and training activities" means the activities authorized in section 121.

20. ENGLISH LITERACY PROGRAM. — The term "English literacy program" means a program designed to help individuals of limited English proficiency achieve full competence in the English language.

21. FAMILY AND CONSUMER SCIENCES PROGRAMS. — The term "family and consumer sciences programs" means instructional programs, services, and activities that prepare students for personal, family, community, and career roles.

22. FAMILY LITERACY SERVICES. — The term "family literacy services" means services that are of sufficient intensity in terms of hours, and of sufficient duration, to make sustainable changes in a family and that integrate all of the following activities:
(A) Interactive literacy activities between parents and their children.
(B) Training for parents on how to be the primary teacher for their children and full partners in the education of their children.
(C) Parent literacy training.
(D) An age-appropriate education program for children.

23. FLEXIBLE ACTIVITIES. — The term "flexible activities" means the activities authorized in section 125.

24. INDIVIDUAL OF LIMITED ENGLISH PROFICIENCY. — The term "individual of limited English proficiency" means an individual—
(A) who has limited ability in speaking, reading, or writing the English language; and
(B) whose native language is a language other than English;
(C) who lives in a family or community environment where a language other than English is the dominant language.

25. INDIVIDUAL WITH A DISABILITY. — The term "individual with a disability" means an individual with a disability (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)).

26. LABOR MARKET AREA. — The term "labor market area" means an economically integrated geographic area within which individuals—
(A) find employment within a reasonable distance from their place of residence; or
(B) readily change employment without changing their place of residence.

27. LITERACY. — The term "literacy", used with respect to an individual, means the ability of the individual to speak, read, and write English, and compute and solve problems, at levels of proficiency necessary—
(A) to function on the job, in the family of the individual, and in society;
(B) to achieve the goals of the individual; and
(C) to develop the knowledge potential of the individual.

28. LOCAL BOARD. — The term "local board" means a local workforce development board established under section 108.

29. LOCAL EDUCATIONAL AGENCY. — The term "local educational agency" has the meaning given in section 8101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

30. LOCAL WORKFORCE DEVELOPMENT AREA. — The term "local workforce development area" means a local workforce development area identified in accordance with section 104(b)(4).

31. LOW-INCOME INDIVIDUAL. — The term "low-income individual" means an individual who—
(A) receives, or is a member of a family that receives, cash welfare payments under a Federal, State, or local welfare program; or
(B) had received an income, or is a member of a family that had received an income, for the 6-month period prior to application for the program involved (exclusive of unemployment compensation, child support payments, and payments described in subparagraph (A) that, in relation to family size, does not exceed the higher of—
(i) the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), for an equivalent period; or
(ii) 70 percent of the lower living standard income level, for an equivalent period; and
(C) is a member of a household that receives or has received within the 6-month period prior to application for the program involved to be eligible to receive food stamps pursuant to the Food Stamp Act of 1977 (7 U.S.C. 1701 et seq.); or
(D) qualifies as a homeless individual, as defined in subsections (a) and (c) of section 103 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11302).
(E) is a foster child on behalf of whom State or local government payments are made; or
(F) in cases permitted by regulations of the Secretary, is an individual with insufficient income who has income that meets the requirements of a program described in subparagraph (A) or (B) who is a member of a family whose income does not meet such requirements.

32. NONTRADITIONAL EMPLOYMENT. — The term "nontraditional employment", refers to occupations or fields of work for which individuals from one gender comprise less than 25 percent of the individuals employed in such occupation or field of work.

33. ON-THE-JOB TRAINING. — The term "on-the-job training" means training in the public or private sector that is provided to a paid participant while engaged in productive work in a job that—
(A) provides knowledge or skills essential to the full and adequate performance of the job; and
(B) provides reimbursement to employers of up to 50 percent of the wage rate of the participant, for the extraordinary costs of providing the training and additional supervision related to the training.

34. OUTLYING AREA. — The term "outlying area" means the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.
and in obtaining access to State economic development support; and

adapted to the particular closure, layoff, or displacement and available employment and training activities; current or projected permanent closure or mass layoff as soon as possible, with services includ-
ing--

assistance under section 111(a)(2)(B), in the case of a per-
due to the particular circumstances, in a specific career field; and

uses in appropriate employment or further education.

The term “vocational rehabilitation program” means the Secretary of Labor and the Secretary of Education (as such term is defined in section 481 of title II of the Education Act of 1965 (20 U.S.C. 8801). The term “vocational education activities” means the Secretary of Labor for the most recent 24-month period for which data are available, prior to the

101. STATEWIDE WORKFORCE AND CAREER DEVELOPMENT SYSTEMS ESTABLISHED.

For program year 1998 and each subsequent program year, the Secretaries shall make allotments under section 102 to States to establish Statewide workforce and career development systems and carry out workforce and career development activities through such systems, in accordance with this title.

SEC. 102. STATE ALLOTMENTS.

The Secretaries shall allot to each State that meets the requirements of subsection (e) an amount equal to the total of the amounts made available under subparagraphs (A), (B), (C), and (D) of section 101(2) of title II

None of the funds made available under this Act, means an individual participating in a specific course of study that requires, as a condition of completion, attainment of a federally funded or endorsed industry-recognized skill or certification.

(3) to require any participant to attend or obtain a federally funded or endorsed industry-recognized skill, certification, unless the participant has selected and is participating in a program or course of study that requires, as a condition of completion, attainment of an industry-recognized skill or certification.

101. STATEWIDE WORKFORCE AND CAREER DEVELOPMENT SYSTEMS

Title I—Statewide Workforce and Career Development Systems

Subtitle A—State and Local Provisions

SEC. 101. STATEWIDE WORKFORCE AND CAREER DEVELOPMENT SYSTEMS ESTAB-

lished.

For program year 1998 and each subsequent program year, the Secretaries shall make allotments under section 102 to States to establish Statewide workforce and career development systems and carry out workforce and career development activities through such systems, in accordance with this title.

SEC. 102. STATE ALLOTMENTS.

The Secretaries shall allot to each State that meets the requirements of subsection (e) an amount equal to the total of the amounts made available under subparagraphs (A), (B), (C), and (D) of section 101(2) of title II

None of the funds made available under this Act, means an individual participating in a specific course of study that requires, as a condition of completion, attainment of a federally funded or endorsed industry-recognized skill or certification.

(3) to require any participant to attend or obtain a federally funded or endorsed industry-recognized skill, certification, unless the participant has selected and is participating in a program or course of study that requires, as a condition of completion, attainment of an industry-recognized skill or certification.

101. STATEWIDE WORKFORCE AND CAREER DEVELOPMENT SYSTEMS

Title I—Statewide Workforce and Career Development Systems

Subtitle A—State and Local Provisions

SEC. 101. STATEWIDE WORKFORCE AND CAREER DEVELOPMENT SYSTEMS ESTAB-

lished.

For program year 1998 and each subsequent program year, the Secretaries shall make allotments under section 102 to States to establish Statewide workforce and career development systems and carry out workforce and career development activities through such systems, in accordance with this title.

SEC. 102. STATE ALLOTMENTS.

The Secretaries shall allot to each State that meets the requirements of subsection (e) an amount equal to the total of the amounts made available under subparagraphs (A), (B), (C), and (D) of section 101(2) of title II

None of the funds made available under this Act, means an individual participating in a specific course of study that requires, as a condition of completion, attainment of a federally funded or endorsed industry-recognized skill or certification.

(3) to require any participant to attend or obtain a federally funded or endorsed industry-recognized skill, certification, unless the participant has selected and is participating in a program or course of study that requires, as a condition of completion, attainment of an industry-recognized skill or certification.

101. STATEWIDE WORKFORCE AND CAREER DEVELOPMENT SYSTEMS

Title I—Statewide Workforce and Career Development Systems

Subtitle A—State and Local Provisions

SEC. 101. STATEWIDE WORKFORCE AND CAREER DEVELOPMENT SYSTEMS ESTAB-

lished.

For program year 1998 and each subsequent program year, the Secretaries shall make allotments under section 102 to States to establish Statewide workforce and career development systems and carry out workforce and career development activities through such systems, in accordance with this title.

SEC. 102. STATE ALLOTMENTS.

The Secretaries shall allot to each State that meets the requirements of subsection (e) an amount equal to the total of the amounts made available under subparagraphs (A), (B), (C), and (D) of section 101(2) of title II

None of the funds made available under this Act, means an individual participating in a specific course of study that requires, as a condition of completion, attainment of a federally funded or endorsed industry-recognized skill or certification.

(3) to require any participant to attend or obtain a federally funded or endorsed industry-recognized skill, certification, unless the participant has selected and is participating in a program or course of study that requires, as a condition of completion, attainment of an industry-recognized skill or certification.
program year for which the allotment is made) in the State bears to the average number of unemployed individuals (as so determined) in all States; and
(2) if the foregoing equal to 10 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the average monthly number of adult recipients of assistance (as determined by the Secretary of Health and Human Services for the most recent 12-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average monthly number of adult recipients of assistance (as so determined) in all States.
(c) Minimum State Allocations.—
(1) Definition.—As used in this subsection, the term "State allocation" means the amount obtained by dividing—
(A) the amount reserved under section 151(b)(1) for the program year; by
(B) the total number of individuals who are not less than age 15 and not more than age 65 (as determined by the Secretaries using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made) in all States.
(2) Minimum Allocations.—Except as provided in paragraph (d) of this subsection, no State shall receive an allotment under this section for a program year in an amount that is less than 0.5 percent of the amount reserved under section 151(b)(1) for the program year.
(3) Limitation.—No State that receives an increase in an allotment under this subsection for a program year as a result of the application of paragraphs (1) and (2) shall receive an allotment under this section for the program year in an amount that is more than the product obtained by multiplying—
(A) the total number of individuals who are not less than age 15 and not more than age 65 (as determined by the Secretaries using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made) in all States; and
(B) the product obtained by multiplying—
(i) 0.5 percent of the amount reserved under section 151(b)(1) for the program year; and
(ii) the average per capita payment for the program year.
(4) Adjustments.—In order to increase the allotments to States as a result of the application of paragraph (2), the Secretaries shall reduce, on a pro rata basis, the allotments of the other States (except as provided in subsection (d)).
(d) Limitations.—
(1) Definition.—As used in this subsection, the term "State percentage" means—
(A) the amount reserved under section 151(b)(1) for the program year preceding program year 1998, by
(B) with respect to program year 1998 and each subsequent program year, the percentage that a State receives of the amount reserved under section 151(b)(1) for the program year.
(2) Limitations.—No State shall receive an allotment under this section for a program year in an amount that would make the State percentage for the preceding program year greater than the product obtained by multiplying—
(i) 0.5 percent of the amount reserved under section 151(b)(1) for the program year; or
(ii) the State percentage of the State for the preceding program year; or
(iii) 0.5 percent of the amount reserved under section 151(b)(1) for the program year.
(3) Conditions.—The Secretaries shall allot funds under subsection (a) to States that—
(1) submit State plans that contain all of the information described in section 105, including the identification of State goals and State benchmarks; and
(2) prepare the plans in accordance with the requirements of sections 104 and 105 relating to the development of the State plan.
(a) State Allocation by Activity. —Activities described in this section, plus the funds made available to a State under section 102 for a program year—
(1) a portion equal to 32 percent of such sum shall be made available for employment and training activities;
(2) a portion equal to 16 percent of such sum shall be made available for at-risk youth activities;
(3) a portion equal to 26 percent of such sum shall be made available for vocational education activities;
(4) a portion equal to 6 percent of such sum shall be made available for adult education and literacy activities; and
(5) a portion equal to 20 percent of such sum shall be made available for flexible activities (which portion may be referred to in this title as the "flex account");
(b) Recipients.—Subject to subsection (c), funds allotted to a State under section 102 shall be distributed—
(1) to the Governor of the State for the portion described in paragraphs (1) and (2) of subsection (a), and such part of the flex account as the Governor may be eligible to receive, as determined under the State plan submitted under section 104; and
(2) to the eligible agencies in the State for the portions described in paragraphs (3) and (4) of subsection (a), and such part of the flex account as the eligible agencies may be eligible to receive, as determined under the State plan submitted under section 104.
(c) Construction.—Nothing in this title shall be construed—
(1) to negate or supersedes any State law that is not inconsistent with the provisions of this title, including the legal authority under State law to administer programs; or State or public official over programs that are under the jurisdiction of the agency, entity, or official;
(2) to interfere with the authority of such agency, entity, or official to enter into a contract under any provision of law; and
(3) to prohibit any individual, entity, or agency in a State that is administering activities described in subsection (a) prior to the date of enactment of this Act, or setting education policies consistent with authority under State law for such activities on the day preceding the date of enactment of this Act, from continuing to administer such activities or set such education policies consistent with authority under State law for such activities and in accordance with this title.
(d) Smith-Hughes Vocational Education Act.—Notwithstanding any other provision of law, the Secretary of Education shall use funds appropriated under section 1 of the Act of February 23, 1917 (39 Stat. 929; 20 U.S.C. 11) (commonly known as the "Smith-Hughes Vocational Education Act") in complying with grants to States. Such funds shall be allotted to each State in the same manner and at the same time as allotments are made under section 102. Section 103(a) shall not apply to such funds. The requirements of this title (other than section 103(a)) shall be applied to such funds to the same extent that the requirements apply to funds made available under section 103(a)(3).
(e) General.—For a State to be eligible to receive an allotment under section 102, the Governor of the State shall submit to the Secretary a single comprehensive State plan that outlines a 3-year strategy for the statewide system of the State and that meets the requirements of section 105 and this section.
(f) Contents.—The State plan shall include—
(1)(A) a description of the collaborative process described in section 105 used in developing the plan, including a description of the manner in which the individuals and entities involved in the process collaborated in the development of the plan; and
(ii) information demonstrating the support of the individuals and entities participating in the collaborative process for the State plan; and
(i) the comments referred to in section 105(c)(2)(C), if any; and
(ii) information demonstrating the agreement, if relevant, of the Governors of the eligible agencies on all elements of the State plan;
(2) a description of the State goals and State benchmarks for workforce and career development activities, that include—
(A) information identifying the State goals and State benchmarks and how the goals and benchmarks will ensure continued improvement in the statewide system, and make the statewide system relevant and responsive to labor market and education needs at the local level;
(B) information identifying performance indicators that relate to measurement of the State progress toward meeting the State goals and reaching the State benchmarks; and
(iii) purposes of the data described in section 102, so that the State will coordinate workforce and career development activities to meet the State goals and reach the State benchmarks;
(3) information describing—
(A) the needs of the State with regard to current and projected demands for workers, by occupation; and
(B) the skills and economic development needs of the State; and
(4) a description of how the State will utilize the "flex account" to make grants for education and training activities; and
(5) a description of the process used by the State to provide an opportunity for public comment, and input into the development of the plan, prior to submission of the plan.
(6) a description and evaluation of the extent to which the State will coordinate workforce and career development activities and that may be necessary to ensure the proper distribution of funds.
(7) a description of how the State will ensure the effective and efficient use of the funds provided under this title in the provision of education and training services for eligible individuals in the State.
(8) a description of how the State will ensure the effective and efficient use of funds provided under this title to provide services for eligible individuals in the State.
(9) a description of how the State will ensure the effective and efficient use of funds provided under this title to provide services for eligible individuals in the State.
(10) a description of how the State will ensure the effective and efficient use of funds provided under this title to provide services for eligible individuals in the State.
(11) a description of how the State will ensure the effective and efficient use of funds provided under this title to provide services for eligible individuals in the State.
(12) a description of how the State will ensure the effective and efficient use of funds provided under this title to provide services for eligible individuals in the State.
(a) In General.—For a State to be eligible to receive an allotment under section 102, the Governor of the State shall submit to the Secretary a single comprehensive State plan that outlines a 3-year strategy for the statewide system of the State and that meets the requirements of section 105 and this section.
(b) Contents.—The State plan shall include—
(1)(A) a description of the collaborative process described in section 105 used in developing the plan, including a description of the manner in which the individuals and entities involved in the process collaborated in the development of the plan; and
(ii) information demonstrating the support of the individuals and entities participating in the collaborative process for the State plan; and
(i) the comments referred to in section 105(c)(2)(C), if any; and
(ii) information demonstrating the agreement, if relevant, of the Governors of the eligible agencies on all elements of the State plan;
(2) a description of the State goals and State benchmarks for workforce and career development activities, that include—
(A) information identifying the State goals and State benchmarks and how the goals and benchmarks will ensure continued improvement in the statewide system, and make the statewide system relevant and responsive to labor market and education needs at the local level;
(B) information identifying performance indicators that relate to measurement of the State progress toward meeting the State goals and reaching the State benchmarks; and
(iii) purposes of the data described in section 102, so that the State will coordinate workforce and career development activities to meet the State goals and reach the State benchmarks;
(3) information describing—
(A) the needs of the State with regard to current and projected demands for workers, by occupation; and
(B) the skills and economic development needs of the State; and
(4) a description of how the State will utilize the "flex account" to make grants for education and training activities; and
(5) a description of the process used by the State to provide an opportunity for public comment, and input into the development of the plan, prior to submission of the plan.
(6) a description and evaluation of the extent to which the State will coordinate workforce and career development activities and that may be necessary to ensure the proper distribution of funds.
(7) a description of how the State will ensure the effective and efficient use of the funds provided under this title in the provision of education and training services for eligible individuals in the State.
(8) a description of how the State will ensure the effective and efficient use of funds provided under this title to provide services for eligible individuals in the State.
(9) a description of how the State will ensure the effective and efficient use of funds provided under this title to provide services for eligible individuals in the State.
(10) a description of how the State will ensure the effective and efficient use of funds provided under this title to provide services for eligible individuals in the State.
(11) a description of how the State will ensure the effective and efficient use of funds provided under this title to provide services for eligible individuals in the State.
(12) a description of how the State will ensure the effective and efficient use of funds provided under this title to provide services for eligible individuals in the State.

(12) information identifying how any funds that a State receives through the allotment made under section 102 will be leveraged with other private and public resources (including funds authorized in the Wagner-Peyser Act (29 U.S.C. 49 et seq.)) to maximize the effectiveness of such resources for all activities described in subtitle C, and expand the participation of business, industry, employers, and individuals in the statewide system; and

(13) information identifying how the workforce development activities to be carried out with funds received through the allotment made under section 102 will be coordinated with programs carried out by the Veterans' Employment and Training Service, for which funds received under title 38, United States Code, in order to meet the State goals and reach the State benchmarks related to veterans.

(14) an assurance that the funds made available to the State through the allotment made under section 102 will supplement and not supplant other public funds expended to provide activities described in subtitle C;

(15) with respect to economic development activities described in section 121(c)(1)(C), information describing—

(A) any economic development activities that will be carried out with the funds described in section 121(a)(2)(B);

(B) the activities will lead directly to increased earnings of nonmanagerial employees in the State; and

(C) whether the nonmanagerial employees (including labor, as appropriate) support the activities;

(16) with respect to employment and training activities, information describing—

(A) the description of the training and employment activities that will be carried out with the funds received by the State through the allotment made under section 102, including a description of how the State will provide rational assistance to the dislocated workers;

(B) describing the strategy of the State (including the assurance that such strategy is for such strategy) for development of a fully operational statewide one-stop career center system as described in section 121(d), including—

(i) criteria for use by local boards, with respect to the designation or certification of one-stop career center eligible providers, in each local workforce development area in accordance with section 108(d)(4)(B)(i)(I); (ii) the steps that the State will take over the 3 years covered by the plan to ensure that all publicly funded labor exchange services described in section 121(e)(2) or 139, and all such services authorized in the Wagner-Peyser Act (29 U.S.C. 49 et seq.), are provided through the one-stop career center system of the State; and

(iii) the steps that the State will take over the 3 years covered by the plan to provide information to individuals through the one-stop career center system on the quality of workforce and career development activities, and vocational and rehabilitation program activities, as appropriate;

(C) describing the procedures the State will use to identify eligible providers of training services described in section 121(e)(3), as required under this title;

(D) describing how the State will serve the employment and training needs of dislocated workers, low-income individuals, and other individuals with multiple barriers to employment (as determined by the State) and

(E) describing how the State will establish and implement the required career grant pilot program described in this paragraph.

(17) with respect to at-risk youth activities, information—

(A) describing the at-risk youth activities that will be carried out with funds received by the State through the allotment made under section 102;

(B) describing how the State will adequately address the needs of at-risk youth in alternative education programs that teach to the same challenging academic, occupational, and skill proficiency as are provided for all other students; and

(C) identifying the types of criteria the Governor and local boards will use to identify effective and ineffective State at-risk youth activities and eligible providers of such activities;

(18) with respect to vocational education activities, information—

(A) describing the vocational education activities that will be carried out with funds received by the State through the allotment made under section 102;

(B) describing the plan of the State to develop the academic and occupational skills of students participating in such vocational education activities, including—

(i) the integration of academic and vocational education;

(ii) the integration of classroom and worksite learning; and

(iii) linkages between secondary and postsecondary education;

(C) describing how the State will improve career guidance and counseling;

(D) describing how the State will promote the active involvement of parents and business (including small- and medium-sized businesses) in the planning, participation in, and implementation of such vocational education activities;

(E) describing how funds received by the State through the allotment made under section 102 will be allocated among secondary school vocational education, or postsecondary and adult vocational education, or both;

(F) describing how the State will adequately address the needs of students who participate in such vocational education activities to be taught to the same challenging academic proficiencies as are provided for all other students;

(G) describing how the State will annually evaluate the effectiveness of such vocational education activities;

(H) describing how the State will address the professional development needs of the State with respect to such vocational education activities; and

(I) describing how the State will provide local educational agencies in the State with technical assistance; and

(19) with respect to adult education and literacy activities information—

(A) describing the adult education and literacy activities that will be carried out with funds received by the State through the allotment made under section 102;

(B) describing how such adult education and literacy activities described in the State plan and the State allotment of funds received through the allotment made under section 102;

(C) describing how the State will annually evaluate the effectiveness of such adult education and literacy activities;

(D) special rules—

(1) GOVERNOR.—The Governor of a State shall have final authority to determine the content of the portion of the State plan described in paragraphs (1) through (17) of subsection (b); and

(2) ELIGIBLE AGENCIES.—An eligible agency in a State shall have final authority to determine the content of the portion of the State plan described in paragraphs (18) or (19) of subsection (b), as appropriate.

(d) MODIFICATIONS TO PLAN.—A State may submit modifications to the State plan in accordance with the requirements of this section and section 105, as necessary, during the 3-year period of the plan.

SEC. 105. COLLABORATIVE PROCESS.

(a) IN GENERAL.—A State shall use a collaborative process to develop the State plan described in section 104, through which individuals and entities, including, at a minimum—

(1) the Governor;

(2) representatives, appointed by the Governor, of—

(A) business and industry;

(B) local chief elected officials (representing both cities and counties, where appropriate);

(C) local educational agencies (including vocational educators);

(D) postsecondary institutions (including community and technical colleges);

(E) parents; and

(F) employees (which may include labor);

(3) the lead State agency official for—

(A) the State educational agency;

(B) the eligible agency for vocational education;

(C) the eligible agency for adult education and literacy;

(D) a State agency responsible for postsecondary education; and

(E) the State agency responsible for vocational rehabilitation, and where applicable, the State agency providing vocational rehabilitation program activities for the blind;

(4) such other State agency officials, including officials responsible for economic development and employment, as the Governor may designate;

(5) representatives of the State legislature; and

(6) representatives of the Veterans' Employment and Training Service assigned to the State under section 4103 of title 38, United States Code; and

shall collaborate in the development of the plan.

(b) ALTERNATIVE PROCESSES.—

(1) IN GENERAL.—For purposes of complying with subsection (a), a State may use any State collaborative process (including any council, State workforce development board, or similar entity) in existence on the date of enactment of this Act that meets or is conformed to meet the requirements of such subsection.

(2) FUNCTIONS OF STATE HUMAN RESOURCES INVESTMENT COUNCILS.—If a State uses a State human resources investment council in existence on the date of enactment of this Act, as described in paragraph (1), the functions of such board shall include—

(A) advising the Governor on the development of the statewide system, the State plan described in section 104, and the State goals and State benchmarks;

(B) assisting in the development of performance indicators that relate to the measurement of State progress toward meeting the State goals and reaching the State benchmarks and providing guidance on how such progress may be improved;

(C) assisting the Governor in preparing the annual report to the Secretaries described in section 106(c);

(D) assisting the Governor in developing the statewide labor market information system described in section 139(d); and

(E) assisting in the monitoring and continuous improvement of the performance of the statewide system, including evaluation of the effectiveness of workforce and career development activities.

(c) AUTHORITY OF GOVERNOR.—If, after a reasonable effort, the Governor is unable to obtain the support of the individuals and entities participating in the collaborative process described in subsection (b) or (b) for the State plan, the Governor shall have final authority to submit the State plan as described in section 104, except as provided in section 104(c) and in paragraph (3).

(2) PROCESS.—The Governor shall—

(A) provide such individuals and entities with copies of the State plan;
(8) allow such individuals and entities to submit to the Governor, not later than the end of the 30-day period beginning on the date on which the Governor provides such individuals and entities with copies of such plan under subparagraph (A), comments on such plan; and

(C) include in the State plan any such comments that—

(i) are submitted by an eligible agency and represent disagreement with such plan, with respect to provisions of the State plan described in subparagraph (18) or (19) of section 104(b), as appropriate; or

(ii) are submitted by an individual or entity participating in the collaborative process.

(3) ELIGIBLE AGENCY COMMENTS.—An eligible agency may not make such comments with respect to any benchmark included in the State plan unless the eligible agency identified in the State plan described in subparagraph (2)(C)(ii), may submit provisions for the portion of the State plan described in subparagraph (18) or (19) of section 104(b), as appropriate. The Governor shall include such provisions in the State plan submitted under section 104. Such provisions shall be considered to be such portion of the State plan.

SEC. 106. ACCOUNTABILITY.

(a) GOALS.—Each statewide system supported by an allotment under section 102 shall be designed to meet—

(1) the goal of assisting participants in obtaining meaningful unsubsidized employment opportunities in the State; and

(2) the goal of enhancing and developing more fully the academic, occupational, and literacy skills of all segments of the population of the State.

(b) BENCHMARKS.—

(1) MEANINGFUL EMPLOYMENT.—To be eligible to receive an allotment under section 102, a State shall develop and identify in the State plan submitted under section 104, proposed quantifiable benchmarks to measure the statewide progress of the State toward meeting the goals described in subparagraph (a)(1), which shall include, at a minimum, measures of—

(A) attainment of participants in unsubsidized employment;

(B) retention of the participants in unsubsidized employment (12 months after completion of the participation);

(C) increases in earnings, or in earnings and employer-assisted benefits, for the participants; and

(D) attainment by the participants of industry-recognized occupational skills, as appropriate.

(2) EDUCATION.—To be eligible to receive an allotment under section 102, a State shall develop and identify in the State plan submitted under section 104, proposed quantifiable benchmarks to measure the statewide progress of the State toward meeting the goals described in subparagraph (a)(2), which shall include, at a minimum, measures of—

(A) attainment of challenging State academic proficiency levels;

(B) attainment of secondary school diplomas or general equivalency diplomas;

(C) attainment of industry-recognized occupational skill proficiency levels for students in career preparation programs;

(D) placement in, retention in, and completion of postsecondary education or advanced training, or placement and retention in military service, employment, or qualified apprenticeships; and

(E) attainment of the literacy skills and knowledge individuals need to be productive and responsible citizens and to become more actively involved in the education of their children.

(3) POPULATIONS.—

(A) MINIMUM MEASURES.—In developing and identifying, under paragraphs (1) and (2), measures of the progress of the State toward meeting the goals described in subparagraphs (a)(1) and (a)(2), the State shall develop and identify in the State plan, in addition to statewide benchmarks, proposed quantifiable benchmarks for populations that include, at a minimum—

(i) low-income individuals;

(ii) dislocated workers;

(iii) individuals with disabilities;

(iv) individuals of limited literacy, as determined by the State.

(B) ADDITIONAL MEASURES.—In addition to the benchmarks described in subparagraph (A), the State shall identify in the State plan proposed quantifiable benchmarks to measure the progress of the State toward meeting the goals described in subparagraph (a)(2) for populations with multiple barriers to employment, which may include older workers, as determined by the State.

(4) APPLICATION.—

(A) MEANINGFUL EMPLOYMENT BENCHMARKS.—Benchmarks described in paragraph (1) shall apply to employment and training activities and, as appropriate, to at-risk youth activities and adult education and literacy activities.

(B) EDUCATION BENCHMARKS.—Benchmarks described in paragraph (2) shall apply to vocational education activities, at-risk youth activities, and, as appropriate, adult education and literacy activities.

(5) SPECIAL RULE.—If a State adopts for all students in the State performance indicators, at-risk youth indicators, attainment levels, or assessments for skills according to challenging academic, occupational, or industry-recognized skill proficiencies, the State shall, at a minimum, use such performance indicators, attainment levels, or assessments for skills in measuring the progress of all students who participate in workforce and career development activities.

(6) TECHNICAL ASSISTANCE.—

(A) IN GENERAL.—The Secretaries shall provide technical assistance to States in implementing such assistance, which may include the development, in accordance with subparagraph (B), of model benchmarks for each of the benchmarks described in paragraphs (1) and (2) for the third year of the 3-year period covered by section 108(d)(4)(A), as determined by the Secretaries, at-risk youth activities, and employment and training activities carried out in the State.

(B) COLLABORATION.—Any such model benchmarking shall be developed in collaboration with the States and other appropriate parties.

(7) INCENTIVE GRANTS.—A State that meets the requirements of section 132(a) (including requirements relating to Section 132(a)(8) and (f)) shall be eligible to receive an incentive grant under section 132(a).

(8) SANCTIONS.—A State that has failed to meet the benchmarks described in paragraph (1) and (2) for the 3-year period covered by a State plan described in section 104, as determined by the Secretaries, may be subject to sanctions under section 132(b).

(c) REPORT.—

(1) IN GENERAL.—Each State that receives an allotment under section 102 shall annually prepare and submit to the Secretaries a report that states how the State is performing on State benchmarks that relate to workforce and career development activities. The report shall include information on how the local workforce development areas in the State are performing on local benchmarks described in section 108(d)(4)(A). The report shall also include information on the status and results of any State evaluations specified in subsection (d) that relate to employment and training activities carried out in the State. In preparing the report, the State may include information on such additional benchmarks as the State may establish to meet the State goals.

(2) INFORMATION DISSEMINATION.—The Secretaries shall include the information contained in such reports available to the general public through publication and other appropriate methods, and shall disseminate State-by-State comparisons of such reports.

(3) EVALUATION.—In preparing the report for the third year of the 3-year period covered by the State plan, the State shall include the findings of the evaluation described in subsection (b)(10)(E) of the career grant pilot program described in section 122(g).

(4) EVALUATION OF STATE PROGRAMS.—

(A) EMPLOYMENT AND TRAINING ACTIVITIES.—Using funds reserved under section 111(a)(2)(B), a State shall conduct ongoing evaluations of employment and training activities carried out in the State.

(B) METHODS.—The State shall—

(A) conduct such evaluations using employment and training activities in the controlled experiments using experimental and control groups by random assignment;

(B) conduct both pretests and posttests, determine, at a minimum, whether employment and training activities effectively raise the hourly wage rates of individuals receiving services through such activities; and

(C) conduct, or arrange under paragraph (3) for the conduct of, at least 1 such evaluation at any given time during any period in which the State is receiving funding under this title for such activities.

(3) MULTI-STATE AGREEMENTS.—A State may enter into an agreement with 1 or more States to arrange for the conduct of such evaluations in accordance with the requirements of paragraphs (1) and (2).

(C) FISCAL AND MANAGEMENT ACCOUNTABILITY INFORMATION SYSTEMS.—

(1) IN GENERAL.—Using funds reserved under sections 111(a)(2)(B) and 112(a)(2)(C), the State may operate a fiscal and management accountability information system through the use of recognized state-of-the-art information systems, based on guidelines established by the Secretaries in consultation with the Governors and other appropriate parties. Such guidelines shall promote the efficient collection and use of fiscal and management accountability information for reporting and monitoring the use of funds made available to the State for employment and training activities, and for use by the State in preparing the annual report described in subsection (c). In measuring State performance on State benchmarks, a State may, pursuant to State law, utilize quarterly wage records available through the unemployment insurance system.

(2) CONFIDENTIALITY.—In carrying out the requirements of this Act, the State shall comply with section 444 of the General Education Provisions Act (20 U.S.C. 1232g) (as added by the Family Educational Rights and Privacy Act of 1974). In addition to the State shall protect the confidentiality of information obtained through the fiscal and management accountability information system through the use of recognized security procedures.

SEC. 107. IDENTIFICATION OF ELIGIBLE PROVIDERS OF TRAINING SERVICES.

(a) ELIGIBILITY REQUIREMENTS.—

(A) PROGRAMS THAT LEAD TO A DEGREE.—A program that leads to an associate, baccalaureate, professional, or graduate degree;

(B) PROGRAMS THAT PREPARE FOR CERTIFICATION OR LICENSURE.—A program that leads to certification or licensure as "..." and be identified as an eligible provider of such services, a provider of such services shall meet the requirements of this section.

(B) PROGRAMS OF POSTSECONDARY EDUCATIONAL INSTITUTIONS.—A postsecondary educational institution shall automatically be eligible to receive such funds for—

(A) a program that leads to an associate, baccalaureate, professional, or graduate degree;

(B) a program that—

(i) is at least 2 academic years in length; and

(ii) is acceptable for academic credit toward a baccalaureate degree; or

(C) a program that—

(i) is at least 1 academic year in length;

(ii) is a training program;

(iii) leads to a certificate, degree, or other recognized educational credential; and

(iv) prepares a student for gainful employment in a recognized occupation.

(3) OTHER ELIGIBLE PROVIDERS.—
(a) **Procedure.**—The Governor shall establish a procedure for determining the eligibility of public and private providers not described in paragraph (2) (including eligibility of postsecondary educational institutions and providers of programs not described in paragraph (2)) to receive such funds. In determining the eligibility, the Governor shall solicit and take into consideration recommendations from the local boards concerning the identification of eligible providers of training services in local workforce development areas.

(b) **Levels of Performance.**—At a minimum, the Governor shall establish a procedure that requires such a provider to meet minimum acceptable levels of performance based on:

(i) program completion rates for participants in the applicable program conducted by the provider;

(ii) the percentage of the participants obtaining employment in an occupation related to the program conducted;

(iii) where applicable, the rates of licensure or certification of graduates of the program; and

(iv) where appropriate, the percentage of the participants who demonstrate significant gains in literacy and basic skills.

(c) **Additional Information.**—In addition to the performance information described in clause (ii), the Governor may require that a provider describe other specific information the Governor determines to be appropriate, which may include information relating to:

(i) the adequacy of space, staff, equipment, instructional materials, and student support services offered by the provider through a program conducted by the provider;

(ii) the earnings of participants completing the program; and

(iii) the percentage of graduates of the program who attain industry-recognized occupational certificates, occupations, or industries for which training is provided.

(d) **Administration.**—

(1) **Assignment.**—The Governor shall designate a State agency to collect and disseminate the performance information described in subsection (a)(3)(C) and submitted pursuant to this subsection and carry out other duties described in this subsection.

(2) **Application.**—To be eligible to receive funds as described in subsection (a), a provider shall submit an application at such time, in such manner, and containing such information as the designated State agency may require.

(3) **Submission.**—To be eligible to receive funds as described in subsection (a), a provider shall submit the performance information described in subsection (a)(3)(C) annually to the designated State agency at such time and in such manner as the designated State agency may require. The designated State agency may accept program-specific performance information consistent with the requirements for eligibility under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) from such a provider for purposes of enabling the provider to fulfill the applicable requirements.

(4) **List of Eligible Providers.**—The designated State agency, after reviewing the performance information described in subsection (a)(3)(B), shall identify eligible providers of training services described in paragraphs (2) or (3) of subsection (a), compile a list of such eligible providers, accompanied by the performance information described in subsection (a)(3)(C) for each such provider described in such list and submit such list and information to one-stop career center and local boards. Such list and information shall be made widely available to participants in workforce development activities and others through the one-stop career center system described in section 121(d).

(e) **Enforcement.**—

(1) **ACCRUAL OF INCOME INFORMATION.**—If the designated State agency determines that a provider or individual supplying information on behalf of a provider intentionally supplies inaccurate information under this title or the regulations promulgated to implement this title, the agency may terminate the eligibility of the provider to receive funds described in subsection (a) for a period of time, but not less than 2 years, as prescribed in regulations.

(2) **Compliance with Criteria or Requirements.**—If the designated State agency determines that an eligible provider or a program of training services carried out by an eligible provider fails to meet the required performance criteria described in subsection (a)(2) or (3) of title IV of the Higher Education Act of 1965 has been terminated, the Governor shall terminate the automatic eligibility of the provider under subsection (a)(2); and

(3) **Additional Information.**—(i) The Governor shall require the provider to submit such additional information as the Governor may request in order to determine the eligibility of the provider to receive funds described in subsection (a).

(f) **Repayment.**—Any provider whose eligibility is terminated under paragraph (2) or (3) for a program shall be liable for repayment of all funds described in subsection (a) received for the program during any period of noncompliance described in such paragraph.

(g) **Appeal.**—The Governor shall establish a procedure for an appeal by an eligible provider to appeal a determination by the designated State agency that the provider failed to meet the criteria established under subsection (b).

(h) **On-the-Job Training Exception.**—In general, providers of on-the-job training shall not be subject to the requirements of subsection (a), (b), or (c).

(i) **Collecting and Disseminating Information.**—A one-stop center career center eligible provider of a local workforce development area shall collect such performance information from on-the-job training providers as the Governor may require, and disseminate such information throughout the State and to local boards.

(j) **Local Workforce Development Boards.**—

(1) **Establishment.**—There shall be established in each local workforce development area of a State a local workforce development board, reestablishing business and community interests in workforce and career development activities.

(2) **Composition.**—Such criteria shall require a minimum, that the membership of each local board shall include:

(a) the chief elected official of the locality;

(b) representatives of business, industry, and labor in the local workforce development area, appointed from among individuals nominated by local business organizations and trade associations;

(c) representatives of local secondary schools, representatives of postsecondary educational institutions (including representatives of community colleges), representatives of vocational educators, and representatives of providers of adult education and literacy services, where such schools, institutions, educators, or providers, as appropriate, are located in the local workforce development area;

(d) representatives of employees, which may include labor; and

(3) **Membership.**—The Governor shall establish a procedure for the appointment of members of the local boards.

(4) **Appointment of Board Members and Assignment of Responsibilities.**—

(a) In general. The chief elected official in a local workforce development area shall appoint, subject to the recommendation of the local board, representatives of local business to such board for such area, in accordance with the criteria established under subsection (b).

(b) Multiple units of local government area. In general. In a case in which a local workforce development area includes more than 1 unit of local government, the chief elected official of such units may make an agreement that specifies the respective roles of the individual chief elected officials:

(i) in the appointment of the members of the local board from individuals nominated or recommended to be such members in accordance with the criteria established under subsection (b); and

(ii) in carrying out any other responsibilities assigned to such officials.

(c) Lack of Agreement. If, after a reasonable effort, the chief elected officials are unable to reach agreement as provided under clause (i), the Governor may appoint the members of the local board from individuals so nominated or recommended.

(2) Certification. In general. The Governor shall annually certify local boards for each local workforce development area in the State.

(b) Criteria. Such certification shall be based on factors including:

(i) the criteria established under subsection (b); and

(3) Decertification. Notwithstanding paragraph (2), the Governor may decertify a local board at any time for fraud or abuse, or failure to meet the requirements of the local board in paragraphs (1) through (3) of section 108 of this title; and

(4) Failure to Achieve Certification. Failure of a local board to achieve certification shall result in the decertification of such local board at any time for fraud or abuse, or failure to meet the requirements of the local board in paragraphs (1) through (3) of section 108 of this title.
workforce development area pursuant to a plan developed by the Governor in consultation with the chief elected official in the local workforce development area and in accordance with the criteria set forth in subsection (b).

(4) EXCEPTION.—Notwithstanding subsection (b) and paragraphs (1) and (2), if a State described in section 104(b)(4)(B) in the State plan has obtained a grant for a one-stop career center under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) prior to the date of enactment of this Act, the local board may agree to certify the one-stop career center provider for purposes of this subparagraph.

(e) SUNSHINE PROVISION.—The local board shall make available to the public, on a regular basis, information regarding the activities of the local board, including information regarding membership, the designation and certification of one-stop career centers, the designation of eligible providers of at-risk youth activities, and the award of grants to eligible providers of at-risk youth activities.

(1) OTHER ACTIVITIES.—

(i) LIMITATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), no local board may directly carry out an employment and training activity.

(B) WAIVERS.—The Governor of the State in which the local board is located may grant to the local board a written waiver of the prohibitions set forth in subparagraph (A).

(2) CONFLICT OF INTEREST.—No member of a local board may—

(A) vote on a matter under consideration by the local board regarding the provision of services by such member (or by an organization that such member represents); or

(B) engage in any other activity determined by the Governor to constitute a conflict of interest.

(g) TECHNICAL ASSISTANCE.—If a local workforce development area fails to meet expectations of performance of the one-stop career center described in section 121(e)(3) in the local workforce development area, the Governor shall negotiate and reach agreement on a process to be used by the local board to improve the level of performance of the local workforce development area.
more than age 64, residing within each local workforce development area; and
(D) such additional factors as the Governor (in consultation with local boards and local elected officials) determines to be necessary.

(2) Equitable allocation.—In developing such formula, the Governor shall ensure that—
(A) the funds described in subsection (a)(2)(A) are allocated in a geographically equitable manner throughout the State; and
(B) the factors described in paragraph (1) do not receive disproportionate weight in the allocation.

(c) Eligibility.—
(1) Eligibility for designation or certification as an one-stop career center eligible provider.—
(A) In general.—To be eligible to receive funds made available under this section to provide employment and training activities through a one-stop career center system and be designated or certified as a one-stop career center eligible provider for a local workforce development area, an entity shall—
(i) be selected in accordance with section 108(d)(2)(A); and
(ii) be a public or private entity, or consortium of entities, located in the local workforce development area, which entity or consortium may include an institution of higher education (as defined in section 108(d)(2)(B)) or a State agency responsible for administering employment services for employment and training activities.
(B) EXCEPTION. —Elementary schools and secondary schools shall not be eligible for designation or certification as one-stop career center eligible providers.

(2) Eligibility for identification as an eligible training provider of services. —Except as provided in section 121(e), to be eligible to receive funds made available under this section to provide training services described in section 121(e) and be identified as an eligible provider of such services, an entity shall meet the requirements of section 107.

SEC. 112. DISTRIBUTION FOR AT-RISK YOUTH ACTIVITIES.

(a) Reservations for State and local activities. —
(1) In general.—The sum of the funds made available to a State for any program year under paragraphs (2) and (5) of section 108(a) for at-risk youth activities shall be made available in accordance with this section.

(2) Distribution.—Of the sum described in paragraph (1) that is made available to a State for a program year—
(A) not less than 75 percent shall be made available to local workforce development areas under subsection (b) to carry out at-risk youth activities; and
(B) not more than 21 percent shall be made available to the Governor to carry out at-risk youth activities; and
(C) not more than 4 percent shall be made available for administrative expenses at the State level.

(b) Within State formula.—
(1) In general.—The Governor, using the collaborative process described in subsection (a) or (b) of section 108, shall develop a formula for the allocation of the funds described in subsection (a)(2)(A) to local workforce development areas, taking into account—
(A) the poverty rate, as determined by the Bureau of the Census, within each local workforce development area;
(B) the proportion of the State at-risk youth population residing within each local workforce development area; and
(C) such additional factors as are determined to be necessary.

(2) Equitable allocation.—In developing such formula, the Governor shall ensure that—
(A) the funds described in subsection (a)(2)(A) are allocated in a geographically equitable manner throughout the State; and
(B) the factors described in paragraph (1) do not receive disproportionate weight in the allocation.

(c) State grants.—
(1) In general.—The Governor shall use the funds described in subsection (a)(2)(B) to award grants, on a competitive basis, to eligible providers to carry out at-risk youth activities under section 122.

(2) Eligible providers.—In awarding grants under this subsection to carry out such activities include—
(A) local educational agencies, area vocational education agencies, educational service agencies, or other organizations of higher education (as defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1234a—)), State correctional education agencies, or consortium of such entities;
(B) units of the State government;
(C) private nonprofit organizations (including community-based organizations);
(D) private advertising agencies; and
(E) other organizations or entities of demonstrated effectiveness that are approved by the Governor.

(iii) Award of grants.—
(A) Process.—
(i) In general.—The Governor shall develop a peer review process for reviewing the applications and awarding the grants on a competitive basis.

(B) Criteria.—The Governor shall establish criteria described in section 120(b)(17)(C) to be used in reviewing the applications.

(ii) Awards.—
(i) In general.—Using the process referred to in subparagraph (A), and taking into consideration the criteria referred to in subparagraph (B), the Governor shall award the grants to eligible providers.

(iv) Priority.—In awarding the grants, the Governor shall give priority to providers submitting applications to serve communities, or combinations of communities, that contain a large number or a high concentration of at-risk youth.

(j) Equitable distribution.—In awarding the grants, the Governor shall ensure that—
(I) the funds made available through the grants are distributed in a geographically equitable manner throughout the local workforce development area; and
(II) no factor receives disproportionate weight in the distribution.

(k) Technical assistance.—The Governor, in consultation with the chief elected officials in a local workforce development area, shall provide technical assistance to the local board for the local workforce development area with respect to at-risk youth activities.

(l) Technical assistance. —The Governor, in consultation with the chief elected officials in a local workforce development area, shall provide technical assistance to the local board for the local workforce development area to improve the level of performance of the local workforce development area with respect to at-risk youth activities.

SEC. 113. FUNDING FOR STATE VOCATIONAL EDUCATION ACTIVITIES AND DISTRIBUTION FOR SECONDARY SCHOOL VOCATIONAL EDUCATION.

(a) Reservations for State and local activities.—
(1) In general.—The sum of the funds made available to a State for any program year under paragraphs (3) and (5) of section 103(a) for vocational education activities shall be made available in accordance with this section and section 114.

(b) Distribution.—Of the sum described in paragraph (1) that is made available to an eligible agency for vocational education for a program year—
(A) not less than 85 percent shall be made available to eligible providers to carry out vocational education activities under this section or section 114;
(B) not more than 11 percent shall be made available to carry out State activities described in section 123(a); and
(C) not more than 4 percent shall be made available for administrative expenses at the State level.

(c) State determinations.—From the amount available to an eligible agency in a State for distribution to eligible providers under paragraph (2)(A) for a program year, such agency shall determine the percentage of such amount that will be distributed in accordance with this section and section 114 for such year for vocational education activities in such State of the area of the State school vocational education, or post-secondary and adult vocational education, or both.

(b) Allocation for secondary school vocational education.—
(1) In general.—Except as otherwise provided in this section and section 115, each eligible...
agency for vocational education in a State shall distribute the portion of the funds made available for any program year (from funds made available for the corresponding fiscal year, as determined under section 151(c)(1)) by such agency for secondary school vocational education under subsection (a)(3) to local educational agencies within the State as follows:

(A) IN GENERAL.ÐThe number of children referred to in paragraph (1)(A) is the number of children aged 5 through 17, inclusive, from families with incomes below the poverty line for a local educational agency to leave a consortium formed to meet the requirements of this paragraph shall be used only for purposes and activities that are mutually beneficial to all members of the consortium. Such funds may not be reallocated to individual members of the consortium for purposes or activities benefitting only one member of the consortium.

(F) DATA.ÐThe Secretary of Education shall collect information from States regarding how funds made available for any program year by such agency for secondary school vocational education under section 113(a)(3) are distributed to local educational agencies in accordance with this section.

(3) CONSORTIUM REQUIREMENTS.Ð

(A) IN GENERAL.ÐIn order for a consortium of eligible institutions described in paragraph (1) to receive assistance pursuant to such paragraph such consortium shall operate joint projects that—

(i) provide services to all postsecondary institutions participating in the consortium; and

(ii) have a sufficient size, scope, and quality to be effective.

(B) FUNDS TO CONSORTIUM.ÐFunds allocated to a consortium formed to meet the requirements of this section shall be used only for purposes and activities that are mutually beneficial to all members of the consortium. Such funds may not be reallocated to individual members of the consortium for purposes or activities benefiting only one member of the consortium.

(B) FUNDS TO CONSORTIUM.ÐFunds allocated to a consortium formed to meet the requirements of this section shall be used only for purposes and activities that are mutually beneficial to all members of the consortium. Such funds may not be reallocated to individual members of the consortium for purposes or activities benefiting only one member of the consortium.

(B) FUNDS TO CONSORTIUM.ÐFunds allocated to a consortium formed to meet the requirements of this section shall be used only for purposes and activities that are mutually beneficial to all members of the consortium. Such funds may not be reallocated to individual members of the consortium for purposes or activities benefiting only one member of the consortium.

(B) FUNDS TO CONSORTIUM.ÐFunds allocated to a consortium formed to meet the requirements of this section shall be used only for purposes and activities that are mutually beneficial to all members of the consortium. Such funds may not be reallocated to individual members of the consortium for purposes or activities benefiting only one member of the consortium.
institutions within the State that serve the highest numbers of low-income individuals than the formula described in subsection (a)(2); and (2) includes a proposal for such an alternative formula.

(c) Minimum Amount.—
(1) IN GENERAL.—No distribution of funds provided under this section to an eligible institution or consortium of eligible institutions for a program year under this section shall be for an amount that is less than $50,000.

(2) PROVISION.—Any amounts that are not distributed by reason of paragraph (1) shall be redistributed to eligible institutions or consortia of eligible institutions in accordance with the provisions of subsection (b).

SEC. 115. SPECIAL RULES FOR VOCATIONAL EDUCATION.

(a) Special Rule for Minimal Allocation.—
(1) General Authority.—Notwithstanding the provisions of section 113 or 114 and in order to make a more equitable distribution of funds for programs serving the highest numbers or greatest percentages of low-income individuals, for any program year for which a minimal amount is made available by an eligible agency for distribution under section 113 or 114 such agency may distribute such minimal amount for such year—
(A) on a competitive basis; or
(B) through an alternative method determined by the eligible agency.

(2) MINIMAL AMOUNT.—For purposes of this section, the term ‘minimal amount’ means not more than the total amount made available by the eligible agency under section 113(a)(3) for sections 113 and 114 for a program year.

(b) Redistribution.—
(1) IN GENERAL.—In any program year that an eligible provider receiving financial assistance under sections 113 or 114 does not expend all of the amounts distributed to such provider for such year under section 113 or 114, respectively, such provider shall return any unexpended amounts to the eligible agency for distribution under section 113 or 114, respectively. The eligible agency may waive the requirements of the preceding sentence, on a case-by-case basis, for good cause as determined by such agency.

(2) Redistribution of amounts returned late in a program year.—In any program year in which amounts are returned to the eligible agency under paragraph (1) for programs described in section 113 or 114 the eligible agency is unable to redistribute such amounts according to section 113 or 114, respectively, in time for such amounts to be expended in such program year, the eligible agency shall retain such amounts for distribution in combination with amounts made available under such section for the following program year.

(c) Construction.—Nothing in section 113 or 114 shall be construed—
(1) to prohibit a local educational agency (or a consortium thereof) that receives assistance under section 113, from working with an eligible provider (or consortium thereof) that receives assistance under section 114, to carry out secondary and adult vocational education activities in accordance with this title; or
(2) to prohibit an eligible provider (or consortium thereof) that receives assistance under section 114, from working with a local educational agency (or consortium thereof) that receives assistance under section 113, to carry out post-secondary and adult vocational education activities in accordance with this title.

(d) Local Application for Vocational Education Activities.—
(1) APPLICATION REQUIRED.—Each provider in a State desiring financial assistance under this subtitle for vocational education activities shall submit an application to the eligible agency for vocational education activities for the upcoming time, in such manner, and accompanied by such information as such agency (in consultation with other educational entities as the eligible agency determines appropriate) may require. Such application shall cover the same period of time as the period of time applicable to the State plan submitted under this section.

(2) CONTENTS.—Each application described in paragraph (1) shall, at a minimum—
(A) describe how the educational activities required pursuant to section 111(b) for programs, services, or activities that are not individuals described in subparagraphs (A) and (B) of section 4(g), except that such agency may use such funds for such purpose if such agency determines that such activities are related to family literacy services.

(b) GRANTS.—

(1) APS in general.—The sum of the funds made available in accordance with this section shall be made available for administrative expenses at the State level.

(2) Grants.—
(A) IN GENERAL.—Except as provided in paragraph (1), of the funds provided under this section to any eligible agency, described in subsection (a), not less than 50 percent shall be expended for provision of adult education and literacy activities.

(B) IN GENERAL.—The sum of the funds made available under this section to carry out adult education and literacy activities shall not be less than 95 percent.

(c) Grant Requirements.—

(1) Equitable Access.—Each eligible agency awarding grants for adult education and literacy activities shall ensure that the providers described in subsection (b) will be provided direct and equitable access to all Federal funds provided under this section.

(2) Special Rule.—Each eligible agency awarding a grant under this section shall not fund such grants made available under this section for adult education and literacy activities for the purpose of supporting or providing programs, services, or activities that are not individuals described in subparagraphs (A) and (B) of section 4(g), except that such agency may use such funds for such purpose if such agency determines that such activities are related to family literacy services.

(d) Local Administrative Cost Limits.—

(1) IN GENERAL.—Funds made available under this section shall be used for planning, administration, personnel development, and interagency coordination.

(2) SPECIAL RULE.—In cases where the cost limits described in paragraph (1) will be too restrictive to allow for adequate planning, administration, personnel development, and interagency coordination for programs, services, or activities that are not individuals described in subsection (a), the eligible agency shall negotiate with the provider described in subsection (b) to determine an adequate level of funds to be used for non instructional purposes.

SEC. 117. DISTRIBUTION FOR FLEXIBLE ACTIVITIES.

(a) Employment and Training Activities.—A State that uses funds made available to the State under this title through the flex account to carry out employment and training activities shall distribute such funds in accordance with section 111.

(b) At-Risk Youth Activities.—A State that uses funds made available to the State under this title through the flex account to carry out at-risk youth activities shall distribute such funds in accordance with section 112.

(c) Vocational Education Activities.—A State that uses funds made available to the State under this title through the flex account to carry out vocational education activities shall distribute such funds in accordance with sections 113, 114, and 115.

(d) Adult Education and Literacy Activities.—A State that uses funds made available to the State under this title through the flex account to carry out adult education and literacy activities shall distribute such funds in accordance with section 116.

Subtitle C—Use of Funds

SEC. 121. EMPLOYMENT AND TRAINING ACTIVITIES.

(a) General.—Funds made available to States and local workforce development areas under this title for employment and training activities—

(1) shall be used to carry out the activities described in subsections (b), (e), and (f); and

(2) may be used to carry out the activities described in subsections (c) and (f).

(b) Required State Activities.—A State shall use funds made available under this title to carry out the employment and training activities under section 111(a)(2)(B)—
(1) to provide rapid response assistance; (2) to provide labor market information as described in section 139; and (3) to conduct evaluations, under section 106(e)(2) of this Act, as authorized in this section.

(c) PERMISSIBLE STATE ACTIVITIES.—A State may use funds made available for State employment and training activities under section 111(a)(2)(A) in—

(1) to provide services that may include—

(A) providing professional development and technical assistance under section 106(e); (B) making incentive grants to local workforce development areas for exemplary performance in reaching or exceeding benchmarks described in section 108; and (C) providing economic development activities (to supplement other funds provided by the State, a local agency, or the private sector for such activity) that consist of—

(i) providing services to upgrade the skills of employed workers who are at risk of being permanently laid off; (ii) retraining employed workers in new technologies and work processes that will facilitate the conversion and restructuring of business to assist in the avoidance of a permanent closure or substantial layoff at a plant, facility, or enterprise; (iii) providing customized assessments of the skills of workers and an analysis of the skill needs of employers; (iv) assisting consortia of small- and medium-size employers in upgrading the skills of their workforce; (v) providing productivity and quality improvement training programs for the workforces of small- and medium-size employers; and (vi) establishing, upgrading, or implementing an employer loan program to assist employees in skills upgrading;

(D) implementing efforts to increase the number of participants, as described and placed in nontraditional employment; and

(E) carrying out other activities authorized in this section that the State determines to be necessary to assist local workforce development areas in carrying out activities described in subsection (e) or (f) through the statewide system; and

(F) required local activities.—

(I) IN GENERAL.—Funds made available to local workforce development areas under section 111(a)(2)(A) shall be used—

(A) to establish the one-stop career center described in subsection (d);

(B) to provide core services described in paragraph (2) (referred to in this section as "core services") to participants through the one-stop career center system; and

(C) to provide training services described in paragraph (3) (referred to in this section as "training services") to participants described in such paragraph.

(2) CORE SERVICES.—Funds made available to local workforce development areas under section 111(a)(2)(A) shall be used—

(A) to provide the core services described in subparagraph (A) through a one-stop career center system;

(B) initial assessment of skill levels, aptitudes, abilities, and supportive service needs; (C) job search and placement assistance, and, where appropriate, career counseling; (D) provision of accurate labor market information relating to—

(i) the local, State, and, if appropriate, regional or national, occupations in demand; and (ii) skill requirements for such occupations, where available;

(E) provision of accurate information relating to the quality and availability of activities authorized in this section, at-risk youth activities, vocational education activities, adult education and literacy activities, and vocational rehabilitation program activities; (F) provision of information relating to adult education and literacy activities, through cooperative efforts, eligible providers of adult education and literacy activities described in section 116(b); and

(G) referral to appropriate activities described in clauses (iii) and (iv).

(F) provision of eligibility information relating to unemployment compensation, publicly funded education and training programs (including registered apprenticeships), and forms of public financial assistance, such as student aid programs, that may be available in order to enable individuals to participate in workforce and career development activities available through the one-stop career center system; (G) dissemination of lists of providers and performance information in accordance with paragraphs (3)(E)(iii) and (iii).

(h) provision of information regarding how the local workforce development area is performing on the local benchmarks described in section 108(b)(4)(A), and any additional performance information provided by the local board.

(3) required training services.—

(A) services.—Funds made available to local workforce development areas under section 111(a)(2)(A) shall be used to provide training services to individuals who are unable to obtain employment through the core services, who after extinguishing the part of the debt incurred for continuation of insurance or assessment, and counseling by an eligible provider have been determined to be in need of training services, and who meet the requirements of subparagraph (B).

(B) training services—

(i) occupational skills training; (ii) on-the-job training; (iii) skills upgrading and retraining for persons not in the workforce; and (iv) basic skills training when provided in combination with services described in clause (i).

(B) QUALIFICATION.—

(I) REQUIREMENT.—Except as provided in clause (ii), provision of services described in clause (i) shall be limited to participants who—

(I) are unable to obtain other grant assistance for such services, including Federal Pell Grants and other public assistance; (II) are otherwise determined to be eligible to receive such services; (III) may use funds made available for State employment and training activities under section 108(d)(4)(A); (IV) may use funds made available for State employment and training activities under section 111(a)(2)(A); (V) to the extent practicable, refer such individual to an eligible provider of such services.

(C) PRIORITY.—In the event that funds are limited within a local workforce development area, priority shall be given to dislocated workers and other unemployed individuals for receipt of training services provided under this paragraph. The appropriate local board and the Governor shall provide policy guidance to one-stop career center eligible providers in the local workforce development area for making determination(s) related to such priority.

(D) DELIVERY OF SERVICES.—Training services provided under this paragraph shall be provided—

(i) except as provided in section 107(d), through eligible providers of such services identified in accordance with section 107; and (ii) in accordance with section 108.

(E) CONSUMER CHOICE REQUIREMENTS.—

(I) IN GENERAL.—Training services provided under this paragraph may be provided through one-stop career centers, contracts, or other methods (which may include performance-based contracting) and shall, to the extent practicable, refer such individual to an eligible provider of such services.

(II) ELIGIBLE PROVIDERS.—Each local workforce development area, through one-stop career centers, shall—

(I) the list of eligible providers of training services required under section 107(b)(4), with a description of the training courses available from such providers in the local area, and the names of the on-the-job training providers; and

(II) the performance information described in subsections (b)(4) and (d)(2) of section 107 relating to such providers.

(F) PURCHASE OF SERVICES.—An individual eligible for receipt of training services under this paragraph may select an eligible provider of training services from the lists of providers described in clause (iii)(I). Upon such selection, the operator of the one-stop career center shall, to the extent practicable, refer such individual to the eligible provider of training services, and arrange for payment for such service.

(G) USE OF CAREER GRANTS.—A State or a local workforce development area shall deliver all training services authorized in this paragraph through the use of career grants.

(H) PERMISSIBLE LOCAL ACTIVITIES.—

(I) DISCRETIONARY ONE-STOP DELIVERY ACTIVITIES.—Funds made available to local workforce development areas under section 111(a)(2)(A) may be used to provide, through one-stop delivery described in subsection (d)(2),—

(A) co-location of services related to workforce and career development activities, such as unemployment insurance, reemployment assistance, economic development activities, training services, and public assistance; (B) intensive employment-related services for participants who are unable to obtain employment through the core services, as determined by the State;
(C) dissemination to employers of information on activities carried out through the statewide system;
(D) customized screening and referral of qualified participants;
(E) customized employment-related services to employers on a fee-for-service basis.

2. FUNDS AVAILABLE TO LOCAL WORKFORCE DEVELOPMENT AREAS UNDER SECTION 111(a)(2)(A) may be used to provide supportive services to participants—
(A) to carry out the career grant pilot program;
(B) to provide employment services to participants who are unable to obtain such supportive services through other programs providing such services;
(C) to follow-up services—Funds made available to local workforce development areas under section 111(a)(2)(A) may be used to provide follow-up services for participants in activities authorized in this section who are placed in unsubsidized employment.

4. NEEDS-RELATED PAYMENTS—
(A) IN GENERAL—Funds made available to local workforce development areas under section 111(a)(2)(A) may be used to provide needs-related payments to dislocated workers who are unemployed and do not qualify for, or have ceased to qualify for, unemployment compensation.

5. ADDITIONAL ELIGIBILITY REQUIREMENTS—In addition to the requirements contained in subparagraph (A), a dislocated worker who has ceased to qualify for unemployment compensation may also include—
(i) by the end of the 8th week of the worker's initial unemployment compensation benefits period; or
(ii) if later, by the end of the 8th week after the worker is informed that a short-term layoff will, in fact, exceed 6 months.

C. LEVEL OF PAYMENTS—The level of a needs-related payment made under this paragraph—
(i) shall not exceed the greater of—
(I) the applicable level of unemployment compensation; or
(II) an amount equal to the poverty line as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9002(2)), applicable to a family of the size involved, for an equivalent period; and
(ii) shall be adjusted to reflect changes in total Federal- and State-level costs for such services.

5. CAREER GRANT PILOT PROGRAM—Funds made available to local workforce development areas under section 111(a)(2)(A) may be used to carry out career grant pilot program described in subsection (g), which may be carried out in conjunction with the provision of training services under subsection (e)(3).

6. CAREER GRANT PILOT PROGRAM FOR DISLOCATED WORKERS—The State shall carry out (using funds made available under section 111(a)(2)(B) or by making funds available to local workforce development areas under section 111(a)(2)(A) for a career grant pilot program for dislocated workers that is of sufficient size, scope, and quality to measure the effectiveness of the use of career grants for the provision of training services under subsection (e)(3).

H. LOCAL ADMINISTRATION—Not more than 10 percent of the funds made available under section 111(a)(2)(A) to a local workforce development area may be used for administrative expenses.

SECTION 122. AT-RISK YOUTH ACTIVITIES.

I. DEFINED ACTIVITIES—Funds made available to Governors and local workforce development areas under this title for at-risk youth activities shall be used to carry out, for at-risk youth activities:
(1) an assessment of the activities authorized in this section;
(2) support for tech-prep programs;
(3) support for activities authorized in this section for single parents, displaced homemakers, and single pregnant women;
(4) professional development activities, including—
(I) an incentive and preservice training in state-of-the-art vocational education programs and techniques; and
(II) support of education programs for teachers of vocational education in public schools to ensure such teacher’s competency with the needs, expectations, and methods of industry;
(5) support for programs that offer experience in, and understanding of, all aspects of the industry students center;
(6) leadership and instructional programs in technological education;
(7) support for cooperative education;
(8) support for family and consumer sciences programs;
(9) support for vocational student organizations;
(10) improvement of career guidance and counseling;
(11) technical assistance; and
(12) performance awards for 1 or more eligible providers that the eligible agency determines have achieved exceptional performance in providing activities described in this section.

J. REQUIRED LOCAL ACTIVITIES—The eligible agency for vocational education shall use not less than 85 percent of the funds made available under this title for the activities described in this section to carry out employment and training activities and shall expend such funds in accordance with sections 122 and 126.

K. VACATIONAL EDUCATION ACTIVITIES—
(A) PERMISSIBLE STATE ACTIVITIES—The eligible agency for vocational education shall use not more than 15 percent of the funds made available under this title for the activities described in this section to carry out employment and training activities and shall expend such funds in accordance with sections 122 and 126.

L. USE OF FUNDS—
(A) IN GENERAL—A State may use the funds made available to the State under this title through the flex account to carry out—
(1) employment and training activities;
(2) at-risk youth activities;
(3) vocational education activities; and
(4) adult education and literacy activities.

(B) USE OF FUNDS—
(1) EMPLOYMENT AND TRAINING ACTIVITIES—A State that uses funds made available to the State under this title through the flex account to carry out employment and training activities shall expend such funds in accordance with sections 122 and 126.

(2) AT-RISK YOUTH ACTIVITIES—A State that uses funds made available to the State under this title through the flex account to carry out at-risk youth activities shall expend such funds in accordance with sections 122 and 126.

(3) VOCATIONAL EDUCATION ACTIVITIES—A State that uses funds made available to the State under this title through the flex account to carry out at-risk youth activities shall expend such funds in accordance with sections 122 and 126.

(4) ADULT EDUCATION AND LITERACY ACTIVITIES—A State that uses funds made available to the State under this title through the flex account to carry out adult education and literacy activities shall expend such funds in accordance with sections 122 and 126.

M. REQUIREMENTS AND RESTRICTIONS RELATING TO USE OF FUNDS—
(A) FISCAL REQUIREMENTS FOR VOCATIONAL EDUCATION ACTIVITIES AND ADULT EDUCATION AND LITERACY ACTIVITIES—
(1) SUPPLEMENT NOT SUPPLANT—Funds made available under this title for vocational education programs and adult education and literacy activities shall supplement, and may not supplant, other public funds expended to carry out...
activities described in section 123 or 124, respectively.

(2) MAINTENANCE OF EFFORT.—
(A) DETERMINATION.—
(i) IN GENERAL.—Except as provided in clauses (iii) and (iv), and subparagraph (B), no payments shall be made under this title for any program of the Federal Government for educational activities or adult education and literacy activities unless the Secretary of Education determines that the fiscal effort per student or the aggregate expenditures required for such activities described in section 123 or 124, respectively, for the program year preceding the program year for which the determination is made, equalled or exceeded such effort or expenditures for activities described in section 123 or 124, respectively, for the second program year preceding the fiscal year for which the determination is made.

(ii) COMPUTATION.—In computing the fiscal effort or aggregate expenditures pursuant to clause (i), the Secretary of Education shall include capital expenditures, special one-time project costs, special facilities, and the cost of self-employment programs.

(iii) DECREASE IN FEDERAL SUPPORT.—If the amount made available for educational activities or adult education and literacy activities under this title for a fiscal year is less than the amount made available for educational activities or adult education and literacy activities, respectively, under this title for the preceding fiscal year, then the fiscal per student or the aggregate expenditures of a State required to receive such expenditures for such fiscal year shall be decreased by the percentage as the decrease in the amount so made available.

(B) SPECIAL RULE.—Notwithstanding any provision of the Carl D. Perkins Vocational Education Act (as such Act was in effect on September 24, 2000), a State shall be deemed to have met the requirements of section 503 of such Act with respect to decisions appealed by applications filed on April 30, 1993 and October 29, 1993 under section 452(b) of the General Education Provisions Act.

(C) WAIVER.—The Secretary of Education may waive the requirements of subparagraph (A) with respect to not more than 5 percent of expenditures required for the preceding fiscal year by any eligible agency for 1 program year only, after making a determination that such waiver would avoid an allotment to a State that would, but for such waiver, have been required.

(3) EXPENDITURES OF NON-FEDERAL FUNDS FOR ADULT EDUCATION AND LITERACY ACTIVITIES.—For any fiscal year an allotment is made to the State under this title, the State shall expend, on programs and activities relating to adult education and literacy activities, an amount equal to such expenditures from sources other than the Federal Government, equal to 25 percent of the amount made available to a State under paragraphs (4) and (5) of section 123(e) for adult education and literacy activities.

(b) LIMITATIONS ON ACTIVITIES THAT IMPACT EMPLOYMENT.

(1) ELIGIBILITY.—No funds provided under this title shall be used to pay the wages of incumbent employees during their participation in economic development activities described in section 121(c)(1)(C) provided through the statewide system.

(2) RELATION.—
(A) IN GENERAL.—No funds provided under this title for an employment and training activity shall be used or proposed for use to encourage or induce the relocation, of a business or establishment as a part of a scheme to use such an employment as a part of employment for any employee of such business at the original location, if such original location is within the United States.

(B) REGULATIONS.—The Secretary of Labor determines that a violation of this paragraph or paragraph (3) has occurred, the Secretary of Labor may require the participant to repay the amount made available to the State under this title for violation of this paragraph or paragraph (3), respectively, to the United States an amount equal to the amount expended in violation of this paragraph or paragraph (3), respectively.

(C) TRAINING AND ASSESSMENTS FOLLOWING RELOCATION.—No funds provided under this title for an employment and training activity shall be used for the training, on-the-job training, or company-specific assessments of job applicants or employees, for any business or part of a business, that has relocated, except to the extent such funds are used for the training of on-the-job training, or company-specific assessments of job applicants or employees, for any business or part of a business, that has relocated, for which an allotment is made to the State under this title.

(D) DISPLACEMENT.—
(A) PROHIBITION ON DISPLACEMENT.—A participant in an activity authorized under section 121 or 122 (referred to in this title as a specified activity) shall not displace (including a partial displacement, such as a reduction in the hours of nonovertime work, wages, or employment benefits) any incumbent employee of such business at the original location and such original location is within the United States.

(B) DISPLACEMENT.—
(A) PROHIBITION ON DISPLACEMENT.—A participant in an activity authorized under section 121 or 122 (referred to in this title as a specified activity) shall not displace (including a partial displacement, such as a reduction in the hours of nonovertime work, wages, or employment benefits) any incumbent employee of such business at the original location and such original location is within the United States.

(C) PROHIBITION ON REPLACEMENT.—A participant in a specified activity shall not be employed in a job:

(i) when any other individual is on temporary layoff, with the clear possibility of recall, from the same or a substantially similar job with the participating employer; or

(ii) when the employer has terminated the employment of any regular employee or otherwise replaced employees with the intention of filling the vacancy so created with the participant.

(D) HEALTH AND SAFETY.—Health and safety standards established under Federal and State law otherwise applicable to working conditions of employees shall be equally applicable to working conditions of participants engaged in specified activities. To the extent that a State workers' compensation law applies, workers' compensation shall be provided to participants on the same basis as the compensation is provided to other individuals in the State in similar employment.

(E) EMPLOYMENT CONDITIONS.—Participants employed as described in subparagraph (D) shall be provided benefits and working conditions at the same level and to the same extent as other employees working a similar length of time and doing the same type of work.

(F) EFFECT ON OTHER LAWS.—Nothing in this Act shall be construed to modify, or affect any State law governing discrimination on the basis of race, color, religion, sex, national origin, age, or disability.

(G) NONDISCRIMINATION.—No funds provided under this title shall be used but for such funds being provided under this title may otherwise be permitted in law, no individual may be discriminated against with respect to participation in specified activities because of race, color, religion, sex, national origin, age, or disability.

(H) GRIEVANCE PROCEDURE.—A State that receives an allotment under section 102 shall establish and maintain a grievance procedure for resolving complaints alleging violations of any of the prohibitions or requirements described in this subsection.

(2) EXCEPTION.—Except as provided in paragraph (7), nothing in this Act shall be construed to provide an individual with an entitlement to a service or to establish a right for an individual to bring an action for a violation of a prohibition or requirement of this title or to obtain services through an activity established under this title, except that a participant in a specified activity under this title may pursue a complaint alleging a violation of any of the prohibitions or requirements described in this subsection through the grievance procedure described in paragraph (9).

(c) LIMITATIONS ON PARTICIPANTS IN TRAINING SERVICES.

(1) DIPLOMA OR EQUIVALENT.—
(A) IN GENERAL.—No individual may participate in training services described in section 121(e)(3) until the individual has obtained a secondary school diploma or its recognized equivalent, or is enrolled in a program or course of study to obtain a secondary school diploma or its recognized equivalent.

(B) EXCEPTION.—Nothing in subparagraph (A) shall prevent participation in such training services by an individual for whom the requirement described in subparagraph (A) has been determined to be inappropriate, pursuant to the provisions of section 121(e)(3)(A).

(2) SERVICES.—
(A) REFERRAL.—If an individual who has not obtained a secondary school diploma or its recognized equivalent applies to participate in such training services, and a determination described in paragraph (1) has not been made for such individual, such individual shall be referred to the appropriate State agency for training services.

(B) PROVISION OF SERVICES.—Funds made available under section 111(a)(2)(A) and allocated within the local workforce development area for the provision of such training services may be used to provide State-approved adult education and literacy activities that provide instruction designed to help such individual obtain a secondary school diploma or its recognized equivalent.

(3) DRUG TESTING LIMITATIONS ON PARTICIPANTS IN TRAINING SERVICES.

(a) FINDING.—Congress finds that—

(A) the possession, distribution, and use of drugs by participants in training services should not be tolerated, and that such use prevents participants from making full use of the benefits extended through such training services at the expense of taxpayers; and

(B) applicants and participants should be tested for illegal drug use in order to maximize the training services and assistance provided under this title.

(2) DRUG TESTS.—Each eligible provider of training services described in section 121(e)(3) shall administer a drug test—

(A) on a random basis, to individuals who apply to participate in such training services; and

(B) to a participant in such training services, on reasonable suspicion of drug use by the participant.

(4) ELIGIBILITY OF APPLICANTS.—In order for such an applicant to be eligible to participate in such training services, the applicant shall agree to submit to a drug test administered as described in paragraph (2)(A) and, if the test is administered to the applicant, shall pass the test.
(4) Eligibility of Participants.—In order for such a participant to remain eligible to participate in such training services, the participant shall agree to submit to a drug test administered as described in paragraph (2). If the test is administered to the participant, shall pass the test. If a participant refuses to submit to the drug test, or fails the drug test, the eligible provider shall disqualify the participant from participation in such training services.

(5) Reapplication.—(A) in general.—Except as provided in subparagraph (B), an individual who is an applicant and is disqualified from eligibility under paragraph (3), or who is a participant and is dismissed under paragraph (4), may reapply, not earlier than 6 months after the date of the disqualification or dismissal, to participate in such training services. If the individual demonstrates that the individual has completed a drug treatment program and passed a drug test within the 30-day period prior to the date of the reapplication, the individual may participate in such training services, under the same terms and conditions as apply to other applicants and participants, including submission to drug tests administered as described in paragraph (2).

(b) Authorization of random testing.—If the individual reappears to participate in such training services and fails a drug test administered under paragraph (2) by the eligible provider, the individual shall be disqualified from eligibility for, or dismissed from participation in, such training services. If the individual fails a drug test within 2 years after such disqualification or dismissal, the individual shall be disqualified from eligibility for, or dismissed from participation in, such training services for 2 years after such disqualification or dismissal.

(c) Decision of the eligible provider.—A decision by an eligible provider to disqualify an individual from eligibility for participation in such training services under paragraph (3) or (5), or to dismiss a participant as described in paragraph (4) or (5), shall be subject to expeditious appeal in accordance with procedures established by the State in which the eligible provider is located.

(d) National uniform guidelines.—(A) in general.—The Secretary of Labor shall develop voluntary guidelines to assist eligible providers concerning the drug testing required under this subsection.

(2) Privacy.—The guidelines shall promote, to the maximum extent practicable, individual privacy and the protection of specimen samples for drug testing.

(e) Laboratories and procedures.—With respect to standards concerning laboratories and procedures for drug testing, the guidelines shall incorporate the Mandatory Guidelines for Federal Workplace Drug Testing Programs, 53 Fed. Reg. 11970 (1988) (or a successor to such guidelines), including the portion of the mandatory guidelines that—

(i) establishes comprehensive standards for all aspects of laboratory drug testing and laboratory procedures, including standards that require the use of the best available technology for ensuring the full reliability and accuracy of drug tests and strict procedures governing the chain of custody of specimen samples; and

(ii) establishes the minimum list of drugs for which individuals may be tested; and

(iii) establishes appropriate standards and procedures for periodic review of laboratories and criteria for certification and revocation of certification of laboratories to perform such drug testing.

(f) Screening and confirmation.—The guidelines described in subparagraph (A) shall provide that, for drug testing conducted under this subsection—

(i) each laboratory involved in the drug testing of any individual shall have the capability and facility, at such laboratory, of performing screening and confirmation tests; and

(ii) all tests that indicate the use, in violation of law (including Federal regulation) of a drug by the individual shall be confirmed by a scientifically recognized method of testing capable of providing quantitative data regarding the drug; and

(iii) each specimen sample shall be subdivided, secured, and labeled in the presence of the individual; and

(iv) a portion of each specimen sample shall be retained by the laboratory in order to prevent the possibility of tampering, so that if the confirmation test results are positive the individual has an opportunity to have the retained portion analyzed independently at a second certified laboratory, if the individual requests the independent test not later than 3 days after being advised of the results of the first confirmation test.

(g) Confidentiality.—The guidelines shall provide for the confidentiality of the test results and medical information (other than information relating to a drug) of the individuals tested under this subsection, except that the provisions of this subparagraph shall not preclude the use of test results for the orderly imposition of appropriate sanctions under this subsection.

(h) Selection for random tests.—The guidelines shall ensure that individuals who apply to participate in the training services described in paragraph (2) are selected for drug testing on a random basis, using nondiscriminatory and impartial methods.

(i) Local boards.—(A) Local boards.—A local board, and the individual members of a local board, shall be immune from civil liability with respect to any claim based in whole or part on activities carried out to implement this subsection.

(2) Reporting requirements.—An eligible provider shall make records of drug testing conducted under this subsection available for inspection by other eligible providers, including eligible providers in other local workforce development areas, for the sole purpose of enabling the eligible providers to verify the eligibility status of an applicant pursuant to this subsection.

(3) Use of drug tests.—(A) Federal, State, or local provider may use drug test results obtained under this subsection in a criminal action.

(4) Definitions.—As used in this subsection—

(i) Drug.—The term ‘‘drug’’ means a controlled substance, as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802(6)).

(ii) Drug test.—The term ‘‘drug test’’ means a biochemical drug test carried out by a facility that is approved by the eligible provider administering the test.

(iii) Random basis.—For purposes of the application of this subsection in a State, the term ‘‘random basis’’ has the meaning determined by the Governor of the State, in the sole discretion of the Governor.

(j) Supportive services.—Supportive services may be provided with funds provided through the allotment described in section 102 only to the extent that such services are not available from other Federal funds, State funds, or sources specifically designated for such services.

(k) Special rule for criminal offenders.—Notwithstanding subtitle B and this subtitle, a funds available under section 102 may be distributed to 1 or more State correctional agencies to enable the State corrections agencies to carry out any activity described in this subtitle for juvenile and adult criminal offenders in correctional institutions in the State, including correctional institutions operated by local authorities.

(l) Sense of the Congress.—It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available under this title should be made available to Indian tribes or tribal organizations.

Title D—National Activities


(a) Collaborative Administration.—The Secretary of Labor and the Secretary of Education (referred to in this section as ‘‘the Secretaries’’) shall enter into an interagency agreement to administer the provisions of this title (other than sections 103(d), 113, 114, 126(a), and 138) and submit to the Congress this Act as the ‘‘excluded provisions’’).

(b) Responsibilities of Secretaries.—Such agreement shall specify the manner in which the Secretaries shall coordinate their activities (other than the excluded provisions), including—

(1) making allotments determinations under section 102;

(2) reviewing State plans submitted in accordance with section 104;

(3) carrying out the duties assigned to the Secretaries under section 104;

(4) establishing uniform procedures, including grantmaking procedures; and

(5) carrying out the duties assigned to the Secretaries under this subtitle (other than sections 138 and 139);

(6) preparing and submitting to the Committees on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate an annual report on the absolute and relative performance of States in reaching State benchmarks;

(7) reviewing federally funded education, employment, and job training programs, other than activities authorized under this title, and submitting recommendations to the Committees described in paragraph (6) regarding the integration of such programs into the statewide systems.

(c) Contents.—The interagency agreement shall include, at a minimum—

(1) a description of the methods the Secretaries will use to work together to carry out their duties and responsibilities under this title in a manner that will ensure that the Department of Labor nor the Department of Education duplicates the work of the other department;

(2) a description of the manner in which the Secretaries will utilize personnel and other resources of the Department of Labor and the Department of Education to administer this title (other than the excluded provisions);

(d) Administration of the Act.—

(1) In general.—Not later than 180 days after the date of enactment of this Act, the Secretaries shall, in consultation with the Committee on Economic and Educational Opportunities of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, prepare and submit to the President an interagency agreement for carrying out the provisions of this Act. Such agreement shall be available to the public through publication in the Federal Register.

(2) Approval.—Not later than 200 days after the date of enactment of this Act, the President shall—

(A) approve or disapprove the interagency agreement made by the Secretaries; and

(B) if the agreement is disapproved, make recommendations to the Secretaries with respect to an alternative plan and recommend to the Committees on Economic and Educational Opportunities of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, that the President disapprove. Such agreement shall also be available to the public through publication in the Federal Register.

(e) Limitation on Federal regulations.—The Secretary of Labor or the Secretary of Education may issue regulations under this title only to the extent necessary to administer and ensure compliance with the specific requirements of this title.

(f) Effect on Personnel.—

(1) In general.—The Secretaries shall take such actions as may be necessary, including reduction in force actions, consistent with sections 3502 and 3505 of title 5, United States Code, to ensure that the positions of personnel that relate to the approved activities are not otherwise minimally necessary to carry out this Act or to be terminated.
(2) SCOPE.—

(A) INITIAL REDUCTIONS.—Not later than July 1, 1996, the Secretaries shall take the actions described in paragraph (1), including reduction in force, as appropriate, to not less than 40 percent of the number of positions of personnel that relate to a covered activity.

(B) SUBSEQUENT REDUCTIONS.—Not later than July 1, 2002, the Secretaries shall take the actions described in paragraph (1)—

(i) with respect to not less than 60 percent of the number of positions of personnel that relate to a covered activity, unless the Secretaries submit (prior to July 1, 2003) a report to Congress demonstrating why such actions have not occurred; and

(ii) with respect to not less than 40 percent of the number of positions of personnel that relate to a covered activity, if the Secretaries submit the report referred to in clause (i).

(C) CALCULATION.—For purposes of calculating, under this paragraph, the number of positions of personnel that relate to a covered activity, such number shall include the number of positions of personnel that are terminated under paragraph (1).

SEC. 132. INCENTIVE GRANTS AND SANCTIONS.

(a) INCENTIVE GRANTS.—

(1) AWARD OF GRANTS.—From amounts reserved under section 151(b)(5) for any fiscal year, the Secretaries may award incentive grants to States, which shall be awarded for not more than $15,000,000 per fiscal year to a State that—

(A)(i) reaches or exceeds, during the most recent 12-month period for which data are available, State benchmarks required under section 106(b), including the benchmarks required under section 106(b)(3); or

(ii) demonstrates continuing progress toward reaching or exceeding, during the 3-year period covered by the State plan submitted under section 104, the benchmarks described in clause (i); and

(B) meets the eligibility determinations described in paragraph (2)(A) for such benchmarks; and

(C) demonstrates, in the State plan information submitted under section 104(b)(1)(B)(iii), that the Governor and eligible agencies have agreed on all elements of the State plan.

(2) ELIGIBILITY DETERMINATIONS.—

(A) INITIAL DETERMINATIONS.—

(B) DETERMINATION.—Not later than 30 days after receipt of the State plan submitted under section 104, the Secretaries shall—

(i) compare the proposed State benchmarks identified in the State plan with State benchmarks proposed in other State plans; and

(ii) determine if the proposed State benchmarks, taken as a whole, are sufficient to make the State eligible for an incentive grant under this subsection, if the State meets the requirements of subparagraphs (A) and (C) of paragraph (1).

(C) NOTIFICATION, REVISION, AND TECHNICAL ASSISTANCE.—If the Secretaries determine that a State is not eligible to qualify for an incentive grant pursuant to clause (ii)(I), the Secretaries shall, upon request, technical assistance to the State necessary to enable the State to take the action necessary to make the State eligible for such grant under this subsection. Such State shall have 30 days after the date on which the State shall have notification of ineligibility of the date on which the State receives technical assistance, whichever is later, to revise the State benchmarks in order to become eligible to qualify for an incentive grant under this subsection.

(D) ELIGIBILITY DETERMINATIONS.—Not later than 30 days after receipt of an annual report submitted under section 106(c) that contains an application for such an incentive grant from a State that meets the requirements of paragraph (1), the Secretaries shall—

(i) determine if the progress the State has made toward reaching or exceeding the State benchmarks, as described in such annual report, with the progress made by the other States towards reaching or exceeding their State benchmarks, as described in such annual reports of the other States; and

(ii) determine if the progress the State has made toward reaching or exceeding the State benchmarks, taken as a whole, is sufficient to enable the State to receive an incentive grant under this subsection.

(E) USE OF FUNDS.—A State that receives an incentive grant may use funds made available through this section for the workforce development and career development activities.

(ii) taking into consideration any funds allocated to such category from other sources, the portion of the allotment made under title II for the category of activities to which the failure is attributable.

(B) ELIGIBILITY DETERMINATIONS.—The Secretaries may use an amount retained as a result of a reduction in an allotment under paragraph (2)(A)(iii) to award an incentive grant under subsection (a).

(C) FUNDS RESULTING FROM REDUCED ALLOTMENTS.—The Secretaries may use any amount retained as a result of a reduction in an allotment under paragraph (2)(A)(iii) to award an incentive grant to a State that—

(A) demonstrates, in the State plan information submitted under section 104(b)(1)(B)(iii), that the Governor and eligible agencies have agreed on all elements of the State plan.

(B) demonstrates, in the State plan information submitted under section 104(b)(1)(B)(iii), that the Governor and eligible agencies have agreed on all elements of the State plan.

(C) demonstrates, in the State plan information submitted under section 104(b)(1)(B)(iii), that the Governor and eligible agencies have agreed on all elements of the State plan.

(D) demonstrates, in the State plan information submitted under section 104(b)(1)(B)(iii), that the Governor and eligible agencies have agreed on all elements of the State plan.

(E) demonstrates, in the State plan information submitted under section 104(b)(1)(B)(iii), that the Governor and eligible agencies have agreed on all elements of the State plan.

(2) INCENTIVE GRANTS.—From the amounts reserved under section 151(b)(5) for any fiscal year, the Secretaries may award incentive grants to States, which shall be awarded for not more than $15,000,000 per fiscal year to a State that—

(A) provides technical assistance to the State to improve the level of performance of the State; or

(B) demonstrates, in the State plan information submitted under section 104(b)(1)(B)(iii), that the Governor and eligible agencies have agreed on all elements of the State plan.

(ii) the effect of benchmarks, performance measures, and other measures of accountability on the delivery of employment and training activities, at-risk youth activities, vocational education activities, and adult education and literacy activities, including family literacy services, increase the literacy skills of adults, and improve the statewide system;

(B) the degree to which the expenditures at the Federal, State, local, and tribal levels add up to 30 percent of funds used by the Federal, State, local, and tribal levels of government to provide employment and training activities, at-risk youth activities, vocational education activities, and adult education and literacy activities, including family literacy services, increase the literacy skills of adults, and improve the statewide system;

(C) the extent to which vocational education activities and at-risk youth activities succeed in preparing individuals participating in such activities for entry into postsecondary education, further learning, or high-skilled, high-wage careers;

(D) the effect of benchmarks, performance measures, and other measures of accountability on the delivery of employment and training activities, at-risk youth activities, vocational education activities, and adult education and literacy activities, including family literacy services, increase the literacy skills of adults, and improve the statewide system;

(E) the extent to which employment and training activities enhance the employment and earnings of participants in such activities, reduce income support costs, improve the employment competencies of such participants, and increase the level of employment of program participants over the level of employment that would have existed in the absence of such activities, which is to be evaluated using experimental and control groups chosen by scientific random assignment; and

(F) the extent to which the adult education and at-risk youth activities, including family literacy services, increase the literacy skills of adults, and of children in the case of family literacy services, lead the participants in such activities to further education, employment training, and employment, enhance the employment and earnings of such participants, and, if applicable, lead to...
other positive outcomes such as reductions in recidivism in the case of prison-based adult education and literacy activities.

(3) **AUTHORIZATION.**—There are authorized to be appropriated $30,000,000 for fiscal year 1998 and such sums as may be necessary for each of the fiscal years 1999 through 2002 to carry out this subsection.

(4) **REPORTS.**—(A) In general.—(i) The Secretary shall prepare an annual report summarizing the evaluations described in subsection (b), and an annual report summarizing the evaluations in this subsection.

(B) In general.—(1) **IN GENERAL.**—The Secretaries, pursuant to the interagency agreement, shall award grants, on a competitive basis, to an institution of higher education, a public or private organization or agency, or a consortium of such institutions, organizations, or agencies to establish a national research center.

(ii) which promote the use of distance learning—

(I) to enable students to take courses through the use of media technology, such as video, tele-conferencing, computers, and the Internet; and

(II) to deliver continuing education, skills up-grading and retraining services, and postsecondary education, directly to the community or to local recipients of assistance under this title.

(iii) conducted through partnerships with national organizations which have special exper-

ience in developing, organizing, and administer-

ning employment and training services for indi-

viduals with disabilities at the national, State, and local levels.

(2) **CLEARINGHOUSE.**—The Secretaries shall maintain a clearinghouse, through the national center or centers, that will collect and disseminate information about the condition of statewide systems and employment and training activities, at-risk youth activities, vocational education activities, and adult education and literacy activities.

(3) **TECHNICAL ASSISTANCE.**—The Secretaries shall provide technical assistance to States and local areas to develop and deliver effective activities under this title.

(4) **AUTHORIZATION.**—There are authorized to be appropriated $30,000,000 for fiscal year 1998 and such sums as may be necessary for each of fiscal years 1999 through 2002 to carry out this subsection.

(e) **TRANSITION PERIOD.**—Notwithstanding any other provision of law, the Secretaries may use funds made available under section 404 of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2404) to prepare, during the period beginning on January 1, 1998, and ending June 30, 1998, to award a grant under section 117.

(f) **DEFINITION.**—As used in this section, the term ‘‘institution of higher education’’ has the meaning given the term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(g) **CONFORMING AMENDMENTS.**—Section 404(a)(2) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2404(a)(2)) is amended—

(1) in subparagraph (A), by striking ‘‘for a period of 5 years’’ and inserting ‘‘until June 30, 1998’’; and

(2) in the first sentence of subparagraph (B), by striking ‘‘5’’.

(h) **EFFECTIVE DATE.**—(1) **IN GENERAL.**—Except as provided in paragraphs (2) and (3), this section shall take effect on July 1, 1998.

(2) **TRANSITION PROVISIONS.**—Subsection (e) shall take effect on January 1, 1998.

(3) **AMENDMENTS.**—The amendments made by this subsection (g) shall take effect on the date of enactment of this Act.

**SEC. 135. MIGRANT AND SEASONAL FARMWORKER PROGRAM.**

(a) **IN GENERAL.**—From amounts reserved under section 151(b)(2), the Secretaries shall make grants to, or enter into contracts with, eligible entities to carry out the activities described in subsection (d).

(b) **ELIGIBLE ENTITIES.**—To be eligible to receive a grant or enter into a contract under this section, an entity described in subsection (d) shall sub-

mit to the Secretaries a plan that describes a 3-year strategy for meeting the needs of migrant farmworkers or seasonal farmworkers, and the dependents of such farmworkers, in the area to be served by such entity.

(c) **C O N T E N T S.**—Such plan shall—

(A) identify the education and employment needs of the population to be served and the strategies by which the services will strengthen the ability of the individuals served to obtain or be retained in unsubsidized employment;

(B) describe the services to be provided and the manner in which such services are to be integrated with other appropriate services; and

(C) describe the goals and benchmarks to be used to measure the performance of such entity in carrying out the activities assisted under this section.

(d) **A UTHORIZED ACTIVITIES.**—Funds made available under this section shall be used to—

(1) carry out comprehensive workforce and career development activities and related services for migrant farmworkers or seasonal farmworkers which may include employment, training, educational assistance, literacy assistance, an English literacy program, worker safety training, housing, supportive services, and the continuation of the case management database on participating migrant farmworkers or seasonal farmworkers;

(2) **CONTRIBUTION WITH GOVERNORS AND LOCAL BOARDS.**—In making grants and entering into contracts under this section, the Secretaries shall consult with the Governors and local boards of the States in which the eligible entities will carry out the activities described in subsection (d).

(3) **TECHNICAL ASSISTANCE.**—The Secretaries shall carry out this section on a competitive basis, and, after consulting with the Governors and local boards, shall award grants or enter into cooperative agreements, or through the national clearinghouse, to institutions of higher education, public or private organizations or agencies, or any combination of such institutions, organizations, or agencies to—

(A) identify the education and employment, and training needs of adults;

(B) to carry out research for the purpose of developing, improving, and identifying the most successful methods for successfully addressing the education, employment, and training needs of at-risk youth;

(C) to carry out research to increase the effectiveness of and improve the implementation of vocational education activities, including conducting research and development, and providing technical assistance, with respect to—

(i) combining school, vocational education, and workforce learning;

(ii) identifying ways to establish effective linkages among employment and training activities, and education and literacy activities, and vocational education activities, at the State and local levels;

(iii) conducting studies providing longitudinal information or formative evaluation with respect to vocational education activities;

(D) to carry out research to increase the effectiveness of and improve the quality of adult education and literacy activities, including family literacy services;

(E) to provide technical assistance to State and local recipients of assistance under this title in developing and using benchmarks and performance measures for improvement of workforce and career development activities; and

(F) to carry out such other activities as the Secretaries determine to be appropriate to achieve the purposes of this title.

(4) **AMENDMENTS.**—The Secretaries shall provide an annual report summarizing the evaluations and assessments described in subsection (b), and the research conducted pursuant to this subsection, including findings of such evaluations and assessments, and research, to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

**SEC. 136. NATIVE AMERICAN PROGRAM.**

(a) **P U R P O S E.**—The purpose of this section is to support workforce and career development activities for Indian and Native Hawaiian individuals in order—

(A) to develop more fully the academic, occupational, and literacy skills of such individuals;

(B) to make such individuals more competitive in the workforce; and

(C) to promote the economic and social development of Indian and Native Hawaiian communities in accordance with the goals and values of such communities.

(b) **IN GENERAL.**—All programs assisted under this section shall be administered in a manner consistent with the principles of the Indian Self-Determination and Education Assistance Act (43 U.S.C. 1601 et seq.), and in a manner consistent with the Federal Government-to-government relationship between the Government and Indian tribal governments.

(c) **DEFINITIONS.**—As used in this section:—

(1) **ALASKA NATIVE.**—The term ‘‘Alaska Na-

tive’’ means a Native as such term is defined in section 3(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(b)).

(2) **INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.**—The terms ‘‘Indian’’, ‘‘Indian tribe’’,
and "tribal organization" have the meanings given in such terms in subsections (d), (e), and (l), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(3) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" means an institution of higher education that—

(A) is controlled by a tribe or by the governing body of an Indian tribe or Indian tribes;

(B) provides postsecondary vocational education to Indians;

(C) is governed by a board of directors or trustees, a majority of whom are Indians; and

(D) demonstrates a commitment to stated goals, a philosophy, or a set of operations, that fosters individual Indian economic and self-sufficiency opportunities, including programs that are appropriate to stated tribal goals of developing individual Indian economic and self-sufficiency opportunities, including programs that are appropriate to stated tribal goals of developing individual economic and self-sufficiency opportunities, including programs that are appropriate to stated tribal goals of developing.

(4) NATIVE HAWAIIAN AND NATIVE HAWAIIAN ORGANIZATION.—The terms "Native Hawaiian" and "Native Hawaiian organization" have the meanings given in such terms in paragraphs (1) and (3), respectively, of section 9212 of the Native Hawaiian Education Act (20 U.S.C. 1141a).

(5) TRIBALLY CONTROLLED COMMUNITY COLLEGE.—The term "tribally controlled community college" has the meaning given in such term in section 212(a)(4) of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1803a)(4).

(6) TRIBALLY CONTROLLED POSTSECONDARY VOCATIONAL INSTITUTION.—The term "tribally controlled postsecondary vocational institution" means an institution of higher education that—

(A) is controlled, or has been formally designated, by a governing body of an Indian tribe or Indian tribes;

(B) offers a technical degree or certificate granting program;

(C) is governed by a board of directors or trustees, a majority of whom are Indians; and

(D) demonstrates a commitment to stated goals, a philosophy, or a set of operations, that fosters individual Indian economic and self-sufficiency opportunities, including programs that are appropriate to stated tribal goals of developing individual economic and self-sufficiency opportunities, including programs that are appropriate to stated tribal goals of developing.

(7) INSTITUTION OF HIGHER EDUCATION THAT—

(A) is controlled, or has been formally designated, by a governing body of an Indian tribe or Indian tribes;

(B) provides postsecondary vocational education to Indians;

(C) is governed by a board of directors or trustees, a majority of whom are Indians; and

(D) demonstrates a commitment to stated goals, a philosophy, or a set of operations, that fosters individual Indian economic and self-sufficiency opportunities, including programs that are appropriate to stated tribal goals of developing.

(8) FUND.—The term "fund" means an account established in accordance with the provisions of this Act.

(9) FUND SOURCES.—The term "fund sources" means funds provided under this Act.

(10) INSTITUTIONS OF HIGHER EDUCATION.—The term "institutions of higher education" means an institution of higher education that—

(A) is controlled, or has been formally designated, by a governing body of an Indian tribe or Indian tribes;

(B) provides postsecondary vocational education to Indians;

(C) is governed by a board of directors or trustees, a majority of whom are Indians; and

(D) demonstrates a commitment to stated goals, a philosophy, or a set of operations, that fosters individual Indian economic and self-sufficiency opportunities, including programs that are appropriate to stated tribal goals of developing.

(11) INDIAN.—The term "Indian" means an Indian who—

(A) is a member of an Indian tribe;

(B) is a member of a tribe under federal recognition;

(C) is a member of a tribe under state recognition;

(D) is an Indian who is not a member of a tribe but who is an Indian under federal recognition;

(E) is an Indian who is not a member of a tribe but who is an Indian under state recognition;

(F) is a member of a tribe that is a member of the United States; and

(G) is a member of a tribe that is not a member of the United States.

(12) MEMBER.—The term "member" means a member of an Indian tribe.

(13) POPULATION DATA.—The term "population data" has the meaning given such term in section 151 of the National Indian Education Act of 1968 (25 U.S.C. 450b).

(14) SEC. 138. NATIONAL INSTITUTE FOR LITERACY. (a) ESTABLISHMENT.—There is established the National Institute for Literacy (in this section referred to as the "Institute"). The Institute shall be administered under the terms of an interagency agreement entered into by the Secretary of Education with the Secretary of Labor and the Secretary of Health and Human Services (in this section referred to as the "Interagency Group"). The Interagency Group may include in the Institute any research and development centers, institutes, or clearinghouses established within the Department of Education, the Department of Labor, or the Department of Health and Human Services whose activities are related to the purposes of the Institute.

(b) PROGRAM PLAN.—In carrying out the activities assisted under this section, the Institute shall develop a program plan that—

(A) describes the activities of the Institute to be carried out pursuant to this section; and

(B) describes the manner in which the services to be provided will strengthen the ability of the individuals served to obtain or retain unsubsidized employment.

(c) ADMINISTRATIVE PROVISIONS.—(1) ORGANIZATIONAL UNIT ESTABLISHED.—The Institute shall be an independent unit of the Department of Education.

(2) REGULATIONS.—The Institute shall promulgate regulations to carry out this section, including regulations for establishing the Institute, the organizational unit established under paragraph (1), and any rules or regulations necessary to carry out the provisions of this section.

(3) TECHNICAL ASSISTANCE.—The Secretary of Education shall make available funds to carry out the technical assistance described in subsection (d) and shall take such action as the Secretary considers necessary to provide technical assistance to the Institute.

(4) TECHNICAL ASSISTANCE.—The Secretary of Education shall make available funds to carry out the technical assistance described in subsection (d) and shall take such action as the Secretary considers necessary to provide technical assistance to the Institute.
(2) OFFICES.—The Institute shall have offices separate from the offices of the Department of Education, the Department of Labor, and the Department of Health and Human Services.

(3) RECOMMENDATIONS.—The Interagency Group shall consider the recommendations of the National Institute for Literacy Advisory Board (in this section referred to as the “Board”) under subsection (d) in planning the goals of the Institute and in the implementation of any programs to achieve such goals.

(4) DAILY OPERATIONS.—The daily operations of the Institute shall be carried out by the Director of the Institute appointed under subsection (g).

(5) GIFTS, BEQUESTS, AND DEVISES.—The Institute may accept, administer, and use gifts or donations of services, money, or property, both real and personal.

(6) USE OF SERVICES, FACILITIES, AND RESOURCES.—The Board and the Institute may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(7) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—(a) APPOINTMENTS.—The Board shall be authorized to fill vacancies on the Board at any time. (b) ADMINISTRATION.—The Institute may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

SEC. 129. LABOR MARKET INFORMATION.

(a) SYSTEM CONTENT.—(1) IN GENERAL.—The Secretary of Labor, in accordance with the provisions of this section, shall oversee the maintenance and continuous improvement of the system of labor market information that includes:

(A) federal, State, and local employment information, including other appropriate statistical data related to labor market dynamics (compiled by and for States and localities with technical assistance provided by the Institute); and

(B) statistical programs of data collection, compilation, estimation, and publication conducted in cooperation with the Bureau of Labor Statistics;

(c) statistical programs of data collection, compilation, estimation, and publication conducted in cooperation with the Bureau of Labor Statistics;
overseen, and evaluated through a cooperative information system shall be planned, administered, and
management of consistent definitions for use by the subsection (a), including the development
to maintain the necessary elements of the system described in subparagraphs (A) and (B) for uses
such as State and local policymaking;
wide dissemination of such data, information, and analysis, training for uses of such data, information, and analysis, and
tical standards for dissemination mechanisms; and
ments of—
(i) research and demonstration; and
(ii) technical assistance for States and localities.

INFORMATION TO BE CONFIDENTIAL.—
(A) IN GENERAL.—No officer or employee of the Federal Government or agent of the Federal
Government may—
(i) use the information furnished under the provisions of this section for any purpose other than the statistical purposes for which such information is furnished;
(ii) release for publication from which the data contained in the information so furnished under this section can be used to identify any individual; or
(iii) permit any individual other than the sworn officers, employees, or agents of any Federal department or agency to examine individual reports through which the information is furnished.

IMMUNITY FROM LEGAL PROCESS.—
(i) IN GENERAL.—Any information that is collected and retained for purposes of this section shall be immune from the legal process and shall not, without the consent of the individual concerned, be admitted as evidence or used for any purpose other than for purposes of this section.

RULE OF CONSTRUCTION.—Nothing in this subparagraph shall be construed as providing immunity from the legal process for information that is independently collected or produced for purposes other than for purposes of this section.

SYSTEM RESPONSIBILITIES.—
(1) IN GENERAL.—The labor market information system shall be planned, administered, overseen, and evaluated through a cooperative governance structure involving the Federal Government and local entities.

DUTIES.—The Secretary, with respect to data collection, analysis, and dissemination of labor market information for the system, shall carry out the following duties:

(a) Assign responsibilities within the Department of Labor for elements of the system content described in subsection (a) to ensure that all statistical and administrative data collected is consistent.

(b) Actively seek the cooperation of other Federal agencies to establish and maintain mechanisms for ensuring complementarity and nonduplication in the development and operation of statistical and administrative data collection activities.

(c) Eliminate gaps and duplication in statistical undertakings, with the systemization of wage surveys as an early priority.

(d) In collaboration with the States and the Bureau of Labor Statistics, develop and maintain the necessary elements of the system described in subsection (a), including the development of consistent definitions for use by the States in collecting the data and information described in subparagraphs (A) and (B) of subsection (a)(1) and the development of the annual plan described in subsection (c).

(ANNUAL PLAN.—
(1) IN GENERAL.—The Secretary, in collaboration with the States and the Bureau of Labor Statistics, and in consultation with the assistance of other appropriate Federal agencies, shall prepare an annual plan that shall describe the cooperative Federal-State governance structure for the labor market information system. The plan shall—
(A) describe the elements of the system, including consistent definitions, formats, collections, uses, and dissemination of such data that are necessary to system elements, for use in collecting the data and information described in subparagraphs (A) and (B) of subsection (a)(1);
(B) describe the system will ensure that—
(i) such data are timely;
(ii) administrative records are consistent in order to facilitate the collection of such data;
(iii) paperwork and reporting are reduced to a minimum; and
(iv) States and localities are fully involved in the maintenance and continuous improvement of the system at the State and local levels;
(C) evaluate the performance of the system and recommend needed improvements; and
(D) describe the state (or State of the submission of the plan) spending and spending needs to carry out activities under this section.

COOPERATION WITH THE STATES.—The Secretary and the Bureau of Labor Statistics, in cooperation with the States, shall develop the plan by holding formal consultations, which shall be held on not less than a semianual basis, with—
(A) State representatives who have expertise in labor market information, selected by the Governors of each State;
(B) representatives from each of the ten Federal regions of the Department of Labor, elected by and from among individuals who perform the duties described in subparagraph (G)(2) pursuant to a process agreed upon by the Secretary and the States; and
(C) employers or representatives of employers, elected pursuant to a process agreed upon by the Secretary and the States.

STATE RESPONSIBILITIES.—
(1) DESIGNATION OF STATE AGENCY.—In order to receive Federal financial assistance under this section, the Governor of a State—
(A) shall designate a single State agency or entity within the State to be responsible for the management of the data descripted in subsection (a)(1) that comprise a statewide labor market information system; and
(B) may establish a process for the oversight of such system.

(2) DUTIES.—In order to receive Federal financial assistance under this section, the State agency or entity designated under paragraph (1) shall—
(A) consult with employers and local boards, where appropriate, about the labor market relevance of the data to be collected and disseminated by the State through the statewide labor market information system;
(B) maintain and continuously improve the portions of the system described in subsection (a)(1) that comprise the labor market information system in accordance with this section;
(C) ensure the performance of contract and grant responsibilities for data collection, analysis, and dissemination for such system;
(D) conduct such other data collection, analysis, and dissemination activities as will ensure an effective statewide labor market information system; and
(E) participate in the development of the annual plan described in subsection (c).

(3) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as limiting the ability of a State agency or entity to conduct additional data collection, analysis, and dissemination activities with State funds or with Federal funds from sources other than this section.

AUTHORIZATION OF APPROPRIATIONS.—
There are authorized to be appropriated to carry out this section $65,000,000 for fiscal year 1998, and such sums as may be necessary for each of the fiscal years 1999 through 2002.

Subtitle E—Transition Provisions

SEC. 141. WAIVERS.

(a) WAIVER OF AUTHORITY.—
(1) IN GENERAL.—Notwithstanding any other provision of Federal law, and except as provided in subsection (d), the Secretary may waive any requirement under any provision of law relating to a covered activity, or of any regulation issued under such a provision, for—
(A) require a State to submit an application as described in subsection (b); or
(B) a local entity that requests such a waiver and complies with the requirements of subsection (c);

in order to assist the State or local entity in planning or developing a statewide system or program and career development activities to be carried out through the statewide system.

(2) TERM.—Each waiver approved pursuant to this section shall be for a period beginning on the date of the approval and ending on June 30, 1998.

(b) STATE REQUEST FOR WAIVER.—
(1) IN GENERAL.—A State may submit to the Secretary a request for a waiver of 1 or more requirements referred to in subsection (a). The request may include a request for different waivers with respect to different areas within the State.

(2) APPLICATION.—To be eligible to receive a waiver described in subsection (a), a State shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including information—
(A) identifying the requirement to be waived and the goal that the State seeks to be achieved by the waiver;
(B) describing the activities to which the waiver will apply, including information on how the activities may be continued, or related to activities carried out, under the statewide system of the State;
(C) describing the number and type of persons to be affected by such waiver; and
(E) providing evidence of support for the waiver request by the State agencies or officials with jurisdiction over the requirement to be waived.

(c) LOCAL ENTITY REQUEST FOR WAIVER.—
(1) IN GENERAL.—A local entity that seeks a waiver of 1 or more requirements referred to in subsection (a) shall submit to the Secretary a request and an application containing—
(A) identifying the requirement to be waived and the goal that the local entity applying to the State under subsection (c) intends to achieve through the waiver;
(B) identifying, and describing the actions that the State will take to remove, similar State requirements;

(c) describing the activities to which the waiver will apply, including information on how the activities may be continued, or related to activities carried out, under the statewide system of the State;
(D) describing the number and type of persons to be affected by such waiver; and

(E) requiring the State to carry out the activities referred to in subsection (a) in such a manner that would otherwise apply to a State submitting a request for a waiver.

(2) TIME LIMIT.—
(1) IN GENERAL.—The Secretary shall make a determination concerning whether to submit the request and application for a waiver as described in paragraph (1) not later than 30 days after the date on which the Secretary receives the application from the local entity.

(D) DIRECT SUBMISSION.—
(1) IN GENERAL.—If the State does not make a determination to submit and consider the request and application within the 30-day time period specified in subparagraph (A), the local entity may submit the request and application to the Secretary.

(II) REQUIREMENTS.—In submitting such a request, the local entity shall obtain the agreement of the State involved to comply with the requirements of this section that would otherwise apply to a State submitting a request for a waiver. In reviewing an application submitted under this section by a local entity, the Secretary shall comply with the requirements of this section that would otherwise apply to the Secretary with respect to review of such an application submitted by a State.
regulation issued under such provision, relating to—
(1) the allocation of funds to States, local enti-
ties, or individuals; 
(2) the maintenance of safety, civil rights, occu-
pational safety and health, environmental pro-
tection, displacement of employees, or fraud and 
abuse; 
(3) the eligibility of an individual for partici-
patation in a covered activity, except in a case in 
which the State or local entity can demonstrate 
that the individuals who would have been eligi-
ble to participate in such activity without the 
waiver will participate in a similar covered ac-
tivity; or 
(4) a required supplementation of funds by the 
State or any provision against the State sup-
planting such funds.
(e) ACTIVITIES.—Subject to subsection (d), the 
Secretary may approve a request for a waiver 
described in subsection (a) that would enable a 
State or local entity to use the assistance that 
would otherwise have been used to carry out 2 or 
more covered activities (if the State or local 
entity were not using the assistance as described 
in this section)—
(1) to address the high priority needs of unem-
ployed persons and at-risk youth in the appro-
priate workforce area of the State; 
(2) to improve efficiencies in the delivery of 
the covered activities; or 
(3) in the case of overlapping or duplicative ac-
tivities— (A) by combining the covered activities 
and funding the combined activities; or 
(B) by eliminating 1 of the covered activities 
and increasing the funding to the remaining 
covered activity.
(f) APPROVAL OR DISAPPROVAL.—The Sec-
retary shall approve or disapprove any request 
submitted pursuant to subsection (b) or (c), not 
later than 60 days after the date of the submis-
sion, and shall issue a decision that shall in-
clude the reasons for approving or disapproving 
the request.
(g) FAILURE TO ACT.—If the Secretary fails to 
approve or disapprove the request within the 60-
day period described in subsection (f), the re-
quest shall be deemed to be approved on the day 
after such period ends. If the Secretary subse-
quently determines that the waiver relates to a 
matter described in subsection (d) and issues a 
decision that includes the reasons for the deter-
mination, the waiver shall be deemed to termi-
nate on the date of issuance of the decision.
(h) DEFINITIONS.—As used in this section:
(1) LOCAL ENTITY.—The term "local entity" 
means— 
(A) a local educational agency responsible for 
carrying out the covered activity at issue; or 
(B) the local public or private agency or orga-
nization responsible for carrying out the covered 
activity at issue.
(2) SECRETARY.—The term "Secretary" 
means— 
(A) the Secretary of Labor, with respect to 
any act relating to a covered activity carried 
out by the Secretary of Labor; 
(B) the Secretary of Education, with respect to 
any act relating to a covered activity carried 
out by the Secretary of Education; and 
(C) the Secretary of Labor and the Secretary of 
Education, acting jointly, with respect to a 
covered activity under the School-to-Work Op-
(3) STATE.—The term "State" means— 
(A) an eligible agency responsible for carrying 
out the covered activity at issue; or 
(B) any act relating to a covered activity carried 
out by another State entity responsible for carrying out 
the covered activity at issue.
SEC. 142. TECHNICAL ASSISTANCE.
Beginning on the date of the enactment of this Act, the Secretaries shall provide technical assistance to States that request such assistance in—
(1) preparing the State plan required under 
section 104; or 
(2) developing the State benchmarks required 
under section 106(b).
SEC. 143. APPLICATIONS AND PLANS UNDER COV-
ERED ACTS.
Notwithstanding any other provision of law, no State or local entity shall be required to com-
ply with provisions of law relating to a cov-
ered activity that would otherwise require the 
entity to submit an application or a plan to a 
Federal agency during fiscal year 1997 for fund-
ancing of a covered activity. In determining wheth-
er to provide funding to the State or local entity 
for the covered activity, the Secretary of Labor 
or the Secretary of Education, as appropriate, 
shall consider the last application or plan, if any, 
submitted by the entity for funding of the 
covered activity.
SEC. 144. INTERIM AUTHORIZATIONS OF APPROP-
RIATIONS.
(a) C. ARL D. P ERKINS V OCATIONAL AND A P-
PLIED TECHNOLOGY EDUCATION ACT.—Section 
3(a) of the Carl D. Perkins Vocational and Ap-
plicated Technology Education Act (20 U.S.C. 2302(a)) is amended by striking "for each of the 
fiscal years" and all that follows through "1995" and inserting "for each of fiscal years 
1992 through 1998."
(b) A DULT EDUCATION ACT.—Section 313(a) of 
the Adult Education Act (20 U.S.C. 1201b(a)) is 
amended by striking "for each of the fiscal years" 
and all that follows through "1995" and inserting "for each of fiscal years 1993 through 1998."

Subtitle F—General Provisions
SEC. 151. AUTHORIZATION OF APPROPRIATIONS.
(a) IN GENERAL.—There are authorized to be 
appropriated to carry out this title (except sec-
tions 134, 138, and 139) such sums as may be 
necessary for each of fiscal years 1998 through 2002.
(b) RESERVATIONS.—Of the amount appro-
riated under subsection (a) for a fiscal year—
(1) 90 percent shall be reserved for making al-
lowments under section 102;
(2) $70,000,000 shall be reserved for carrying 
out section 135;
(3) $90,000,000 shall be reserved for carrying 
out section 136;
(4) $14,000,000 shall be reserved for carrying 
out section 137; and
(5) the remainder shall be reserved for carry-
ning out sections 132 and 133.
(c) PROGRAM YEAR.—
(1) IN GENERAL.—Appropriations for any 
fiscal year for programs carried out under this 
title or title B shall be available for obligation 
only on the basis of a program year. The program year shall begin on July 1 in the fiscal year for which the appro-
riation is made.
(2) ADMINISTRATION.—Funds obligated for any 
program year for employment and training ac-
tivities and at-risk youth activities may be ex-
pended by each recipient during the program 
year and the 2 succeeding program years.
SEC. 152. LOCAL EXPENDITURES CONTRARY TO 
TITLES
(a) REIMBURSEMENT BY STATE.—Except as 
provided in sections 107(c)(4) and 126(b)(2)(B), if the Secretaries require a State to repay funds as a 
result of a determination that an eligible pro-
vider of employment and training activities or at-risk youth activities in a local workforce de-
velopment area of the State has expended funds 
appropriated under this title in a manner con-
trary to the objectives of this title, and such 
reimbursement shall be made available under this title in a manner con-
trary to the objectives of this title, and such 
reimbursement shall be made available under this title in a manner con-
trary to the objectives of this title, and such 
reimbursement shall be made available under this title in a manner con-
trary to the objectives of this title, and such 
reimbursement shall be made available under this title in a manner con-
trary to the objectives of this title, and such
SEC. 206. STATE PLANS.

Section 8 of the Wagner-Peyser Act (29 U.S.C. 49g) is amended—

(1) in subsection (a) to read as follows:
``(a) Any State desiring to receive assistance under this Act shall submit to the Secretary, as part of the State plan submitted under section 104 of the Workforce and Career Development Act of 1996, detailed plans for carrying out the provisions of this Act within such State.'';

(2) by striking subsections (b), (c), and (e); and

(3) by redesignating subsection (d) as subsection (b).

SEC. 207. REPEAL OF FEDERAL ADVISORY COUNCIL.

Section 11 of the Wagner-Peyser Act (29 U.S.C. 49j) is hereby repealed.

SEC. 208. REGULATIONS.

Section 12 of the Wagner-Peyser Act (29 U.S.C. 49k) is amended by striking "The Director, with the approval of the Secretary of Labor,'' and inserting "The Secretary''.

SEC. 209. EFFECTIVE DATE.

The amendments made by this subtitle shall take effect on July 1, 1998.

Subtitle B—Amendments to the Rehabilitation Act of 1973

SEC. 211. REFERENCES.

Except as otherwise expressly provided in this subtitle, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a provision of another Act, the reference shall be considered to be made to a section or other provision of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.).

SEC. 212. FINDINGS AND PURPOSES.

Section 2 (29 U.S.C. 701) is amended—

(1) in subsection (a)(4), by striking "the provision of individualized training, independent living services, vocational and support services, and implementing 'implementation of a statewide system that provides meaningful and effective participation for individuals with disabilities in workforce and career development activities and activities carried out through the vocational rehabilitation program established under title I, and through the provision of independent living services.'"; and

(2) in subsection (b)(1)(A)—

(A) by striking "and coordinated''; and

(B) by inserting "that are coordinated with statewide systems after 'vocational rehabilitation'".

SEC. 213. Definitions.

Section 7 (29 U.S.C. 706) is amended by adding at the end the following new paragraphs:
``(38) The term 'statewide system' means a statewide system, as defined in section 4 of the Workforce and Career Development Act of 1996.

(39) The term 'vocational rehabilitation services' has the meaning given such term in section 4 of the Workforce and Career Development Act of 1996.''

SEC. 214. ADMINISTRATION.

Section 12(a)(1) (29 U.S.C. 711(a)(1)) is amended by inserting ", including providing assistance to achieve the meaningful and effective participation by individuals with disabilities in the activities carried out through a statewide system' before the semicolon.
Sec. 102. Individualized Employment Plans.

(a) IN GENERAL.—Section 102 (29 U.S.C. 722) is amended—

(1) in subsection (a), by striking ‘‘individuals with disabilities’’ and inserting ‘‘individuals with disabilities, including those with a history of entrenched poverty or adverse circumstances associated with such disabilities’’; and

(2) in subsection (c), by striking ‘‘in such paragraph’’ and inserting ‘‘in paragraph (b)(1)’’.

(b) CONFORMING AMENDMENTS.—

(1) Section 7(22)(A)(ii)(I) (29 U.S.C. 706(22)(A)(ii)(I)) is amended by striking ‘‘(22)’’ and inserting ‘‘(31)’’.

(2) Section 12(d) (29 U.S.C. 711(d)) is amended by striking ‘‘(6)’’ and inserting ‘‘(7)’’.

(c) SEC. 201. INDIVIDUALIZED EMPLOYMENT PLANS.

Sec. 201. SEC. 202. SEC. 203. SEC. 204. SEC. 205.
and entities involved in the collaborative process described in section 105 of the Workforce and Career Development Act of 1996''.

(b) CONFORMING AMENDMENT.—Subparagraph (B) of section 233(1) of subchapter I of chapter 232 of title 29, and section 202(b) of title 42, as amended by this subtitle, shall be amended by striking ``(1) IN GENERAL.—The Commission shall'' and inserting ``(1) IN GENERAL.—The Commissioner shall''.

(c) EFFECTIVE DATE.—This section, and amendments made by this section, shall take effect on July 1, 1998.

SEC. 222. EVALUATION STANDARDS AND PERFORMANCE INDICATORS.

Section 106(a)(1) (29 U.S.C. 726(a)(1)) is amended—

(1) by striking ``(1) IN GENERAL.—The Commissioner shall'' and inserting the following:

''(1) IN GENERAL.—The Commissioner shall'';

and

(2) by adding at the end the following:

''(B) MODIFICATION OR SUPPLEMENTATION.—

''(i) In general.—The Commissioner shall modify or supplement such standards and indicators to ensure that, to the maximum extent appropriate, such standards and indicators are consistent with the State benchmarks established under paragraphs (1) and (2) of section 106(b) of the Workforce and Career Development Act of 1996.

''(ii) ADDITIONAL PROVISIONS.—The Commissioner shall, in modifying or supplementing such standards and indicators, comply with the requirements under the timetable for establishing such benchmarks under the Workforce and Career Development Act of 1996 and the amendments made by this subtitle related to State benchmarks, or other components of a statewide system, shall take effect on July 1, 1998.

SEC. 223. ESTABLISHMENT.

There shall be established in the Department of Labor a Job Corps program, to carry out, in conjunction with the activities carried out under subsections (c) and (d), in such manner as the Secretary deems appropriate, the standards and procedures for the screening and selection of applicants for the Job Corps program described in this section for individuals enrolled in the Job Corps and assigned to a center.

SEC. 234. INDIVIDUALS ELIGIBLE FOR THE JOB CORPS.

To be eligible to become an enrollee, an individual shall be—

(1) not less than age 15 and not more than age 24;

(2) an individual who—

(A) receives, or is a member of a family that receives, cash welfare payments under a Federal, State, or local government program;

(B) had received an income, or is a member of a family that had received a total family income, for the 6-month period prior to application for the program involved (exclusive of unemployment compensation, child support payments, and payments described in subparagraph (A) that, in relation to family size, does not exceed the higher of—

(i) the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), for an equivalent period; or

(ii) 70 percent of the lower living standard income level, for an equivalent period;

(C) is a member of a household that receives (or has been determined within the 6-month period prior to application for the program involved to be eligible to receive) food stamps pursuant to the Food Stamp Act of 1967 (7 U.S.C. 2011 et seq.);

(D) qualifies as a homeless individual, as defined in subsections (a) and (c) of section 103 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11302);

(E) is a foster child on behalf of whom State or local government payments are made; or

(F) in cases permitted by regulations of the Secretary, is an individual with a disability whose own income meets the requirements of a program described in subparagraph (A) or subparagraph (B), but who is a member of a family whose income does not meet such requirements; and

(3) an individual who is 1 or more of the following:

(A) Basic skills deficient.

(B) A school dropout.

(C) Homeless or a runaway.

(D) Pregnancy or childbirth.

(E) An individual who requires additional education, training, or intensive counseling and related assistance, in order to secure and hold employment and participate successfully in regular schoolwork.

SEC. 235. SCREENING AND SELECTION OF APPLICANTS.

(a) STANDARDS AND PROCEDURES.—

(1) IN GENERAL.—The Secretary shall prescribe specific standards and procedures for the screening and selection of applicants for the Job Corps program, after receiving recommendations from the Governors, local boards, and other interested parties.

(2) METHODS.—In prescribing standards and procedures under paragraph (1) for the screening and selection of Job Corps applicants, the Secretary shall—

(A) require enrollees to take drug tests within 30 days of enrollment in the Job Corps;

(B) allocate, where necessary, additional resources to increase the applicant pool;

(C) establish standards for outreach to and screening of applicants;

(D) where appropriate, take measures to improve the professional capability of the individuals conducting such screening;

(E) require enrollees to pass background checks, conducted in accordance with procedures established by the Secretary; and

(F) assure that an appropriate number of enrollees are from rural areas.

(3) IMPLEMENTATION.—To the extent practicable, the standards and procedures shall be implemented through multijurisdictional arrangements with individuals and organizations, including private sector partners and labor organizations; and

(C) agencies and individuals that have contact with youth over substantial periods of time and are able to offer reliable information about the needs and problems of the youth.

(4) CONSULTATION.—The standards and procedures shall provide for public consultation with individuals and organizations, including court, probation, parole, law enforcement, education, welfare, and medical authorities and agencies.

(b) SPECIAL LIMITATIONS.—No individual shall be selected as an enrollee unless the individual or organization that is responsible for identifying the standards and processes determines that—

(1) there is a reasonable expectation that the individual considered for selection can participate successfully in group situations and activities; and

(2) the individual is not likely to obtain any Federal, State, or local government benefit that would prevent other enrollees from receiving the benefit of the program or be incompatible with the maintenance of satisfactory relationships between the Job Corps center to which the individual might be assigned and surrounding communities; and

(3) the individual meets a basic understanding of both the rules to which the individual will be subject and of the consequences of failure to observe the rules.

SEC. 236. ENROLLMENT AND ASSIGNMENT.

(a) RELATIONSHIP BETWEEN ENROLLMENT AND MILITARY OBLIGATIONS.—Enrollment in the Job Corps shall not relieve any individual of obligations under the Military Selective Service Act (50 U.S.C. App. 451 et seq.)

(b) ASSIGNMENT.—After the Secretary has determined that an enrollee is to be assigned to a Job Corps center, the enrollee shall be assigned to the center that is closest to the residence of the enrollee, except that the Secretary may waive this requirement for good cause, including to ensure an equitable opportunity for individuals described in section 234 from various sections of the United States to participate in the Job Corps program, to prevent undue delays in assignment of an enrollee, to adequately meet the needs of an enrollee, and for efficiency and economy in the operation of the program.

(c) PERIOD OF ENROLLMENT.—No individual may be enrolled in the Job Corps for more than 2 years, except—

(1) in a case in which completion of an advanced career training program under section 236(d) would require an individual to participate for more than 2 years; or

(2) as the Secretary may authorize in a special case.

SEC. 237. JOB CORPS CENTERS.

(a) OPERATORS AND SERVICE PROVIDERS.—

(1) ELIGIBLE ENTITIES.—The Secretary shall enter into an agreement with a Federal, State, or local agency, or a private organization, for the operation of each Job Corps center. The Secretary shall enter into an agreement with an appropriate entity to provide services for a Job Corps center.

(b) SELECTION PROCESS.—Except as provided in subsections (c) and (d), the Secretary shall select an entity to operate a Job Corps center on a competitive basis, after reviewing the operating procedures of multiple eligible providers in the private or public sector to serve as an operator for a Job Corps Center, the Secretary shall, at
the request of the Governor of the State in which the center is located, convene and obtain the recommendation of a selection panel described in section 242(b). In selecting an entity to serve as an operator or to provide services for a Job Corps center, the Secretary shall take into consideration the previous performance of the entity, if any, relating to operating or providing services for Job Corps centers.

(b) CHARACTER AND ACTIVITIES.—Job Corps centers may be residential or nonresidential in character, and shall be designed and operated so as to provide enrollees, in a well-supervised setting, with access to activities described in section 238. In any year, no more than 10 percent of the individuals enrolled in the Job Corps may be nonresidential enrollees or enrollees in which the enrollees may continue to participate for a period of not to exceed 1 year in addition to the period of participation to which the enrollees would otherwise be limited.

(2) POSTSECONDARY EDUCATIONAL INSTITUTIONS AND EDUCATION. — (A) An advanced career training program may be provided through a postsecondary educational institution for an enrollee who has obtained a secondary school diploma or its recognized equivalent and who is demonstrating proficiency and capacity in previous Job Corps participation, and has an identified occupational goal.

(3) COMPENSATION SPONSORED TRAINING PROGRAMS.—The Secretary may enter into contracts with appropriate entities to provide the advanced career training through intensive training in nontraditional working programs, combined with internships in work settings.

(4) BENEFITS.— (A) IN GENERAL.—During the period of participation in an advanced career training program, an enrollee shall be eligible for full job Corps benefits, or a monthly stipend equal to the average value of the residential support, food, allowances, and other benefits provided to enrollees assigned to residential Job Corps centers.

B. C ALCULATION.—The total amount for which an enrollee shall be eligible under subparagraph (A) shall be reduced by the amount of any scholarship or other educational grant assistance received by such enrollee for advanced career training and prior educational assistance.

(5) DEMONSTRATION.—Each year, any operator seeking to enroll additional enrollees in an advanced career training program shall demonstrate that the program has achieved a reasonable rate of completion and placement in training-related jobs before the operator may carry out such additional enrollment.

SEC. 239. SUPPORT.

The Secretary shall provide enrollees assigned to Job Corps centers with such personal allowances, including subsistence allowances, as the Secretary may determine to be necessary or appropriate to meet the needs of the enrollees.

SEC. 240. OPERATING PLAN.

(a) IN GENERAL.—To be eligible to operate a Job Corps center, an entity shall prepare and submit an operating plan to the Secretary for approval. Prior to submitting the plan to the Secretary, the entity shall submit the plan to the Governor of the State in which the center is located for review and comment. The entity shall submit any comments prepared by the Governor to the Secretary, the entity shall submit the plan to the Secretary for approval. Prior to submitting the plan to the Secretary, the entity shall submit the plan to the Governor of the State in which the center is located for review and comment. The entity shall submit any comments prepared by the Governor to the Secretary.

(b) ARRANGEMENTS.—The Secretary shall arrange for enrollees assigned to Job Corps centers to receive placement and training activities in their areas of interest, while with a focus on the workforce and their career development needs in the region in which the center is located.

(c) PROGRAM SERVICES.—The Secretary shall develop and adopt standards for the delivery of core career services, including the provision of personal allowances, which shall be provided, to the maximum extent practicable, through the delivery of core services described in section 121(e)(2).

SEC. 241. CONDUCT OF STANDARDS.

(a) PROVISION AND ENFORCEMENT.—The Secretary shall provide, and directors of Job Corps centers shall diligently enforce, standards of conduct for enrollees. Such standards of conduct shall include provisions forbidding the actions described in subsection (b)(2)(A).

(b) DISCIPLINARY MEASURES.— (1) GENERAL.—The Secretary shall provide a mechanism for the enforcement of such standards of conduct, and the director shall dismiss the enrollee from the Job Corps if the director determines that such an enrollee has committed a violation of the standards of conduct.

(2) ZERO TOLERANCE POLICY.— (A) GUIDELINES.—The Secretary shall adopt guidelines establishing a zero tolerance policy for the enforcement of such standards of conduct, for abuse of alcohol, or for other illegal or disruptive activity.

(2) DEFINITIONS.—As used in this paragraph:

(a) C ontrolled substance has the meaning given in section 102 of the Controlled Substances Act (21 U.S.C. 802).

(c) Z ERO TOLERANCE POLICY.—The term “zero tolerance policy” means a policy under which an enrollee shall be automatically dismissed from the Job Corps after a determination by the director that the enrollee has committed an action described in subparagraph (A).

(2) APPEAL.—A disciplinary measure taken by a director under this section shall be subject to an appeal, and procedures established by the Secretary.

SEC. 242. COMMUNITY PARTICIPATION.

(a) ACTIVITIES.—The Secretary shall encourage and cooperate in activities to establish a protective beneficial relationship between Job Corps centers in the State and nearby communities. The activities shall include the use of local boards established in the State to provide a mechanism for joint discussion of common problems and for planning programs of mutual interest.

(b) SELECTION PANELS.—The Governor shall recommend to the Secretary the individuals to serve on the selection panel convened by the Secretary to provide recommendations to the Secretary regarding any competitive selection of an operator for a center described in this section. The panel shall consist of no more than 7 members. In recommending individuals to serve on the panel, the Governor may recommend members of local boards established in the State or other representatives between the Governor. The Secretary shall select at least 1 individual recommended by the Governor.

(c) ACTIVITIES.—Each Job Corps center director shall:

(1) give official notice of nearby communities and tribal representatives of the notice of changes in the rules, procedures, or activities of the Job Corps center that may affect or be of interest to the communities;

(2) afford the communities a meaningful voice in the affairs of the Job Corps center that are of direct concern to the communities, including policies governing the issuance and terms of passes to enrollees;

(3) encourage the participation of enrollees in programs for improvement of the communities, with appropriate advance consultation with business, labor, professional, and other representatives in the communities.

SEC. 243. COUNSELING AND PLACEMENT.

The Secretary shall ensure that enrollees assigned to Job Corps centers receive academic and vocational counseling and job placement services, which shall to the maximum extent practicable, through the delivery of core services described in section 121(e)(2).
by a private for-profit contractor or a nonprofit

Code.

ernment of the United States within the mean-

United States Code (relating to compensation to

purposes of subchapter I of chapter 81 of title 5,

FEDERAL EMPLOYEES FOR WORK INJURIES .ÐFor

considered to be employees of the Government.

title 28, United States Code, enrollees shall be

ual as an enrollee shall be deemed to be per-

States and any service performed by an individ-

cial Social Security Act (42 U.S.C. 401 et seq.), enrollees

ices for a Job Corps center. Such a contractor

shall not be liable to any State or subdivision of a State to collect or pay any sales, excise, use,

or similar tax imposed on the sale to or by the contractor of any property, service, or other item in connection with the operation of or provision of services for a Job Corps center.

(d) MANAGEMENT Fee.—The Secretary shall provide each operator or entity providing serv-

ices for a Job Corps center with an equitable and

negotiated management fee of not less than 1 percent of the contract amount.

(e) Donations.—The Secretary may accept on behalf of the Job Corps or individual Job Corps centers charitable donations of cash or other as-

sistance, including equipment and materials, if the Secretary determines that such donations are appropriate for use for the purposes set forth in this subtitle.

SEC. 247. REVIEW OF JOB CORPS CENTERS.

(a) NATIONAL JOB CORPS REVIEW PANEL.—

(1) NATIONAL JOB CORPS REVIEW PANEL. The Secretary shall estab-

lish a National Job Corps Review Panel (hereafter referred to in this section as the "Panel").

(2) MEMBERSHIP.—The Panel shall be com-

posed of nine individuals selected by the Secre-
	ry, of which—

(A) three individuals shall be members of the national advisory committee for the Job Corps; (B) three individuals shall be representa-

tives from the private sector who have expertise and a demonstrated record of success in understand-

ing, analyzing, and motivating at-risk youth; and

(C) three individuals shall be members of the Office of the Inspector General of the Depart-

ment of Labor.

(3) DUTIES.—The Panel shall conduct a review of the activities carried out under part B of title IV of the Job Training Partnership Act (29 U.S.C. 287 et seq.). Not later than July 31, 1997, the Panel shall submit to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate a report containing the results of the review, includ-

ing—

(A) information on the amount of funds expended for fiscal year 1996 to carry out activities under such part, for each Job Corps center and for the United States;

(B) for each Job Corps center funded under such part, information on the amount of funds expended for fiscal year 1996 under such part to carry out activities related to the direct operation of the center, including funds expended for student travel, national outreach, screening, and placement services, national vocational training, and national and regional administrative costs;

(C) for each Job Corps center, information on the amount of funds expended for fiscal year 1996 under such part to carry out activities not related to the direct operation of the center, including funds expended for student travel, national outreach, screening, and placement services, national vocational training, and national and regional administrative costs;

(D) for each Job Corps center, information on the amount of funds expended for fiscal year 1996 under such part for facility construction, rehabilitation or improvement, and

(E) information on the amount of funds re-

quired to be expended under such part to com-

plete each new or proposed Job Corps center, to rehabilitate and repair each existing Job Corps center, as of the date of the submission of the report;

(F) a summary of the information described in subparagraphs (B) through (E) for all Job Corps centers;

(G) an assessment of the need to serve individu-

als described in section 234 in the Job Corps program, including—

(i) a cost-benefit analysis of the residential component of the Job Corps program;

(ii) the need for residential education and training services for individuals described in section 234, analyzed for each State and for the United States; and

(iii) a distribution of training positions in the Job Corps program, as compared to the need for the services described in clause (ii), analyzed for each State;

(H) an overview of the Job Corps program as a whole and an analysis of individual Job Corps centers, including a 5-year performance measurement summary that includes information, analyzed for the program and for each Job Corps center, on—

(i) the number of enrollees served;

(ii) the number of former enrollees who en-

tered employment, including the number of former enrollees placed in a position related to the job training received through the program and the number placed in a position not related to the job training received;

(iii) the number of former enrollees placed in jobs for 32 hours per week or more;

(iv) the number of former enrollees who en-

tered employment and were retained in the em-

ployment for more than 13 weeks;

(v) the number of former enrollees who en-

tered the Armed Forces;

(vi) the number of former enrollees who com-

pleted vocational training, and the rate of such completion, analyzed by vocation;

(vii) the number of former enrollees who en-

tered postsecondary education;

(viii) the number and percentage of early

dropouts from the Job Corps program;

(ix) the average wage of former enrollees, in-

cluding wages from positions described in clause (iii);

(x) the number of former enrollees who ob-

tained a secondary school diploma or its recog-

nized equivalent;

(xi) the average level of learning gains for

former enrollees; and

(xii) the number of former enrollees that did not—

(I) enter employment or postsecondary edu-

cation;

(II) complete a vocational education program;

(III) make identifiable learning gains;

(IV) information regarding the performance of all existing Job Corps centers over the 3 years preceding the date of submission of the report; and

(jj) job placement rates for each Job Corps cen-

ter and each entity providing services to a Job Corps center.

(b) RECOMMENDATIONS OF PANEL.—

(1) RECOMMENDATIONS. The Panel shall, based on the results of the review described in subsection (a), make recommendations to the Secretary regarding the operation of the Job Corps program, including—

(A) closing 5 Job Corps centers by September 30, 1997, and 5 additional Job Corps centers by September 30, 2002;

(B) relocating Job Corps centers described in paragraph (2)(A)(iii) in cases in which facility rehabilitation, renovation, or repair is not cost-

effective; and

(C) taking any other action that would im-

prove the operation of a Job Corps center or any other appropriate action.

(2) CONSIDERATIONS.—

(A) IN GENERAL.—In determining whether to

recommend that the Secretary close a Job Corps

Program.
center, the Panel shall consider whether the center—

(ii) has consistently received low performance measurement ratings under the Department of Labor Inspector General Job Corps rating system;

(iii) is among the centers that have experienced the highest number of serious incidents of violence or criminal activity in the past 5 years;

(iv) is among the centers that require the largest funding for renovation or repair, as specified in the Department of Labor Job Corps Construction/Rehabilitation Funding Needs Survey, or for rehabilitation or repair, as reflected in the portion of the review described in subsection (a)(3), as reflected in the review described in subsection (a);

(v) is among the centers with the least State and local support; or

(vi) is among the centers with the lowest rating on such additional criteria as the Panel may determine to be appropriate.

(b) REPORT.—Section 247 shall take effect on the date of enactment of this Act.

Subtitle D—Amendments to the National Literacy Act of 1991

SEC. 261. EXTENSION OF FUNCTIONAL LITERACY AND LIFE SKILLS PROGRAM FOR STATE AND LOCAL PRISONERS.

Paragraph (3) of section 601(i) of the National Literacy Act of 1991 (20 U.S.C. 1221(ii)) is amended—

(1) by striking "1994, and" and inserting "1994, and"

(2) by inserting ", and such sums as may be necessary for each of the fiscal years 1997, 1998, 2000, 2001, and 2002" before the period.

TITLE III—MUSEUMS AND LIBRARIES

SEC. 301. MUSEUM AND LIBRARY SERVICES.

The Museum Services Act (20 U.S.C. 961 et seq.) is amended to read as follows:

"TITLE II—MUSEUM AND LIBRARY SERVICES

"Subtitle A—General Provisions

SEC. 201. SHORT TITLE.

"This title may be cited as the 'Museum and Library Services Act'.

SEC. 202. GENERAL DEFINITIONS.

"As used in this title:

"(1) IN GENERAL.—The term 'Commission' means the National Commission on Libraries and Information Science established under section 3 of the National Commission on Libraries and Information Sciences Act (20 U.S.C. 1502).

"(2) DIRECTOR.—The term 'Director' means the Director of the Institute appointed under section 204.

"(3) INSTITUTE.—The term 'Institute' means the Institute of Museum and Library Services established under section 203.

"(4) MUSEUM BOARD.—The term 'Museum Board' shall be paid by the donor or the representative of the donor to the Director. The Director shall enter the proceedings in a special-interest account to the credit of the Institute for purposes specified in each case."
“(ii) makes publicly available library services and materials suitable for scholarly research and not otherwise available to the public; and

(iii) is not an integral part of an institution of higher education;”

“(E) A private library, but only if the State in which such private library is located determines that the library should be considered a library for purposes of this subtitle.

(3) LIBRARY CONSORTIUM.—The term ‘library consortium’ means any local, statewide, regional, interstate, or international cooperative association of library entities which provides for the systematic and effective coordination of the resources of school, public, academic, and special libraries and information centers, for improved services for the clientele of such library entities.

(4) STATE.—The term ‘State’, unless otherwise specified, includes each of the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

(5) STATE LIBRARY ADMINISTRATIVE AGENCY.—The term ‘State library administrative agency’ means the official agency of a State charged by the law of the State with the extension and development of public library services throughout the State.

(6) STATE PLAN.—The term ‘State plan’ means the document which gives assurances that the officially designated State library administrative agency has the fiscal and legal authority and capability to administer all aspects of this subtitle, provides assurances for establishing the State’s policies, priorities, criteria, and procedures for the implementation of all programs under this subtitle, submits copies for approval as required by regulations promulgated by the Director, identifies a State’s criteria for the selection of the activities and projects to be taken toward meeting the identified needs supported with the assistance of Federal funds made available under this subtitle.

SEC. 221. AUTHORIZATION OF APPROPRIATIONS.

(a) Authorization of Appropriations.—

(1) IN GENERAL.—There are authorized to be appropriated $150,000,000 for fiscal year 1997 and such sums as may be necessary to carry out the activities assisted under this subtitle.

(2) Transfer.—The Secretary of Education shall—

(A) transfer any funds appropriated under the authority of paragraph (1) to the Director to enable the Director to carry out this subtitle; and

(B) not exercise any authority concerning the administration of this title other than the transfer described in subparagraph (A).

(b) FORWARD FUNDING.—

(1) IN GENERAL.—To the end of affording the responsible Federal, State, and local officers adequate notice of available Federal financial assistance which will be spent on ongoing activities and projects, appropriations for grants, contracts, or other payments under any program under this subtitle are authorized to be included in the appropriations Act for the fiscal year preceding the fiscal year during which such activities and projects shall be carried out.

(2) ADDITIONAL AUTHORIZATION OF APPROPRIATIONS.—In order to effect a transition to the timing of appropriation action authorized by subsection (a), the application of this section may result in the enactment, in a fiscal year, of separate appropriations for a program under this subtitle (whether in the same appropriations Act or otherwise) for two consecutive fiscal years.

(c) ADMINISTRATION.—Not more than 3 percent of the funds appropriated under this section for a fiscal year may be used to pay for the Federal administrative costs of carrying out this subtitle.

CHAPTER 1—BASIC PROGRAM REQUIREMENTS

SEC. 222. RESERVATIONS AND ALLOTMENTS.

(a) RESERVATION.—

(1) IN GENERAL.—From the amount appropriated under the authority of section 214 for any fiscal year, the Director shall reserve 5 percent to award grants in accordance with section 261; and

(2) BURSAR.—Reserve 4 percent to award national leadership fellowships or contracts in accordance with section 262.

(b) SPECIAL RULE.—If the funds reserved pursuant to paragraph (1) for a fiscal year have not been obligated by the end of such fiscal year, then such funds shall be allotted in accordance with subsection (b) for the fiscal year succeeding the fiscal year for which the funds were so reserved.

(c) ALLOTMENTS.—

(1) IN GENERAL.—From the sums appropriated under the authority of section 214 and not reserved under subsection (a) for any fiscal year, the Director shall award grants from minimum allotments, as determined under paragraph (3), to each State. Any sums remaining after minimum allotments are awarded for such fiscal year shall be allotted in the manner set forth in paragraph (2).

(2) REMAINDER.—From the remainder of any sums appropriated under the authority of section 214 that are not reserved under subsection (a) and not allotted under paragraph (1) for any fiscal year, the Director shall award grants to each State in an amount that bears the same relation to such remainder as the population of the State bears to the population of all States.

(3) MINIMUM ALLOTMENT.—

(A) IN GENERAL.—For the purposes of this subsection, the minimum allotment for each State shall be $340,000, except that the minimum allotment shall be the population of the State of the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

(B) Ratable Reductions.—If the sum appropriated under section 214 and not reserved under subsection (a) for any fiscal year is insufficient to fully satisfy the aggregate of the minimum allotments for all States for that purpose, the Director shall reduce ratably such minimum allotments.

(c) Special Rule.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the Director shall reserve 11 1/2 percent to award grants to the Pacific Region Educational Laboratory for the purposes of this subsection.

(2) LEVEL OF STATE EXPENDITURES.—The level of State expenditures for the purposes of paragraph (1) shall be determined by multiplying the level of such expenditures for the 3 fiscal years preceding the fiscal year for which the determination is made by the ratio of the level of such expenditures for the fiscal year preceding the fiscal year for which the determination is made to the level of such expenditures for the fiscal year for which the determination is made.

(d) Calculation.—Any decrease in State expenditures resulting from the application of this subsection shall be excluded from the calculation of the average level of State expenditures for any 3-year period described in clause (ii).

(e) Decrease in Federal Support.—If the amount made available under this subtitle for a fiscal year is less than the amount made available for the fiscal year preceding such fiscal year, then the expenditures required by subparagraph (A) for such preceding fiscal year shall be decreased by the same percentage as the percent decrease in the amount so made available.

(f) Level of State Expenditures.—The level of State expenditures for the purposes of paragraph (1) shall include all State dollars expended by the State library administrative agency for library programs that are consistent with the purposes of this subtitle. All funds included in the maintenance of effort calculation under this subsection shall be expended during the fiscal year for which the determination is made. Any funds set aside for capital expenditures, special one-time project costs, or similar windfalls shall not be included in the calculation.

(g) Waiver.—The Director may waive the requirements of paragraph (1) if the Director determines that such a waiver would be equitable due to exceptional or uncontrollable circumstances such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the State.

SEC. 222. STATE PLANS.

(a) STATE PLAN REQUIRED.—

(1) IN GENERAL.—In order to be eligible to receive a grant under this section, each State library administrative agency shall submit a State plan to the Director not later than April 1, 1997.

(2) DURATION.—The State plan shall cover a period of 3 fiscal years.

(3) Revisions.—If a State library administrative agency makes a substantive revision to its
State plan, then the State library administrative agency shall submit to the Director an amendment to the State plan containing such revision not later than April 1 of the fiscal year preceding the fiscal year for which the amendment will be effective.

(b) CONTENTS.—The State plan shall—
(1) establish goals, and specify priorities, for the State consistent with the purposes of this subtitle;
(2) describe activities that are consistent with the goals and priorities established under paragraph (1) of this subsection, and with the purposes of this subtitle, and section 231, that the State library administrative agency will carry out during such year using such grant;
(3) describe the procedures that such agency will use to carry out the activities described in paragraph (2);
(4) delineate the methodology that such agency will use to evaluate the success of the activities established under paragraph (2) in achieving the goals and meeting the priorities described in paragraph (1); and
(5) describe the procedures that such agency will use to involve libraries and library users throughout the State in policy decisions regarding implementation of this subtitle and
(6) provide assurances satisfactory to the Director that such agency will make such reports, in such form and containing such information, as the Director reasonably requires to carry out this subtitle and to determine the extent to which funds provided under this subtitle have been effective in carrying out the purposes of this subtitle.

(c) EVALUATION AND REPORT.—Each State library administrative agency receiving a grant under this subtitle shall independently evaluate, and report to the Director, the extent to which such grant has been used to involve libraries and library users in policy decisions regarding implementation of this subtitle, and shall provide the Director with the reasons for such determination.

(d) INFORMATION.—Each library receiving a grant under this subtitle shall, in carrying out its activities under this subtitle, independently evaluate the extent to which it has been effective in carrying out the purposes of this subtitle.

(e) APPROVAL.—
(1) IN GENERAL.—The Director shall approve any State plan under this subtitle that meets the requirements of subsection (c).
(2) PUBLIC AVAILABILITY.—Each State library administrative agency receiving a grant under this subtitle shall make the State plan available to the public.

(3) ADMINISTRATION.—If the Director determines that the State plan does not meet the requirements of subsection (c), the Director shall—
(A) immediately notify the State library administrative agency of such determination and the reasons for such determination;
(B) offer the State library administrative agency the opportunity to revise its State plan; and
(C) provide technical assistance in order to assist the State library administrative agency in meeting the requirements of this section.

(4) The Director shall approve any State plan as revised under this paragraph if it meets the requirements of subsection (c).

(5) The Director shall provide the State library administrative agency the opportunity for a hearing.

CHAPTER 2—LIBRARY PROGRAMS

SEC. 231. GRANTS TO STATES.

(a) GENERAL.—Of the funds provided to a State library administrative agency under section 214, such agency shall expend, either directly or through subgrants or cooperative agreements, at least 96 percent of such funds for—
(1) establishing or enhancing electronic linkages among or between libraries, library consortia, or other such systems established under this subtitle; and
(2) targeting library and information services to persons having difficulty using a library and to underserved urban and rural communities, including children (from birth through age 17) from families with incomes below the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved.

(b) SPECIAL RULE.—Each State library administrative agency receiving funds under this chapter may apportion the funds available for the purposes described in subsection (a) between the libraries and the State and to enable such organizations to carry out the activities described in section 231.

(c) ADMINISTRATION.—If the Director determines that the State library administrative agency receiving such grant; (d) provide the State library administrative agency receiving a grant under this subtitle shall make the State plan under this subtitle and to determine the extent to which funds provided under this subtitle, shall be effective.

The funds provided under this subtitle, shall be reserved for the States and their local subdivisions.

Subtitle C—Museum Services

SEC. 271. PURPOSE.

(a) In general.—The purpose of this subtitle—
(1) to encourage and assist museums in their educational role, in conjunction with formal systems of elementary, secondary, and post-secondary education; and
(2) to assist museums in modernizing their museum facilities, is that the funds provided under this subtitle shall be effective in—
(1) encouraging the development of cooperative agreements between museums.
(2) improving the facilities of museums.
(3) assisting museums in the conservation of cultural, historic, and scientific heritage of the United States; and
(4) to ease the financial burden borne by museums as a result of their increasing use by the public.

SEC. 272. DEFINITIONS.

(a) As used in this subtitle—
(1) MUSEUM.—The term ‘museum’ means a public or private nonprofit agency or institution organized on a permanent basis for essentially educational or aesthetic purposes, that utilizes a professional staff, owns or utilizes tangible objects, cares for the tangible objects, and exhibits the tangible objects to the public on a regular basis.
(b) STATE.—The term ‘State’ means each of the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

SEC. 273. MUSEUM SERVICES ACTIVITIES.

(a) Grants.—The Director, subject to the policy direction of the Museum Board, may make grants to museums to pay not more than 50 percent of the cost of providing museum services, through such activities as—
(1) programs that enable museums to construct, install displays, interpretations, and exhibitions in order to improve museum services provided to the public;
(2) assisting museums in developing and maintaining professionally trained or otherwise experienced staff to meet the needs of the museum;
(3) assisting museums in meeting the administrative costs of preserving and maintaining the collections of the museums, exhibiting the collections to the public, and providing educational programs to the public through the use of the collections;
(4) assisting museums in cooperating with each other in developing traveling exhibitions, meeting transportation costs, and identifying and arranging collections for loan;
(5) assisting museums in the conservation of their collections;
(6) developing and carrying out specialized programs for specific segments of the public, such as programs for urban neighborhoods, rural areas, Indian reservations, and penal and other State institutions; and
(7) model programs demonstrating cooperative efforts between libraries and museums.

(b) CONTRACTS AND COOPERATIVE AGREEMENTS.—
(1) PROJECTS TO STRENGTHEN MUSEUM SERVICES.—The Director, subject to the policy direction of the Museum Board, is authorized to enter into contracts and cooperative agreements with appropriate entities, as determined by the Director, to pay for the Federal share of activities designed to strengthen museum services, except that any contracts or cooperative agreements entered into pursuant to this subsection shall be effective only if the cost of such contracts or cooperative agreements shall not exceed 15 percent of the amount appropriated under this subtitle for such fiscal year.
"(3) OPERATIONAL EXPENSES.—No financial assistance may be provided under this subsection to pay for operational expenses.

"(c) FEDERAL SHARE.—Except as provided in paragraph (2), the Federal share described in subsection (a) and (b) shall not be more than 50 percent.

"(2) GREATER THAN 50 PERCENT.—The Director may use not more than 20 percent of the funds made available under this subtitle for a fiscal year to make grants under subsection (a) or enter into agreements under subsection (b), for which the Federal share may be greater than 50 percent.

"(d) REVIEW AND EVALUATION.—The Director shall establish procedures for reviewing and evaluating grants, contracts, and cooperative agreements made or entered into under this subtitle. Procedures for reviewing grant applications or contracts and for financial assistance under this subtitle shall not be subject to any review outside of the Institute.

"SEC. 274. AWARD.—The Director, with the advice of the Museum Board, may annually award a National Award for Museum Service to outstanding museums that have made significant contributions in service to their communities.

"SEC. 275. NATIONAL MUSEUM SERVICES BOARD.—

"(a) ESTABLISHMENT.—There is established in the Institute a National Museum Services Board, which shall have the duties, powers, and authority of the Museum Board.

"(b) COMPOSITION AND QUALIFICATIONS.—

"(1) COMPOSITION.—The National Museum Services Board shall be composed of (A) 4 members of the Museum Board; (B) resources that, collectively, are broadly representative of the curatorial, conservation, educational, and cultural resources of the United States; or (ii) museums that, collectively, are broadly representative of various types of museums, including museums relating to science, history, technology, art, zoos, and botanical gardens; and (C) who are recognized for their broad knowledge, expertise, or experience in museums or commitment to museums.

"(2) QUALIFICATIONS.—The appointive members of the Museum Board shall be selected from among citizens of the United States—

"(A) who are members of the general public;

"(B) who are or have been affiliated with—

"(i) resources that, collectively, are broadly representative of the curatorial, conservation, educational, and cultural resources of the United States; or

"(ii) museums that, collectively, are broadly representative of various types of museums, including museums relating to science, history, technology, art, zoos, and botanical gardens; and

"(C) who are recognized for their broad knowledge, expertise, or experience in museums or commitment to museums.

"(3) OTHER REPRESENTATION.—Members of the Museum Board shall be appointed to reflect persons from various geographic regions of the United States. The Museum Board, in selecting persons, may deliberate, at any time, more than 3 members from a single State. In making such appointments, the President shall give due regard to equitable representation of women, minorities, and persons with disabilities who are involved with museums.

"(c) TERMS.—

"(1) IN GENERAL.—Each appointive member of the Museum Board shall serve for a term of 5 years, except that—

"(A) the members first appointed, 3 shall serve for terms of 5 years, 3 shall serve for terms of 4 years, 3 shall serve for terms of 3 years, 3 shall serve for terms of 2 years, and 2 shall serve for terms of 1 year, as designated by the President at the time of nomination for appointment; and

"(B) any member appointed to fill a vacancy shall serve for the remainder of the term for which the predecessor of the member was appointed.

"(2) REAPPOINTMENT.—No member of the Museum Board who has been a member for more than 7 consecutive years shall be eligible for reappointment.

"(3) SERVICE UNTIL SUCCESSOR TAKES OFFICE.—Notwithstanding any other provision of this section, a member of the Museum Board shall serve until the expiration of the term of the member until the successor to the member takes office.

"(d) DUTIES AND POWERS.—The Museum Board shall have the responsibility to advise the Director on general policies with respect to the duties, powers, and authority of the museum relating to the services, including general policies with respect to—

"(1) financial assistance awarded under this subtitle for museum boards; and

"(2) procedures described in section 262(a)(4).

"(e) CHAIRPERSON.—The President shall designate 1 of the appointive members of the Museum Board as Chairperson of the Museum Board.

"(f) MEETINGS.—

"(1) IN GENERAL.—The Museum Board shall meet—

"(A) not less than 3 times each year, including—

"(i) not less than 2 times each year separately; and

"(ii) not less than 1 time each year in a joint meeting with the Commission, convened for purposes of making general policies with respect to financial assistance for projects described in section 262(a)(4); and

"(B) at the call of the Director.

"(2) VOTE.—A majority of the Museum Board with respect to the exercise of the duties and powers of the Museum Board shall be made by a majority vote of the members of the Museum Board. All decisions by the Commission and the Museum Board with respect to the policies described in paragraph (1)(A)(ii) shall be made by a 5% majority vote of the total number of the members of the Commission and the Museum Board who are present.

"(g) QUORUM.—A majority of the members of the Museum Board shall constitute a quorum for the conduct of business at official meetings of the Museum Board, but a lesser number of members may hold hearings. A majority of the members of the Commission and a majority of the members of the Museum Board shall constitute a quorum for the conduct of business at official joint meetings of the Commission and the Museum Board.

"(h) COMPENSATION AND TRAVEL EXPENSES.—

"(1) COMPENSATION.—Each member of the Museum Board who is not an officer or employee of the Federal Government shall be compensated at a rate to be fixed by the President, but not to exceed the daily equivalent of the rate authorized for position above grade GS-15 under section 5108 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Museum Board, or the Federal Government.

"(2) TRAVEL EXPENSES.—The members of the Museum Board who are officers or employees of the Federal Government shall be compensated in the same manner and to the same extent as authorized under section 5703 of title 5, United States Code, for persons employed intermittently by the Federal Government.

"(i) COORDINATION.—The Museum Board, with the advice of the Director, shall take steps to ensure that the policies and activities of the Institute are coordinated with other activities of the Federal Government.

"SEC. 276. AUTHORIZATION OF APPROPRIATIONS.—

"(a) GRANTS.—For the purpose of carrying out this section, the amounts authorized to be appropriated to the Director $28,700,000 for the fiscal year 1997, and such sums as may be necessary for each of the fiscal years 1998 through 2000.

"(b) ADMINISTRATION.—Not more than 10 percent of the funds appropriated under this section for a fiscal year may be used for the administrative costs of carrying out this subtitle.

"SEC. 277. SUMS REMAINING AVAILABLE.—Sums appropriated pursuant to subsection (a) for any fiscal year shall remain available for obligation until expended.

"SEC. 302. NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE.—

"(a) FUNCTIONS.—Section 5 of the National Commission on Libraries and Information Science Act (20 U.S.C. 1504) is amended—

"(1) by redesignating subsections (b) through (d) as subsections (c) through (f), respectively; and

"(2) by inserting after subsection (a) the following—

"(b) The Commission shall have the responsibility to advise the Director of the Institute of Museum and Library Services on general policies with respect to the duties, powers, and authority of the Institute of Museum and Library Services relating to library services, including—

"(1) general policies with respect to—

"(A) financial assistance awarded under the Library and Librarianship Act; and

"(B) projects described in section 262(a)(4) of such Act; and

"(2) all decisions made to ensure that the policies and activities of the Institute of Museum and Library Services are coordinated with other activities of the Federal Government.

"(c) The Institute of Museum and Library Services Board with respect to the advice on general policy described in paragraph (1)—

"(1) shall be made by a 5% majority vote of the total number of the members of the Commission and the Institute of Museum and Library Services Board who are present.

"(2) A majority of the members of the Commission and a majority of the members of the National Museum Services Board shall constitute a quorum for the conduct of business at official joint meetings of the Commission and the National Museum Services Board.

"(b) MEMBERSHIP.—Section 6 of the National Commission on Libraries and Information Science Act (20 U.S.C. 1505) is amended—

"(1) in subsection (a)—

"(A) in the first sentence, by striking "Librarian of Congress" and inserting "Librarian of Congress, the Director of the Institute of Museum and Library Services (who shall serve as an ex officio, nonvoting member),"; and

"(B) in the second sentence—

"(i) by striking "special competence or interest in" and inserting "special competence or interest in or knowledge of; and"

"(ii) by inserting before the period the following—

"(and at least one other of whom shall be knowledgeable with respect to the library and information service and science needs of the elderly); and

"(iii) by inserting "and all that follows and inserting ""; and

"(2) in subsection (b), by striking "the rate specified" and all that follows through "and while" and inserting "the daily equivalent of the maximum rate authorized for a position above grade GS-15 of the General Schedule under section 5108 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the business of the Commission.

"SEC. 303. TRANSFER OF FUNCTIONS FROM INSTITUTE OF MUSEUM SERVICES.—

"(a) DEFINITIONS.—For the purposes of this section, unless otherwise provided or indicated by the context—
the term "Federal agency" has the meaning given to the term "agency" by section 551(1) of title 5, United States Code; (2) the term "function" means any duty, obligation, responsibility, right, privilege, activity, or program; and (3) the term "officer" includes any officer, administrator, agency, institute, unit, organization, appointing official, authorized official, a court of competent jurisdiction, or by operation of law. Nothing in this paragraph shall be construed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions as otherwise provided by law. An order, contract, rules, regulations, and other personnel of the Institute of Museum and Library Services determined to be necessary or appropriate to administer and manage the functions of the Institute of Museum and Library Services determines to be necessary or appropriate to administer and manage the functions of the Institute of Museum and Library Services determinates to be necessary or appropriate to administer and manage the functions of the Institute of Museum and Library Services. (g) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—Except as otherwise provided in this section, the personnel employed by the Institute of Museum and Library Services under this section shall be continued. The personnel, on the day before the effective date of this section, or were final before the effective date of this section, or were final before the effective date of this section. If necessary, the Office of Management and Budget shall make any determination of the purposes for which the funds were originally authorized and appropriated. (h) INCIDENTAL TRANSFERS.—The Director of the Office of Management and Budget, at such time as the Director of the Institute of Museum and Library Services determined to be necessary or appropriate to administer and manage the functions of the Institute of Museum and Library Services determined to be necessary or appropriate to administer and manage the functions of the Institute of Museum and Library Services. Unexpended funds transferred pursuant to this subsection shall be used only for the purpose for which they were initially appropriated and shall be transferred or granted to such Director of the Institute of Museum and Library Services to a position having duties comparable to the duties performed immediately preceding such appointment shall continue to be paid at a rate of such person to be separated or reduced in grade or compensation for 1 year after the date of transfer of such employee under this section. (2) E XECUTIVE SCHEDULE POSITIONS.—Except as otherwise provided in this section, the Executive Schedule positions of the office of any officer or employee of the Department of Education, agency, or institution, power, authority, responsibility, right, privilege, activity, or program; and (3) the term "officer" includes any officer, administrator, agency, institute, unit, organization, appointing official, authorized official, a court of competent jurisdiction, or by operation of law. Nothing in this paragraph shall be construed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions as otherwise provided by law. An order, contract, rules, regulations, and other personnel of the Institute of Museum and Library Services determined to be necessary or appropriate to administer and manage the functions of the Institute of Museum and Library Services determinates to be necessary or appropriate to administer and manage the functions of the Institute of Museum and Library Services.
the amount of funds transferred pursuant to the reorganization of such section. The Holding Company and any subsidiary of the Holding Company (other than the Association or a subsidiary of the Association) shall not purchase loans insured under this Act until such time as the Secretary is acquiring such loans, except that the Holding Company may purchase such loans if the Association is merely continuing to acquire loans as a lender of last resort pursuant to an agreement with the Secretary described in paragraph (6).

4. TRANSFER OF CERTAIN PROPERTY.-(a) IN GENERAL.—Except as provided in this section, on the reorganization effective date or as soon as practicable thereafter, the Association shall use such financial and other resources as are necessary or appropriate to effect, upon the reorganization of such subsection, a restructuring of the common stock ownership of the Association, which would have the effect provided in section 439(q) or under subparagraph (A), require the Association to transfer to the Holding Company or any subsidiary of the Holding Company (or both), as directed by the Holding Company, all real and personal property of the Association, except any property that is not marketable or intangible other than the remaining property. Subject to the preceding sentence, such transferred property shall include all right, title, and interest—

(i) direct or indirect subsidiaries of the Association (excluding special purpose funding companies in existence on the date of enactment of this section and any interest in any government-sponsored enterprise);

(ii) contracts, leases, and other agreements of the Association;

(iii) licenses and other intellectual property of the Association; and

(iv) any other property of the Association.

(b) CONSTRUCTION.—Nothing in this paragraph shall be construed to prohibit the Association from transferring remaining property from time to time to the Holding Company or any subsidiary of the Holding Company, subject to the provisions of paragraph (4).

5. TRANSFER OF PERSONNEL.—On the reorganization effective date, employees of the Association shall be transferred to the Holding Company (or any subsidiary of the Holding Company, and the Holding Company (or any subsidiary of the Holding Company) shall provide all necessary and appropriate management and operational support (including loan servicing) to the Association, as requested by the Association. The Association, however, may obtain such management and operational support from persons or entities not associated with the Holding Company.

6. DIVIDENDS.—The Association may pay dividends in the form of cash or noncash distributions so long as at the time of the declaration of such dividends, after giving effect to the payment of such dividends as of the date of such declaration by the Board of Directors of the Association, the Association’s capital would be in compliance with the capital standards and requirements set forth in section 439(r). If, at any time after the reorganization effective date, the Association fails to comply with such capital standards, the Holding Company shall transfer to the Association additional capital in such amounts as are necessary to ensure that the Association again complies with the capital standards.

7. SEPARATE OPERATION OF CORPORATIONS.—(A) OBLIGATION TO OPTAIN, MAINTAIN, AND REPORT INFORMATION.—The Association shall obtain such information and make and keep such records as the Secretary of the Treasury may from time to time prescribe concerning the Association covering such secondary market activities. The Association shall submit reports, to the extent such activities are reasonably likely to have a material impact on the financial condition of the Association, including the Association’s capital ratio, the Association’s liquidity, or the Association’s ability to conduct and finance the Association’s operations; and (B) Separate operation of corporations; procedures, and systems for monitoring and controlling any such financial risk.

SUMMARY REPORTS.—The Secretary of the Treasury may require summary reports of the information described in subparagraph (A) to be filed no more frequently than quarterly. If, as a result of adverse market conditions or based on reports provided pursuant to this subparagraph or other available information, the Secretary of the Treasury has concerns regarding the financial or operational condition of the Association, the Secretary of the Treasury may, notwithstanding the preceding sentence and subparagraph (A), require the Association to provide such reports to the Secretary of the Treasury concerning any associated person whose business activities are reasonably likely to have a material impact on the financial or operational condition of the Association.
(ii) IN GENERAL.—The funds and assets of the Association shall at all times be maintained separately from the funds and assets of the Holding Company or any subsidiary of the Holding Company. The Association shall at all times be maintained separately from any office of the Holding Company or any subsidiary of the Holding Company.

(iii) CORPORATE OFFICE.—The Association shall maintain a corporate office that is physically separate from any office of the Holding Company or any subsidiary of the Holding Company.

(iv) DIRECTOR.—No director of the Association shall be a director of the Holding Company, or any subsidiary of the Holding Company, or any subsidiary of the Holding Company.

(v) OFFICER REQUIREMENT.—At least one officer of the Association shall be an officer solely of the Association.

(vi) TRANSACTIONS.—Transactions between the Association and the Holding Company or any subsidiary of the Holding Company or any subsidiary of the Holding Company shall not be entered into unless both the Association and the Holding Company or any subsidiary of the Association or any subsidiary of the Holding Company shall be in compliance with their respective terms.

(vii) CREDIT AGREEMENT.—The Association shall not enter into credit agreements with the Holding Company or any subsidiary of the Holding Company or any subsidiary of the Holding Company without the prior approval of the Secretary of the Treasury.

(viii) USE OF SALLIE MAE NAME.—Subject to paragraph (2), the Association may use the ‘Sallie Mae’ name or mark, except that neither the Holding Company, or any subsidiary of the Holding Company, may use the ‘Sallie Mae’ name or mark, unless the Association has obtained the written permission of the Secretary of the Treasury or the Federal Trade Commission to do so.

(ix) USE OF GOVERNMENT NAME.—The Association shall not use any government name or mark, except that the Association may use the government name or mark if it has obtained the written permission of the Secretary of the Treasury or the Federal Trade Commission to do so.

(x) RESTRICTIONS ON USE OF SALLIE MAE NAME.—The Association shall not use the ‘Sallie Mae’ name or mark unless the Association has obtained the written permission of the Secretary of the Treasury or the Federal Trade Commission to do so.

(xi) RESTRICTIONS ON USE OF GOVERNMENT NAME.—The Association shall not use any government name or mark unless the Association has obtained the written permission of the Secretary of the Treasury or the Federal Trade Commission to do so.

(xii) USE OF TRADEMARK AND SERVICE MARK.—The Association shall not use any trademark or service mark, except that neither the Association, nor any subsidiary of the Association, may use the trademark or service mark, unless the Association has obtained the written permission of the Secretary of the Treasury or the Federal Trade Commission to do so.

(xiii) RESTRICTIONS ON USE OF TRADEMARK AND SERVICE MARK.—The Association shall not use any trademark or service mark, except that neither the Association, nor any subsidiary of the Association, may use the trademark or service mark, except that the Association may use the trademark or service mark if it has obtained the written permission of the Secretary of the Treasury or the Federal Trade Commission to do so.

(xiv) RESTRICTIONS ON USE OF TRADEMARK AND SERVICE MARK.—The Association shall not use any trademark or service mark, except that neither the Association, nor any subsidiary of the Association, may use the trademark or service mark, unless the Association has obtained the written permission of the Secretary of the Treasury or the Federal Trade Commission to do so.

(xv) RESTRICTIONS ON USE OF TRADEMARK AND SERVICE MARK.—The Association shall not use any trademark or service mark, except that neither the Association, nor any subsidiary of the Association, may use the trademark or service mark, unless the Association has obtained the written permission of the Secretary of the Treasury or the Federal Trade Commission to do so.

(xvi) RESTRICTIONS ON USE OF TRADEMARK AND SERVICE MARK.—The Association shall not use any trademark or service mark, except that neither the Association, nor any subsidiary of the Association, may use the trademark or service mark, unless the Association has obtained the written permission of the Secretary of the Treasury or the Federal Trade Commission to do so.

(xvii) RESTRICTIONS ON USE OF TRADEMARK AND SERVICE MARK.—The Association shall not use any trademark or service mark, except that neither the Association, nor any subsidiary of the Association, may use the trademark or service mark, unless the Association has obtained the written permission of the Secretary of the Treasury or the Federal Trade Commission to do so.

(xviii) RESTRICTIONS ON USE OF TRADEMARK AND SERVICE MARK.—The Association shall not use any trademark or service mark, except that neither the Association, nor any subsidiary of the Association, may use the trademark or service mark, unless the Association has obtained the written permission of the Secretary of the Treasury or the Federal Trade Commission to do so.

(xix) RESTRICTIONS ON USE OF TRADEMARK AND SERVICE MARK.—The Association shall not use any trademark or service mark, except that neither the Association, nor any subsidiary of the Association, may use the trademark or service mark, unless the Association has obtained the written permission of the Secretary of the Treasury or the Federal Trade Commission to do so.

(xx) RESTRICTIONS ON USE OF TRADEMARK AND SERVICE MARK.—The Association shall not use any trademark or service mark, except that neither the Association, nor any subsidiary of the Association, may use the trademark or service mark, unless the Association has obtained the written permission of the Secretary of the Treasury or the Federal Trade Commission to do so.

(3) DISCLOSURE REQUIRED.—Until 3 years after the dissolution date, the Holding Company, and any subsidiary of the Holding Company, shall, as a matter of public record, report to the Secretary of the Treasury any material transaction between the Association and the Holding Company, or any subsidiary of the Holding Company, and any subsidiary of the Holding Company.

(4) RIGHT TO ENFORCE.—The Secretary of the Treasury, or the Secretary of Education, as appropriate, may request that the Attorney General bring an action in the District Court for the District of Columbia for the enforcement of any provision of this section, or may, under the direction or control of the Attorney General, bring an action in the District Court for the District of Columbia for the enforcement of any provision of this section, or may, under the direction or control of the Attorney General, bring an action in the District Court for the District of Columbia for the enforcement of any provision of this section.
(h) **Deadline for Reorganization Effective Date.**—This section shall be of no further force and effect in the event that the reorganization effective date does not occur on or before 18 months after the date of enactment of this section.

(ii) **Definitions.—For purposes of this section:***

(A) **Association.**—The term 'Association' means the Student Loan Marketing Association.

(B) **Contracts relating to interest rate, currency, or commodity positions or protections.**—Any instruments, assets, or agreements described in section 439(d) (including, without limitation, all student loans and agreements relating to the purchase and sale of student loans, forward purchase and lending commitments, warehousing advances, academic facilities obligations, receivables, any derivative instruments, agreements, liquidity agreements, and student loan revenue bonds or other loans).

(E) **Exempt as specifically prohibited by this section or section 439, any other nonmaterial assets or liabilities of the Association which the Association's Board of Directors determines to be necessary or appropriate to the Association's operations.**

(F) **Reorganization.**—The term 'reorganization' means the restructuring event or events (including any merger event) giving effect to the Holding Company structure described in subsection (a).

(G) **Reorganization Effective Date.**—The term 'reorganization effective date' means the last day of the fiscal quarter ending March 31, 2007, or any subsequent date.

(H) **Annual Assessment.**—For each fiscal year beginning on or after October 1, 1996, the Secretary of the Treasury shall assess the Association an amount sufficient to provide for reasonable costs and expenses of carrying out the duties of the Secretary of the Treasury under this section and section 440 during such fiscal year. In no event may the total amount so assessed exceed, for any fiscal year, $800,000, adjusted for each fiscal year ending after September 30, 1997, by the ratio of the Consumer Price Index for All Urban Consumers (issued by the Bureau of Labor Statistics) for the final month of the fiscal year to the Consumer Price Index for All Urban Consumers for September 1997.

(I) **Deposit.**—Amounts collected from assessments under this section shall be deposited in an account within the Treasury of the United States as designated by the Secretary of the Treasury and shall remain available subject to amounts specified in appropriations Acts to carry out the duties of the Secretary of the Treasury under this section and subsection 440.

(C) **(c)** (1) by striking paragraphs (4) and (6)(A) and inserting 'paragraphs (4), (6)(A), and (14); and

(ii) **Remaining Obligations.**—The term 'remaining obligations' means the debt obligations of the Association outstanding as of the dissolution date.

(D) **Remaining Property.**—The term 'remaining property' means the following assets and liabilities of the Association which are outstanding as of the reorganization effective date:

(A) Debt obligations issued by the Association:

(B) Any instruments, assets, or agreements described in section 439(d) (including, without limitation, all student loans and agreements relating to the purchase and sale of student loans, forward purchase and lending commitments, warehousing advances, academic facilities obligations, receivables, any derivative instruments, agreements, liquidity agreements, and student loan revenue bonds or other loans).

(E) Except as specifically prohibited by this section or section 439, any other nonmaterial assets or liabilities of the Association which the Association's Board of Directors determines to be necessary or appropriate to the Association's operations.

(F) **Reorganization.**—The term 'reorganization' means the restructuring event or events (including any merger event) giving effect to the Holding Company structure described in subsection (a).

(G) **Reorganization Effective Date.**—The term 'reorganization effective date' means the last day of the fiscal quarter ending March 31, 2007, or any subsequent date.

(H) **Annual Assessment.**—For each fiscal year beginning on or after October 1, 1996, the Secretary of the Treasury shall assess the Association an amount sufficient to provide for reasonable costs and expenses of carrying out the duties of the Secretary of the Treasury under this section and section 440 during such fiscal year. In no event may the total amount so assessed exceed, for any fiscal year, $800,000, adjusted for each fiscal year ending after September 30, 1997, by the ratio of the Consumer Price Index for All Urban Consumers (issued by the Bureau of Labor Statistics) for the final month of the fiscal year to the Consumer Price Index for All Urban Consumers for September 1997.

(I) **Deposit.**—Amounts collected from assessments under this section shall be deposited in an account within the Treasury of the United States as designated by the Secretary of the Treasury and shall remain available subject to amounts specified in appropriations Acts to carry out the duties of the Secretary of the Treasury under this section and subsection 440.

(C) **(c)** (1) by striking paragraphs (4) and (6)(A) and inserting 'paragraphs (4), (6)(A), and (14); and

(ii) **Remaining Obligations.**—The term 'remaining obligations' means the debt obligations of the Association outstanding as of the dissolution date.

(D) **Remaining Property.**—The term 'remaining property' means the following assets and liabilities of the Association which are outstanding as of the reorganization effective date:

(A) Debt obligations issued by the Association:

(B) Any instruments, assets, or agreements described in section 439(d) (including, without limitation, all student loans and agreements relating to the purchase and sale of student loans, forward purchase and lending commitments, warehousing advances, academic facilities obligations, receivables, any derivative instruments, agreements, liquidity agreements, and student loan revenue bonds or other loans).

(E) Except as specifically prohibited by this section or section 439, any other nonmaterial assets or liabilities of the Association which the Association's Board of Directors determines to be necessary or appropriate to the Association's operations.

(F) **Reorganization.**—The term 'reorganization' means the restructuring event or events (including any merger event) giving effect to the Holding Company structure described in subsection (a).

(G) **Reorganization Effective Date.**—The term 'reorganization effective date' means the last day of the fiscal quarter ending March 31, 2007, or any subsequent date.

(H) **Annual Assessment.**—For each fiscal year beginning on or after October 1, 1996, the Secretary of the Treasury shall assess the Association an amount sufficient to provide for reasonable costs and expenses of carrying out the duties of the Secretary of the Treasury under this section and section 440 during such fiscal year. In no event may the total amount so assessed exceed, for any fiscal year, $800,000, adjusted for each fiscal year ending after September 30, 1997, by the ratio of the Consumer Price Index for All Urban Consumers (issued by the Bureau of Labor Statistics) for the final month of the fiscal year to the Consumer Price Index for All Urban Consumers for September 1997.

(I) **Deposit.**—Amounts collected from assessments under this section shall be deposited in an account within the Treasury of the United States as designated by the Secretary of the Treasury and shall remain available subject to amounts specified in appropriations Acts to carry out the duties of the Secretary of the Treasury under this section and subsection 440.
(c) SUNSET OF THE ASSOCIATION'S CHARTER IF NO REORGANIZATION PLAN OCCURS.—Section 439 of the Higher Education Act of 1965 (20 U.S.C. 1087-2) is amended by adding at the end the following subsection: 

"(s) CHARTER SUNSET.—

(1) APPLICATION OF PROVISIONS.—This subsection applies beginning 18 months and one day after enactment of this section if no reorganization of the Association occurs in accordance with the provisions of section 440 of the Higher Education Act of 1965 (as added by subsection (a)).

(2) SUNSET PLAN.—

(A) PLAN SUBMISSION BY THE ASSOCIATION.—Not later than July 1, 2007, the Association shall submit to the Secretary of the Treasury and to the Chairman and Ranking Member of the Committee on Labor and Human Resources of the Senate and the Chairman and Ranking Member of the Committee on Economic and Educational Opportunities of the House of Representatives, a detailed plan for the orderly winding up, by July 1, 2013, of business activities conducted pursuant to the charter set forth in this section. Such plan shall—

(i) ensure that the Association will have adequate assets to transfer to a trust, as provided in this section, to discharge all outstanding obligations of the Association in accordance with the terms of such obligations;

(ii) provide that all assets not used to pay liabilities assumed by the shareholders as provided in this subsection; and

(iii) provide that the operations of the Association will terminate and the name of any entity to which the assets of the Association are transferred.

(B) AMENDMENT OF THE PLAN BY THE ASSOCIATION.—The plan shall from time to time amend such plan to reflect changed circumstances, and submit such amendments to the Secretary of the Treasury and to the Chairman and Ranking Member of the Committee on Labor and Human Resources of the Senate and Chairman and Ranking Minority Member of the Committee on Economic and Educational Opportunities of the House of Representatives. In no case may any amendment extend the date for full implementation of the plan beyond the dissolution date provided in paragraph (3).

(C) PLAN MONITORING.—The Secretary shall monitor the Association's compliance with the plan and shall continue to review the plan (including any amendments thereto).

(D) LANGUAGE OF THE PLAN BY THE SECRETARY OF THE TREASURY.—The Secretary of the Treasury may require the Association to amend the plan (including any amendments to the plan, the plan, of the trust), or the Secretary of the Treasury may require the Association to amend the plan (including any amendments to the plan, the plan, or the trust) to reflect changed circumstances, and submit such amendments to the Secretary of the Treasury and to the Chairman and Ranking Member of the Committee on Labor and Human Resources of the Senate and the Chairman and Ranking Minority Member of the Committee on Economic and Educational Opportunities of the House of Representatives. In no case may any amendment extend the date for full implementation of the plan beyond the dissolution date provided in paragraph (3).

(E) IMPLEMENTATION BY THE ASSOCIATION.—

The Association shall promptly implement the plan (including any amendments to the plan, whether such amendments are made by the Association or are required to be made by the Secretary of the Treasury).

3 DISOLUTION OF THE ASSOCIATION.—The Association shall dissolve and the Association's separate existence shall terminate on July 1, 2013, after discharge of all outstanding debt obligations and liquidation pursuant to this subsection. The Association may dissolve pursuant to this subsection prior to such date by notifying the Secretary of Education and the Secretary of the Treasury of the Association's intention to dissolve, unless within 60 days of receipt of such notice the Secretary of Education notifies the Association that the Association continues to be needed to serve as a lender of last resort pursuant to subsection (q) or continues to be needed to purchase or originate loans under an agreement with the Secretary described in paragraph (4)(A). On the dissolution date, the Association shall take the following actions:

(A) DISPOSAL OF DEBT OBLIGATIONS.—The Association shall, under the terms of an irrevocable trust agreement in form and substance satisfactory to the Secretary of the Treasury, the Association, and the appointed trustee, irrevocably transfer all remaining obligations of the Association to a trust and irrevocably deposit or cause to be held as trust funds solely for the benefit of holders of the remaining obligations, money or direct noncallable obligations of the United States or any agency of the United States, the full faith and credit of the United States is pledged, maturing as to principal and interest in such amounts and at such times as are determined by the Secretary of the Treasury to be sufficient, without consideration of any significant reinvestment of such interest to pay the principal of, and interest on, the remaining obligations in accordance with the terms of such obligations.

(B) USE OF TRUST ASSETS.—All money, obligations, or financial assets deposited into the trust pursuant to this subsection shall be applied to the payment of the remaining obligations assumed by the trust. Upon the fulfillment of the trustee's duties under the trust, any remaining assets of the trust shall be transferred to the persons who, at the time of the dissolution, were the shareholders of the Association, or to the legal successors or assigns of such person.

(C) OBLIGATIONS NOT TRANSFERRED TO THE TRUST.—The Association shall make proper provision for all other obligations of the Association, including the repurchase or redemption, or the making of proper provision for the repurchase or redemption, of any preferred stock of the Association outstanding.

(D) TRANSFER OF REMAINING ASSETS.—After compliance with subparagraphs (A) and (C), the Association shall transfer to the shareholders of the Association any remaining assets of the Association.

(E) RESTRICTIONS RELATING TO WINDING UP.—

(A) RESTRICTIONS ON NEW BUSINESS ACTIVITY OR ACQUISITION OF ASSETS BY THE ASSOCIATION.—

(i) IN GENERAL.—Beginning on July 1, 2009, the Association shall not engage in any new business activity or acquire any additional program assets (including acquiring assets pursuant to contractual commitments described in subsection (d) other than in connection with the Association:

(ii) serving as a lender of last resort pursuant to subsection (q); and

(iii) purchasing loans insured under this part, if, at the time of the approval of the Secretary of the Treasury, enters into an agreement with the Association for the continuation or resumption of the Association's secondary market activities, if the Secretary determines that there is inadequate liquidity for loans made under this part.

(iii) AGREEMENT OF THE SECRETARY.—The Secretary is authorized to enter into an agreement described in subclause (II) of clause (i) with the Association covering such secondary market activities. Any agreement entered into under such subclause shall cover a period of 12 months, but may be renewed if the Secretary determines that liquidity remains inadequate. The fee provided under subsection (h)(7) shall not apply to loans acquired under any such agreement with the Secretary.

(B) ISSUANCE OF DEBT OBLIGATIONS DURING THE WIND UP PERIOD; ATTRIBUTES OF DEBT OBLIGATIONS.—The Association shall not issue debt obligations which mature later than July 1, 2013, except in connection with serving as a lender of last resort pursuant to subsection (q) or with purchasing loans under an agreement with the Secretary as described in subparagraph (A). Nothing in this subsection shall modify the terms, conditions, or attributes of the obligations of the Association by this section, regardless of whether such debt obligations are transferred to a trust in accordance with paragraph (3).

(C) USE OF NAME.—The Association may not transfer or permit the use of the name 'Student Loan Marketing Association', 'Sallie Mae', or any variation thereof, to or by any entity other than a subsidiary of the Association.

(d) REPEALS.—

(1) IN GENERAL.—Sections 439 of the Higher Education Act of 1965 (20 U.S.C. 1087-2) and 440 of such Act (as added by subsection (a) of this section) are repealed.

(2) EFFECTIVE DATE.—The repeals made by paragraph (1) shall be effective one year after—

(A) the dissolution date, as such term is defined in section 440(i)(2) of the Higher Education Act of 1965 (as added by subsection (a)), if a reorganization occurs in accordance with section 439 of such Act; and

(B) the date the Association is dissolved pursuant to section 439(s) of such Act (as added by subsection (c)), if a reorganization does not occur in accordance with section 440 of such Act.

(e) ASSOCIATION NAMES.—Upon dissolution in accordance with section 439 of the Higher Education Act of 1965 (20 U.S.C. 1087-2), the names "Student Loan Marketing Association", "Sallie Mae", and any variations thereof may not be used by any entity engaged in any business substantially similar to the business conducted pursuant to section 439 of such Act (as such section was in effect on the date of enactment of this Act) without the approval of the Secretary of the Treasury.

SHEILA CONNIE LEE PRIVATIZATION.

(a) STATUS OF THE CORPORATION AND CORPORATE POWERS; OBLIGATIONS NOT FEDERALLY GUARANTEED.—

(1) STATUS OF THE CORPORATION.—The Corporation shall not be an agency, instrumentality, or establishment of the United States Government, nor a Government corporation, nor a Government controlled corporation, as such terms are defined in the United States Code. No action under section 1491 of title 28, United States Code (commonly known as the Tucker Act) shall be allowable against the United States based on the actions of the Corporation.

(2) CORPORATE POWERS.—The Corporation shall be subject to the provisions of this section, and, to the extent not inconsistent with this section, to the District of Columbia Business Corporation Act (or the comparable law of another State, if applicable). The Corporation shall have the powers conferred upon a corporation by the District of Columbia Business Corporation Act (or such other applicable State law) as from time to time in effect in order to conduct the Corporation's affairs as a private, for-profit corporation and to carry out the Corporation's purposes and activities incidental thereto. The Corporation shall have the power to enter into contracts, to execute instruments, to incur liabilities, to provide products and services, and to do all things as are necessary or incidental to the proper management of the Corporation's affairs and the efficient operation of a private, for-profit business.

(3) LIMITATION ON OWNERSHIP OF STOCK.—

(A) SECRETARY OF THE TREASURY.—The Secretary of the Treasury, in completing the sale of stock pursuant to subsection (c), may not sell or offer to sell the stock held by the Secretary of Education to an agency, instrumentality, or establishment of the United States Government, or to a Government corporation or a Government controlled corporation, described in section 103 of title 5, United States Code, or to a government-sponsored enterprise as such term is defined in section 622 of title 2, United States Code.

(B) STUDENT LOAN MARKETING ASSOCIATION.—The Student Loan Marketing Association shall not increase its share of the ownership of the Corporation in excess of 14 percent of the shares of stock of the Corporation outstanding on the date of enactment of this Act. The Student Loan
Marketing Association shall not control the operation of the Corporation, except that the Student Loan Marketing Association may participate in the election of directors as a shareholder. Section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088(b)) is amended by inserting after the end of the first sentence the following new sentence: "For the purposes of determining whether an institution meets the requirements of clause (6), the Secretary shall not consider the financial information of any institution for a fiscal year that began on or before April 30, 1994." 

(2) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to any determination made on or after July 1, 1994, by the Secretary.

(3) Corporate name.—The name of the Corporation, or of any direct or indirect subsidiary thereof, may not contain the term "College Loan Insurance Association", or any substantially similar historically Black Colleges and Universities and other educational institutions which are ranked in the lower investment grade category using a nationally recognized credit rating system.

(4) Articles of incorporation.—The Corporation shall amend the Corporation's articles of incorporation to reflect the fact that one of the purposes of the Corporation shall be to guarantee, reinsure, and reissue bonds, leases, and other evidences of debt of educational institutions, historically Black Colleges and Universities and other academic institutions which are ranked in the lower investment grade category using a nationally recognized credit rating system.

(5) Requirements until stock sale.—Notwithstanding subsection (d), the requirements of sections 754 and 755 of the Higher Education Act of 1965 (20 U.S.C. 1121-3 et seq. and 1121-9), as such sections were in effect on the day before the date of enactment of this Act, shall continue to be effective until the day immediately following the date of enactment of this Act, as such sections were in effect on the day before the date of enactment of this Act, shall continue to be effective until the day immediately following the date of enactment of this Act, as such sections were in effect on the day before the date of enactment of this Act, shall continue to be effective until the date of completion of the stock sale, and thereafter.

(6) The Secretary of Education shall be reimbursed for the purchase of the Secretary of Education's stock (or the date of closing of the final purchase, in the case of multiple transactions) pursuant to subsection (c)(1) of this Act.

(c) Sale of Federally owned stock.—

(1) Sale of stock required.—The Secretary of the Treasury shall sell to, and the Secretary of Education shall purchase from, the Corporation, if such support or guarantees are substantial, all of the stock of the Corporation owned by the Secretary of Education pursuant to subsection (c), the Student Loan Marketing Association, and any successor corporation.

(2) Assistance by the Corporation.—The Corporation shall include, in each of the contracts and agreements to which it is a party, an agreement that the Corporation shall provide financial support or guarantees to the Corporation, if such support or guarantees are subject to terms and conditions that are no more advantageous to the Corporation than the terms and conditions the Student Loan Marketing Association provides to other entities, including, where applicable, other monoline financial guarantors or corporations in which the Student Loan Marketing Association has no ownership interest.

(4) No Federal guarantee.—

(A) Obligations insured by the Corporation.—

(i) Full faith and credit of the United States.—No obligation that is insured, guaranteed, or otherwise backed by the Corporation shall be deemed to be an obligation that is guaranteed by the full faith and credit of the United States.

(ii) Student Loan Marketing Association.—No obligation that is insured, guaranteed, or otherwise backed by the Corporation shall be deemed to be an obligation that is guaranteed by the Student Loan Marketing Association.

(iii) Special rule.—This paragraph shall not affect the determination of whether such obligation is guaranteed for purposes of Federal income taxes.

(B) Securities offered by the Corporation.—No debt or equity securities of the Corporation shall be deemed to be guaranteed by the full faith and credit of the United States.

(C) Definition.—The term "Corporation" as used in this section means the College Construction Loan Marketing Association as in effect on the date before the date of enactment of this Act, and any successor corporation.

(b) Related privatization requirements.—

(A) In general.—During the six-year period following the date of enactment of this Act, the Corporation shall include, in each of the Corporation's contracts for the insurance, guaranty, or reinsurance of obligations, and in each document offering debt or equity securities of the Corporation, a prominent statement providing notice that:

(i) such obligations or securities, as the case may be, are not obligations of the United States; such obligations or securities, as the case may be, shall be guaranteed in any way by the full faith and credit of the United States; and

(ii) the Corporation is not an instrumentality of the United States.

(B) Additional notice.—During the five-year period following the sale of stock pursuant to subsection (c)(1), in addition to the notice requirements in subparagraph (A), the Corporation shall include, in each of the contracts and documents referred to in such subparagraph, a prominent statement providing notice that the United States is not an investor in the Corporation.

(2) Corporate charter.—The Corporation's charter shall be amended as necessary and without delay to conform to the requirements of this section.

(3) Corporate name.—The name of the Corporation, or of any direct or indirect subsidiary thereof, may not contain the term "College Construction Loan Insurance Association", or any substantially similar historically Black Colleges and Universities and other academic institutions which are ranked in the lower investment grade category using a nationally recognized credit rating system.

(4) Articles of incorporation.—The Corporation shall amend the Corporation's articles of incorporation to reflect the fact that one of the purposes of the Corporation shall be to guarantee, reinsure, and reissue bonds, leases, and other evidences of debt of educational institutions, historically Black Colleges and Universities and other academic institutions which are ranked in the lower investment grade category using a nationally recognized credit rating system.

(5) Requirements until stock sale.—Notwithstanding subsection (d), the requirements of sections 754 and 755 of the Higher Education Act of 1965 (20 U.S.C. 1121-3 et seq. and 1121-9), as such sections were in effect on the day before the date of enactment of this Act, shall continue to be effective until the day immediately following the date of enactment of this Act, as such sections were in effect on the day before the date of enactment of this Act, shall continue to be effective until the date of completion of the stock sale, and thereafter.

(6) The Secretary of Education shall be reimbursed for the purchase of the Secretary of Education's stock (or the date of closing of the final purchase, in the case of multiple transactions) pursuant to subsection (c)(1) of this Act.

(c) Sale of Federally owned stock.—

(1) Sale of stock required.—The Secretary of the Treasury shall sell to, and the Secretary of Education shall purchase from, the Corporation, if such support or guarantees are substantial, all of the stock of the Corporation owned by the Secretary of Education pursuant to subsection (c), the Student Loan Marketing Association, and any successor corporation.

(2) Assistance by the Corporation.—The Corporation shall include, in each of the contracts and agreements to which it is a party, an agreement that the Corporation shall provide financial support or guarantees to the Corporation, if such support or guarantees are substantial, all of the stock of the Corporation owned by the Secretary of Education pursuant to subsection (c), the Student Loan Marketing Association, and any successor corporation.

(3) Title V—Repeals and conforming amendments

SEC. 501. Repeals and conforming amendments.

(a) General immediate repeals.—The following provisions are repealed:


(2) Title II of Public Law 95-250 (92 Stat. 172).

(3) The Library Services and Construction Act (20 U.S.C. 1070a±31 et seq.).


(6) The Displaced Homemakers Self-Sufficiency Assistance Act (29 U.S.C. 2301 et seq.).


(8) Title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421 et seq.), except subtitle B and section 738 of such title (42 U.S.C. 11431 et seq. and 11448).


(b) Immediate repeal of higher education act of 1965 provisions.—The following provisions of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) are repealed:


(2) Part C of title I (20 U.S.C. 1013 et seq.), relating to access and student education for all Americans through telecommunications.

(3) Title II (20 U.S.C. 1021 et seq.), relating to academic libraries and information services.

(4) Subpart 2 of part A of title III (20 U.S.C. 1070a±41 et seq.), relating to model program community partnerships and counseling grants.

(5) Section 409B (20 U.S.C. 1070a±52), relating to an early awareness information program.

(6) Chapter 4 of subpart 2 of part A of title IV (20 U.S.C. 1070a±41 et seq.), relating to model program community partnerships and counseling grants.

(7) Subpart 2 of part A of title IV (20 U.S.C. 1070a±41 et seq.), relating to technical assistance for teachers and counselors.

(8) Subpart B of part A of title IV (20 U.S.C. 1070c et seq.), relating to special child care services for disadvantaged college students.

(9) Section 428 (20 U.S.C. 1078±10), relating to loan forgiveness for teachers, individuals performing national community service and nurses.

(10) Section 486 (20 U.S.C. 1093), relating to teachers' investment fund.

(11) Subpart 1 of part H of title IV (20 U.S.C. 1099a et seq.) relating to State postsecondary review programs.


(13) Part B of title IV (20 U.S.C. 1102 et seq.), relating to State and local programs for teacher excellence.


(15) Subpart 3 of part C of title IV (20 U.S.C. 1106 et seq.), relating to the teacher corps.


(17) Subpart 4 of part D of title IV (20 U.S.C. 1110 et seq.), relating to middle school teaching demonstration programs.

(18) Subpart 1 of part E of title IV (20 U.S.C. 1111 et seq.), relating to new teaching careers.

(19) Subpart 1 of part F of title IV (20 U.S.C. 1115), relating to the national mini corps programs.

(20) Section 586 (20 U.S.C. 1114), relating to national community service and nursing.

(21) Subpart 1 of part G of title IV (20 U.S.C. 1115 et seq.), relating to small State teaching initiatives.
CONGRESSIONAL RECORD – HOUSE

July 25, 1996

(23) Subpart 4 of part F of title V (20 U.S.C. 1116), relating to faculty development grants.
(24) Section 597 and subsection (b) of section 599 (20 U.S.C. 1117a and 1117c), relating to early childhood staff training and professional enrichment.
(25) Section 605 (20 U.S.C. 1124a), relating to intensive summer language institutes.
(26) Section 607 (20 U.S.C. 1125a), relating to periodicals and other research material published outside the United States.
(27) Part A of title VII (20 U.S.C. 1132b et seq.), relating to improvement of academic and library facilities.
(28) Title VIII (20 U.S.C. 1133 et seq.), relating to cooperative educational programs.
(29) Part A of title IX (20 U.S.C. 1134a et seq.), relating to grants to institutions and consortia to encourage women and minority participation in graduate education.
(30) Part B of title IX (20 U.S.C. 1134d et seq.), relating to the Patricia Roberts Harris fellowship program.
(31) Part E of title IX (20 U.S.C. 1134r et seq.), relating to the faculty development fellowship program.
(32) Subpart F of title IX (20 U.S.C. 1134s et seq.), relating to assistance for training in the legal profession.
(33) Subpart 2 of part B of title X (20 U.S.C. 1135c et seq.), relating to science and engineering access programs.
(34) Part C of title X (20 U.S.C. 1135e et seq.), relating to women and minorities science and engineering demonstration programs.
(c) IMMEDIATE REPEAL OF EDUCATION AMENDMENTS OF 1986 PROVISIONS.—The following provisions of the Higher Education Amendments of 1986 are repealed:

(1) Part D of title XIII (20 U.S.C. 1029 note), relating to library resources.
(2) Part E of title XIII (20 U.S.C. 1221-1 note), relating to a National Academy of Science study.
(3) Part B of title XV (20 U.S.C. 4441 et seq.), relating to Native Hawaiian and Alaska Native culture and art development.

(d) IMMEDIATE REPEAL OF EDUCATION AMENDMENTS OF 1974 PROVISIONS.—Section 519 of the Elementary and Secondary Education Amendments of 1974 (20 U.S.C. 1221) is repealed.

(e) IMMEDIATE REPEAL OF EDUCATION AMENDMENTS OF 1992 PROVISIONS.—The following provisions of the Higher Education Amendments of 1992 are repealed:

(3) Section 1406 (20 U.S.C. 12231-1), relating to a national survey of factors associated with participation.
(4) Section 1409 (20 U.S.C. 1132a note), relating to a study of environmental hazards in institutions of higher education.
(5) Section 1412 (20 U.S.C. 1101 note), relating to a national job bank for teacher recruitment.
(6) Section 1421 (20 U.S.C. 1452 note), relating to a national clearinghouse for postsecondary education materials.
(8) Part D of title XV (20 U.S.C. 1145h note), relating to grants for sexual offenses education.
(9) Part E of title XV (20 U.S.C. 1070 note), relating to Olympic scholarships.
(10) Part G of title XV (20 U.S.C. 1070a-11 note), relating to advanced placement fee payment programs.

(f) SUBSEQUENT REPEALS.—The following provisions are repealed:

(2) The Adult Education Act (20 U.S.C. 1201 et seq.).

SEC. 302. CONFORMING AMENDMENTS.
(a) REFERENCES TO SECTION 204 OF THE IMMIGRATION REFORM AND CONTROL ACT OF 1986.—The table of contents for the Immigration Reform and Control Act of 1986 is amended by striking the item relating to section 204 of such Act.
(b) REFERENCES TO TITLE II OF PUBLIC LAW 95-250.—Section 103 of Public Law 95-250 (16 U.S.C. 791) is amended—

(1) by striking the second sentence of subsection (a); and
(2) by striking the second sentence of subsection (b).
(c) REFERENCES TO LIBRARY SERVICES AND CONSTRUCTION ACT.—

(1) TECHNOLOGY FOR EDUCATION ACT OF 1994.—The Technology for Education Act of 1994 (20 U.S.C. 6001 et seq.) is amended—

(a) by striking paragraph (12); and
(b) by redesignating paragraphs (13) through (15) as paragraphs (12) through (14), respectively.

(2) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—Section 3113(g) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2749c) is amended—

(a) by striking paragraph (1); and
(b) by redesignating paragraphs (2) through (6) as paragraphs (1) through (5), respectively.

(3) APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1966.—Section 214(c) of the Appalachian Regional Development Act of 1965 (40 U.S.C. 214c) is amended by striking “library and services” and inserting “library services.”

(4) COMMUNITY IMPROVEMENT VOLUNTEER ACT OF 1994.—Section 7305 of the Community Improvement Volunteer Act of 1994 (40 U.S.C. 278b-8) is amended—

(a) by striking paragraph (1); and
(b) by redesignating paragraphs (2) through (6) as paragraphs (1) through (5), respectively.

(5) ANIMAL WELFARE ACT.—Section 11 of the Animal Welfare Act (7 U.S.C. 2131 et seq.) is amended—

(a) by striking paragraph (6); and
(b) by redesignating paragraphs (7) through (13) as paragraphs (6) through (12), respectively.

(6) DEMONSTRATION CITIES AND METROPOLITAN DEVELOPMENT ACT OF 1966.—Section 3 of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3338b) is amended to read—

(a) by striking “the Library Services and Construction Act”; and
(b) by inserting “the provisions of the Library Services and Construction Act.”.

(7) PUBLIC LAW 87-699.—Subtitle (c) of section 1 of the Public Law 87-699 (29 U.S.C. 7642-101) is amended—

(a) by striking “(ii)”;
(b) by redesignating paragraphs (2) through (6) as paragraphs (1) through (5), respectively.

(h) REFERENCES TO STATE POSTSECONDARY REVIEW ENTITY PROGRAMS.—The Higher Education Act of 1965 is amended—

(1) in section 356(b)(2) (20 U.S.C. 1066b(b)), by striking “II.”;
(2) in section 453(c)(2) (20 U.S.C. 1087c(2))—

(A) by striking subparagraph (E); and
(B) by redesignating subparagraphs (F) through (H) as subparagraphs (E) through (G), respectively.
(3) in section 487(a)(3) (20 U.S.C. 1094(a)(3)), by striking paragraphs (B) and redesignating paragraphs (C) and (D) as paragraphs (B) and (C), respectively.
(4) in section 487(a)(15) (20 U.S.C. 1094(a)(15)), by striking “the Secretary of Veterans Affairs,
and State review entities under subpart 1 of part H'' and inserting ``and the Secretary of Veterans Affairs''; and

(12) in section 498(a)(2) (20 U.S.C. 1099c(2)), by inserting ``the appropriate State postsecondary review entity designated under subpart 1 of this part or'';

(13) in section 498(a)(2) (20 U.S.C. 1099c(2)), by inserting ``(A) by inserting "and" after the semicolon at the end of subparagraph (C); (B) by striking subparagraph (F); and (C) by striking paragraph (4); and

(14) in subsection (i)(4)(B) is further amended by striking the semicolon and inserting a period, for affect on the day preceding the effective date of the Workforce and Career Development Act of 1996''.

(15) in section 9161(2) of such Act (20 U.S.C. 6362(c)(1)) is amended by striking ``(A) or (D) of section 4(4) of the Workforce and Career Development Act of 1996''; and

(16) in section 3113(1) of such Act (20 U.S.C. 1095b(7)) is amended by striking ``(A) in subparagraph (C) (as redesignated in such subsection), by striking the semicolon and inserting ''; and'', for affect on the day preceding the effective date of the Workforce and Career Development Act of 1996''.

(k) REFERENCES TO SCHOOL-TO-WORK OPPORTUNITIES ACT OF 1994.—

(1) SECTION 114 OF ESEA.—Section 114(b)(2)(C)(v) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2267(b)(2)(C)(v)) is amended in subsection (ii) (4)(A) is further amended by striking ``the School-to-Work Opportunities Act of 1994''.

(2) SECTION 3204 OF ESEA.—Section 3204 of such Act (20 U.S.C. 7234(a)) is amended— (A) by striking paragraph (4); and (B) by redesigning paragraphs (5) through (7) as paragraphs (4) through (6), respectively.

(3) SECTION 3105 OF ESEA.—Section 3105 of such Act (20 U.S.C. 7815(b)(5)) is amended in subsection (i)(4)(A) is further amended by striking A) in subparagraph (C) (as redesignated in such subsection), by striking the semicolon and inserting '', and'', for affect on the day preceding the effective date of the Workforce and Career Development Act of 1996''.

(4) SECTION 14302 OF ESEA.—Section 14302(a)(2) of such Act (20 U.S.C. 8852(a)(2)) is amended in subsection (ii) (4)(A) is further amended by striking A) in subparagraph (C) (as redesignated in such subsection), by striking the semicolon and inserting '', and'', for affect on the day preceding the effective date of the Workforce and Career Development Act of 1996''.

(5) SECTION 14307 OF ESEA.—Section 14307(a)(1) of such Act (20 U.S.C. 8857(a)(1)) is amended in subsection (ii) (4)(D) is further amended by striking A) in subparagraph (C) (as redesignated in such subsection), by striking the semicolon and inserting '', and'', for affect on the day preceding the effective date of the Workforce and Career Development Act of 1996''.

(6) SECTION 14307 OF ESEA.—Section 14307(b)(1) of such Act (20 U.S.C. 8857(b)(1)) is amended by striking paragraph (A) and inserting paragraph (B), and the School-to-Work Opportunities Act of 1994, and be coordinated with evaluations of such Acts and inserting ``and be coordinated with evaluations of such Acts''; and

(7) in subparagraph (C)(ii), by striking the School-to-Work Opportunities Act of 1994''.

(i) REFERENCES TO JOB TRAINING PARTNERSHIP ACT.—

(1) TITLE 5, UNITED STATES CODE.—Section 3502(d) of title 5, United States Code, is amended— (A) in paragraph (3)— (i) in subparagraph (A), by striking clause (i) and inserting the following: ``(i) the Governor of the appropriate State; and'', and (ii) in subparagraph (B)(iii), by striking “other services under the Job Training Partnership Act” and inserting “other programs and other workforce and career development activities under the Workforce and Career Development Act of 1996”; and

(ii) in paragraph (4), in the second sentence, by striking Secretary of Labor on matters relating to the Job Training Partnership Act” and inserting “the Secretary (as defined in section 3103 of the Workforce and Career Development Act of 1996) on matters relating to such Act”.

(2) FOOD STAMP ACT OF 1977—
(A) SECTION 5.—Section 5(i) of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended by striking “Notwithstanding section 142(b) of the Job Training Partnership Act (29 U.S.C. 178(b)) and insertings “in accordance with the Job Training Partnership Act (29 U.S.C. 178(b)) and the National Defense Authorization Act for Fiscal Year 1996.”

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

(i) by inserting “(1) in the first sentence, by striking “for training, adjustment assistance, and employment services” and all that follows through “except where” and inserting “to participate in employment and training activities carried out under the Workforce and Career Development Act of 1996, except in a case in which” and (ii) by striking the second sentence; and

(ii) in paragraph (3)—

(aa) in subparagraph (B), by striking “the State dislocated and all that follows through “the Governor of the appropriate State and the chief” and inserting “the Governor of the appropriate State and the chief”; and

(bb) in subparagraph (C), by striking “grantee under section 114 of the Workforce and Career Development Act of 1996, providing employment and training activities; and

(iii) in paragraph (4), by striking “and all that follows through “beginning” and inserting “to participate in employment and training activities carried out under the Workforce and Career Development Act of 1996”;

(C) SECTION 17.—The second sentence of section 17(b)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(2)) is amended—

(i) by striking “accept an offer of employment and training activities carried out by an entity participating in the program carried out under the Workforce and Career Development Act of 1996,”; and

(ii) by striking “and the political sub-divisions” and all that follows and inserting “”, if all of the jobs supported under the program have been made available to participants in the program before the service provider providing the jobs extends an offer of employment under this paragraph, and if the service provider, in employing the person, complies with the requirements of Federal law that relate to the program.”;


(F) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1993.—

(A) SECTION 3161.—Section 3161(c)(6) of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 2231(c)(6)) is amended by striking subparagraph (A) and inserting the following—

“‘The programs carried out by the Secretaries (as defined in section 4 of the Workforce and Career Development Act of 1996)”.

(B) SECTION 4462.—Section 4462(b)(1) of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 2231(c)(6)) is amended by striking “(B) in subsection (f)” and inserting “(A)”;

(C) SECTION 4701.—Section 4701(b)(1) of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 2231(c)(6)) is amended—

(i) in subsection (d)(2), by striking “the State dislocated and all that follows through “the Governor of the appropriate State and the chief”; and

(ii) in subsection (e)—
(17) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—

(A) SECTION 1209.—Section 1209(b)(1) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2806(b)(1)) is amended by striking "further amended by striking ", the Individuals with Disabilities Education Act, and the Job Training Partnership Act" and inserting "and the Individuals with Disabilities Education Act".

(B) SECTION 1434.—Section 1434(c)(18) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6343(c)(18)) is amended by striking "programs under the Job Training Partnership Act," and inserting "activities under the Workforce and Career Development Act of 1996.".

(C) SECTION 1432.—Section 1432(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6453(9)) is amended by striking "programs under the Job Training Partnership Act," and inserting "activities under the Workforce and Career Development Act of 1996.".

(D) SECTION 1435.—Section 1435(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6455(9)) is amended by striking "such as funds made available under the Workforce and Career Development Act of 1996,".

(18) FREEDOM SUPPORT ACT.—The last sentence of section 505 of the F R E E D O M Support Act (22 U.S.C. 5855) is amended by striking ", through the provision of conversion and, in all that follows that converts the last sentence of section 505 of the F R E E D O M Support Act into the following: "the Workforce and Career Development Act of 1996.

(C) SECTION 15.—Section 15(c)(2) of the Veterans' Job Training Act (29 U.S.C. 1721 note) is amended—

(i) in the second sentence, by striking "part C of title IV of the Job Training Partnership Act (29 U.S.C. 1501 et seq.)", and inserting "the Workforce and Career Development Act of 1996"; and

(ii) in the third sentence, by striking "title III of the Workforce and Career Development Act of 1996".

(26) WORKER ADJUSTMENT AND RETRAINING NOTIFICATION ACT.—Section 3(a)(2) of the Worker Adjustment and Retraining Notification Act (29 U.S.C. 2102(a)(2)) is amended by striking "to the State" and all that follows through "and the chief" and inserting "to the Governor of the State and the chief"

(TITLE 35, UNITED STATES CODE.—Section 6703(a) of title 35, United States Code, is amended by striking paragraph (4) and inserting the following:

"(4) Activities under the Workforce and Career Development Act of 1996.".


(TITLE 38, UNITED STATES CODE.—

(A) SECTION 4102A.—Section 4102A(d) of title 38, United States Code, is amended by striking "the Job Training Partnership Act" and inserting "the Workforce and Career Development Act of 1996.

(B) SECTION 4102B.—Section 4102B(12) of title 38, United States Code, is amended by striking "the Job Training Partnership Act" and inserting "the Workforce and Career Development Act of 1996.

(21) REHABILITATION ACT.—Section 612(b) of the Rehabilitation Act (29 U.S.C. 795(b)) is amended by striking "the Job Training Partnership Act" and inserting "the Workforce and Career Development Act of 1996.

(22) JOB TRAINING REFORM AMENDMENTS OF 1992.—Section 701 of the Job Training Reform Amendments of 1992 (29 U.S.C. 1501 note) is repealed.

(23) PUBLIC LAW 98-524.—Section 7 of Public Law 98-524 (29 U.S.C. 1551 note) is repealed.

(24) VETERANS' BENEFITS AND PROGRAMS IMPROVEMENT ACT OF 1988.—Section 402 of the Veterans' Benefits and Programs Improvement Act of 1988 (29 U.S.C. 1721 note) is amended—

(A) in subsection (a), by striking "third title" and inserting "the Job Training Partnership Act;" and

(B) in subsection (b), by striking "and the Workforce and Career Development Act of 1996,".

(25) VETERANS' JOB TRAINING ACT.—

(A) SECTION 13.—Section 13(b) of the Veterans' Job Training Act (29 U.S.C. 1721 note) is amended by striking "assistance under the Job Training Partnership Act (29 U.S.C. 1501 et seq.)", and inserting "assistance under the Workforce and Career Development Act of 1996.

(B) SECTION 203.—Section 203 of the Older Americans Act of 1965 (42 U.S.C. 3056h) is amended by striking "programs carried out under section 124 of the Job Training Partnership Act (29 U.S.C. 1534)" and inserting "employment and training activities carried out under the Workforce and Career Development Act of 1996.".

(C) SECTION 510.—Section 510 of the Older Americans Act of 1965 (42 U.S.C. 3056a) is amended—

(i) in subsection (b)(1)(A)(i) by striking "by striking "pursuant to" and all that follows through "and the chief"

(ii) in subsection (b)(1)(A)(ii) by striking "by striking "pursuant to" and all that follows through "and the chief"

(32) OLDER AMERICANS ACT OF 1965.—


(B) SECTION 204.—Section 204(d) of the Older Americans Act of 1965 (42 U.S.C. 3056ab) is amended by striking "the Job Training Partnership Act (29 U.S.C. 1501 note)" and inserting "the Workforce and Career Development Act of 1996.

(30) UNITED STATES HOUSING ACT.—Section 23 of the United States Housing Act of 1937 (42 U.S.C. 1437a) is amended—

(A) in subsection (b)(2)(A), by striking "the Job Training Act and all that follows through "the" and inserting "the Workforce and Career Development Act of 1996 or the";

(B) in subsection (f)(2), by striking "programs under the" and all that follows through "and the" and inserting "activities under the Workforce and Career Development Act of 1996 or the";

(C) in subsection (g)—

(i) in paragraph (2), by striking "programs under the" and all that follows through "and the" and inserting "activities under the Workforce and Career Development Act of 1996 or the"

(33) HOUSING ACT OF 1949.—Section 504(c)(3) of the Housing Act of 1949 (42 U.S.C. 1474c(3)) is amended by striking "pursuant to" and all that follows through "and the" and inserting "pursuant to the Workforce and Career Development Act of 1996 or the".

(30) OLDER AMERICANS ACT OF 1965.—

(A) SECTION 204.—Section 204 of the Older Americans Act of 1965 (42 U.S.C. 3056b) is amended by striking "the Job Training Partnership Act (29 U.S.C. 1501 note)" and inserting "the Workforce and Career Development Act of 1996.

(B) SECTION 205.—Section 205 of the Older Americans Act of 1965 (42 U.S.C. 3056c) is amended by striking "the Job Training Partnership Act (29 U.S.C. 1501 note)" and inserting "the Workforce and Career Development Act of 1996.

(C) SECTION 206.—Section 206 of the Older Americans Act of 1965 (42 U.S.C. 3056d) is amended—

(i) in subsection (b)(1)(B), by striking "program under the" and all that follows through "and the" and inserting "activity under the Workforce and Career Development Act of 1996 or the"

(ii) in subsection (b)(1)(C), by striking "program under the" and all that follows through "and the" and inserting "activity under the Workforce and Career Development Act of 1996 or the"

(31) CONGRESSIONAL RECORD — HOUSE

H8427

July 25, 1996
(35) **DOMESTIC VOLUNTEER SERVICE ACT OF 1973.**—

(A) **SECTION 103.**—The second sentence of section 103(d) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4953(d)) is amended by striking as read to as follows: “Whenever feasible, such efforts shall be coordinated with a local workforce development board established under section 108 of the Workforce and Career Development Act of 1996.”

(B) **SECTION 308.**—(Subsections (c)(2) and (d)(2) of section 308 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4959)) is amended by striking “administrative entities designated to administer job training plans under the Job Training Partnership Act” and inserting “eligible providers of services, as defined in section 4 of the Workforce and Career Development Act of 1996.”

(C) **SECTION 454.**—Subparagraphs (H) and (M) of subsection (a)(4) of section 454 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12896) are amended by striking “the Job Training Partnership Act” and inserting “the Workforce and Career Development Act of 1996.”

(D) **CRANSTON-GONZALEZ NATIONAL AFFORDABLE HOUSING ACT.**—

(A) **SECTION 456.**—The first sentence of section 456(e) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12896(e)) is amended by inserting “as in effect on the day before the date of the enactment of the Workforce and Career Development Act of 1996” after “the Job Training Partnership Act” each place it appears.


SEC. 503. EFFECTIVE DATES.

(a) REPEALS. — (1) **IMMEDIATE REPEALS.**—The repealed by subsections (a) through (e) of section 501 shall take effect on the date of the enactment of this Act.

(2) **SUBSEQUENT REPEALS.**—The repealed by section 501(f) shall take effect on July 1, 1998.

(b) **CONFIRMING AMENDMENTS.**—

(1) **IMPOSSIBLE AMENDMENTS.**—The amendments made by subsections (a) through (h) of section 502 shall take effect on the date of the enactment of this Act.

(2) **SUBSEQUENT EFFECTIVE AMENDMENTS.**—The amendments made by subsections (i) through (l) of section 502 shall take effect on July 1, 1998.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same with amendments.

(3) **BENEFIT.**—The Senate amendment contains three purposes: (1) to create statewide workforce development systems, (2) to improve skills, and (3) to promote economic development.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same with amendments.

In lieu of the matter proposed to be inserted by the amendment of the Senate to the title of the bill, insert the following: “An Act to consolidate, improve, and redirect funds for economic development and job training programs and create statewide workforce and career development systems, and for other purposes.”

And the Senate agree to the same.

**BILL GOODLING,**

Randy **DUKE**

Cunningham,

Kevin **BUCK**

McKean,

Frank **D. RIGGS,**

Lindsey Graham,

Mudd Gregor,

Managers on the Part of the House.

**NANCY LANDON,**

**KASSEBAUM,**

**JIM EFFORDS,**

**DOAN COATS,**

**JUDY ASHCROFT,**

**SPEAKER ABRAHAM,**

**SLADE GORTON,**

Managers on the Part of the Senate.
program year to be expended by the recipient during the program year and 2 years thereafter. However, the House bill requires the Secretary to reallocate a portion of the unexpended balance of the fund to other and makes no amount be deobligated if the rate of expenditure is consistent with the State's plan.

The House recedes with an amendment authorizing carryover of funds for employment and training and at-risk youth activities for up to two years.

Definitions

8. The House bill, but not the Senate amendment, includes a definition of "administration," which applies only to the youth grant.

The House recedes.

9. Both the House bill and the Senate amendment definitions of "adult" differ in the calculation of age and whether or not an individual is required to be enrolled in a secondary school.

In addition, the Senate amendment's definition of "adult" applies only to the definition of adult education programs.

The House and Senate recede.

10. The House bill and the Senate amendment differ in the definition of "adult education," but the House bill includes in the definition instruction for adults who are not enrolled or not required to be enrolled in school in the school district.

The Senate recedes with an amendment combining the definition of "adult education" in both bills.

11. The House bill, but not the Senate amendment, includes a definition of "all aspects of the industry," which applies only to the youth grant.

The Senate recedes with an amendment to modify the definition of "all aspects of the industry.

12. The Senate amendment, but not the House bill, defines "appropriate Secretary" to mean either the Secretary of Labor, the Secretary of Education, or both Secretaries acting jointly.

The House recedes.

13. Both the House bill and the Senate amendment include similar definitions of "area vocational education school." The Senate amendment includes technical institutions on vocational schools, but only if the institute or school admits both individuals who have completed secondary school and who have left secondary school.

The Senate recedes.

14. The House bill, but not the Senate amendment, includes a definition of "articulation agreement," which applies only to the youth grant.

The Senate recedes.

15. The House bill and the Senate amendment differ in the definition of "at-risk youth." For example, the House bill defines "at-risk youth" as including both out-of-school and in-school youth. The Senate amendment defines "at-risk youth" in terms of low income.

The House recedes.

16. The House bill, but not the Senate amendment, includes a definition of "career grant."

The Senate recedes with an amendment defining a "career grant" as a voucher or credit it used to purchase training services.

17. The House bill, but not the Senate amendment, includes a definition of "case management."

The House recedes.

18. The House bill and the Senate amendment differ in the definitions of "chief elected official," except that the House bill refers to workforce development areas and the Senate amendment refers to subareas.

The Senate recedes.

19. The House bill and the Senate amendment definitions of "community-based program." However, the Senate bill requires the organization to have demonstrated effectiveness and to provide workforce development activities. The House bill lists the activities.

The House recedes with an amendment defining a "community-based organization" as a private, non-profit organization of demonstrated effectiveness.

While the Managers intend that providers under this system, including community-based organizations be "demonstrated effective." this is in no way intended to limit the ability of new providers to participate in the delivery of services under the program and to be considered an organization. Such providers simply must be able to demonstrate that they can provide services effectively.

20. The House bill, but not the Senate amendment, includes a definition of "comprehensive career guidance and counseling." The Senate recedes with an amendment to modify the definition of "career guidance and counseling.

21. The House bill, but not the Senate amendment, includes a definition of "correctional education agency," which applies only to the adult grant.

The Senate recedes.

22. The House bill, but not the Senate amendment, includes a definition of "corrective education agency," which applies only to the adult education and family literacy grant.

The Senate recedes.

23. The House bill, but not the Senate amendment, includes a definition of "cooperative education," which applies only to the youth grant.

The House recedes.

24. The Senate amendment, but not the House bill, includes a definition of "covered activity," (programs repealed or amended under this Act.

The House recedes with technical and conforming amendments.

25. The House bill, but not the Senate amendment, includes a definition of "curricula," which applies only to the youth grant.

The House recedes.

26. The House bill, but not the Senate amendment, includes a definition of "demographic characteristic."

The Senate recedes.

27. The House bill and the Senate amendment have similar definitions of "dislocated worker." However, the Senate amendment includes in the definition a displaced homemaker and an individual unemployed as a result of Federal action limiting the use of marine natural resources in the definition of "dislocated worker." The Managers agree to strike the specific reference to older workers in the definition because it was determined that older workers who are disqualified from their jobs are implicitly covered under the definition of a dislocated worker. It is still the intent of the Managers, however, that older workers who are not covered by Federal action be served fairly and equitably through employment training activities authorized under this Act.

The House recedes.

28. The House bill and the Senate amendment contain different definitions of "displaced homemaker." For example, the House bill includes in the definition an "adult dependent on public assistance or a parent whose youngest dependent child is ineligible for assistance. The Senate amendment's definition requires that a parent determine guidelines solely for individuals who were full-time homemakers previously receiving financial support.

The Senate recedes with an amendment modifying the definition of "displaced homemaker."

29. The House bill, but not the Senate amendment, includes a definition of "earnings."

The Senate recedes.

30. The Senate amendment, but not the House bill, includes a definition of "economic development activities."

The Senate recedes.

31. The House bill, but not the Senate amendment, includes a definition of "economic development agencies.

The Senate recedes.

32. The House bill, but not the Senate bill, includes a definition of "economically disadvantaged adult." The Senate recedes with an amendment changing the term "economically disadvantaged" to "low-income individual," modifying the reference to poverty guidelines, and striking additional State criteria.

33. The House bill and the Senate amendment include similar definitions of "educational service agency." However, the House bill provides that an educational service agency be recognized as an administrative agency for vocational education.

The House recedes.

34. The House bill, but not the Senate amendment, includes a definition of "educationally disadvantaged adult," which applies only to the adult education and family literacy grant.

The House recedes.

35. The Senate amendment, but not the House bill, includes a definition of "elementary school; secondary school." In addition, the Senate amendment includes a definition of "local educational agency." (See Note 52 for the comparable House definition of local educational agency.)

The House recedes with an amendment striking the definition of "elementary school" and "local educational agency.

36. The House bill, but not the Senate amendment, includes a definition of "eligible institution," which applies only to the youth grant.

The Senate recedes with an amendment striking the reference to "intermediate educational agency" and replacing it with "educational service agency.

37. The House bill, but not the Senate bill, includes a definition of "employed."

The Senate recedes.

38. The House bill, but not the Senate amendment, includes a definition of "English literacy program."

The Senate recedes with an amendment striking the reference to "adults, out-of-school youth, or both.

39. The House bill, but not the Senate amendment, includes a definition of "eligible institution," which applies only to the youth grant.

The House recedes.

40. The House bill, but not the Senate amendment, includes a definition of "family and consumer sciences."

The House recedes.
The Senate recedes.
41. The Senate recedes.
42. The Senate recedes.
43. The Senate recedes.
44. The Senate recedes.
45. The Senate recedes.
46. The Senate recedes.
47. The Senate recedes.
48. The Senate recedes.
49. The Senate recedes.
50. The Senate recedes.
51. The Senate recedes.
52. The Senate recedes.
53. The Senate recedes.
54. The Senate recedes.
55. The Senate recedes.
56. The Senate recedes.
57. The Senate recedes.
58. The Senate recedes.
59. The Senate recedes.
60. The Senate recedes.
61. The Senate recedes.
62. The Senate recedes.
63. The Senate recedes.
64. The Senate recedes.
65. The Senate recedes.
66. The Senate recedes.
67. The Senate recedes.
68. The Senate recedes.
69. The Senate recedes.
70. The Senate recedes.
71. The Senate recedes.
72. The Senate recedes.
73. The Senate recedes.
74. The Senate recedes.
75. The Senate recedes.
76. The Senate recedes.
77. The Senate recedes.
78. The Senate recedes.
79. The Senate recedes.
80. The Senate recedes.
81. The Senate recedes.
82. The Senate recedes.
83. The Senate recedes.
84. The Senate recedes.
85. The Senate recedes.
86. The Senate recedes.
87. The Senate recedes.
88. The Senate recedes.
89. The Senate recedes.
90. The Senate recedes.
The House recedes.
84d. The Senate amendment includes economics.

The House recedes.
85. The House bill refers to careers meeting labor market needs.

The House recedes.
86. The House bill, but not the Senate amendment, includes a definition of “unemployed.”

The House recedes.
87. The House bill, but not the Senate amendment, includes a definition of “unit of general local government.”

The Senate recedes.
88. The House bill and the Senate amendment definitions are the same, except for a technical difference.

The House recedes.
89. The House bill and the Senate amendment include different definitions of “vocational education.”

The House recedes.
90. The House bill, but not the Senate amendment, includes a definition of “vocational student organizations,” which applies only to the youth grant.

The Senate recedes with an amendment striking all after the word “units”.
90. The Senate amendment, but not the House bill, includes a definition of “vocational training and rehabilitation program.”

The House recedes.
91. The Senate amendment, but not the House bill, includes a definition of “workforce education activities.”

The House recedes.
92. The Senate amendment, but not the House bill, includes a definition of “welfare assistance recipients.”

The House recedes.
93. The House bill, but not the Senate amendment, includes a definition of “work experience.”

The House recedes.
94. The Senate amendment, but not the House bill, includes a definition of “workforce development activities.”

The House recedes with an amendment striking “workforce development activities” and inserting “workforce and career development activities.”
95. The Senate amendment, but not the House bill, includes a definition of “workforce development activities.”

The House recedes with an amendment referencing “vocational education activities” and “adult education and literacy activities,” instead of “workforce education activities.”
96. The Senate amendment, but not the House bill, includes a definition of “workforce employment activities.”

The House recedes with an amendment referencing “employment and training activities” instead of “workforce employment activities.”
97. The Senate amendment, but not the House bill, includes a definition of “workforce preparation activities for at-risk youth.”

The House recedes with an amendment referencing “at-risk youth activities” instead of “workforce preparation activities for at-risk youth.”
98. The Senate bill, but not the Senate amendment, includes a definition of “workplace mentor.”

The House recedes.
99. The House bill, but not the Senate amendment, includes a definition of “youth.”

The House recedes.
100. The House bill, but not the Senate amendment, uses title I to establish an infrastructure for the workforce development and literacy system, composed of three block grants.

The House recedes.
101. The Senate amendment, but not the House bill, provides for the Secretaries to make an allotment to each State to establish a statewide workforce development system.

The House recedes with an amendment clarifying the collaborative process is to be used for the development of the State plan.
102. The House bill and the Senate amendment list the participants in the collaborative process.

The Senate recedes with an amendment combining and modifying the lists of participants in the collaborative process from both bills.

The Senate amendment, by determining who should participate in each State’s collaborative process, the Managers intentionally limited the number of individuals and entities who are required by the Act to participate. However, this was in no way intended to be an exhaustive list. The Managers encourage the participation of employment and training providers, especially private providers such as outplacement firms and for-profit training companies, whose private sector perspective and expertise should prove valuable to a State’s comprehensive workforce preparation efforts.
103. The House bill, but not the Senate amendment, allows States to use existing programs, including State councils, that are substantially the same as those described in section 103(a) and (b), outlining the collaborative process.

The Senate recedes with an amendment allowing an existing State board, council or other entity to serve as the State’s collaborative process, and describing the functions of such a State board.
104. The Senate amendment permits the Governor to establish a State workforce development board to assist in the development of the statewide workforce development system. The House bill permits existing State boards under section 103(c) (See previous Note).

The Senate recedes.
105. Both the House bill and the Senate amendment allow the Governor to act, if he or she is unable to obtain the support of the participants in the collaborative process. However, comments from participants must be included in the State plan. The House bill specifically gives the Governor final authority to submit the State plan, and to make decisions for all programs authorized under the Act, except where State law provides otherwise.

The House recedes.
106. Under the House bill, the collaborative process is to be used for the development of the State plan relating to employment and training and at-risk youth activities, and the eligible agency shall have final authority for the content of the State plan relating to vocational education and adult education and literacy activities. The amendment further clarifies that the Governor has final authority to submit the State plan and to make decisions for all programs authorized under the Act, except where State law provides otherwise.

The Senate recedes with an amendment clarifying that the Governor shall have final authority for the content of the State plan relating to vocational education and adult education and literacy activities. The amendment further clarifies that the Governor has final authority to submit the State plan and to make decisions for all programs authorized under the Act, except where State law provides otherwise.

The Senate recedes.
107. Both the House bill and the Senate amendment provide that neither shall be construed to supersede State law or authority, although the Senate amendment applies only to education activities.

The House recedes.
108. The House bill and the Senate amendment provide that nothing in this title should supersede State law.

The Senate recedes with an amendment combining the provisions of both bills that provides that nothing in this title should supersede State law.

It was important to the Managers that nothing in this Act supersede or negate the authority of any State official, agency, or entity, including the State’s official, agency’s, or entity’s jurisdiction. The Managers wish to clarify that this protection is
also extended to any existing authority or jurisdiction granted by State law to State Legislatures.

State allotments

(Workforce Development/At-Risk Youth)

112. The Senate amendment, but not the House bill, provides funds for the operation of Job Corps centers in accordance with the State's laws and procedures.

The Senate recedes.

113. Under the Senate amendment, funds for workforce development activities will be distributed according to a formula based on the following factors: 60% of the funds based on each State's percentage share of individuals aged 18 to 64 years who are at or below the official poverty line, and 33 1/3% of the funds based on each State's percentage share of the average unemployment rate for the previous 2 years; and 10% based on each State's percentage share of adult recipients of welfare assistance. The House bill has no comparable allotment requirement for a single grant to States, but does provide allotments in accordance with Senate block grants. (See Notes 115, 116, & 117)

The House recedes with an amendment changing the formula. Both the House and Senate have separate grant formulas. (See Notes 115, 116, & 117)

113a. Under the Senate amendment, in addition to the provisions described in the previous Note, there is a provision for a State minimum allocation, so that no State receives less than 0.5% of the total allocation. However, the application of the minimum grant provision cannot result in an allotment that is larger than 150% of the product of a State's population times the national per capita amount (which is the total allocation divided by the total population). The House bill also includes State minimums in its separate grant allotments. (See Notes 115, 116, & 117)

The House recedes with an amendment striking any references to the Federal Partnership.

113b. Notwithstanding any other provision of the formula in the Senate amendment, no State would receive an increase or decrease of more than 5% in its share of funds from the previous year.

The House recedes with an amendment striking "0.95" and inserting "0.98"; and striking "1.05" and inserting "1.02".

114. The Senate amendment provides funding for Job Corps and at-risk youth through an allotment based on 1996 appropriations for Job Corps, and the remainder distributed by formula for workforce preparation activities for at-risk youth. The House bill provides funding for at-risk youth under the youth grant. (See Note 115). The House bill retains current law for Job Corps.

The Senate recedes.

114a. Under the Senate amendment, the Secretary reserves funds for the operation of Job Corps centers based on the amounts appropriated in fiscal year 1996 and such additional amounts as are necessary for the construction of new centers.

The Senate recedes.

114b. Under the Senate amendment, the Secretaries may reserve at-risk youth funds for Indian and Native Hawaiians.

The Senate recedes.

114c. Remaining funds for at-risk youth are allocated in the Senate amendment based on the following factors: 33 1/3% of the funds based on each State's percentage share of the average unemployment rate for the previous two years, 33 1/3% of the funds based on each State's percentage share of individuals aged 18 to 64 years who are at or below the official poverty line, and 33 1/3% of the funds based on each State's percentage share of at-risk youth. The Senate recedes.

115. Under the Senate amendment, the Senate's percentage share of funds given to States is based on each State's percentage share of individuals aged 18 to 64 years who are at or below the official poverty line, and 33 1/3% of the funds based on each State's percentage share of at-risk youth. States are provided an amount of funding which bears the same ratio to the average of funds they received in fiscal year 1995 under sections 101 and 101A of Perkins Act (basic State and tech prep grants) and sections 252 and 262 of JTPA (Title II-B Summer Work and Job Corps). At a small State minimum of 1/4 of 1% is provided. For a description of the Senate allotment for workforce development (which includes youth) and at-risk youth, see Note 113 and 114.

The House recedes.

116. Under the House bill's grant for adult employment and training, States are provided funds based on each State's share of fiscal year 1995 appropriations under JTPA Title II-A (Adult Training) and Title III (Dislocated Workers). In addition, no State would receive less than 0.25% of the amount made available for these activities. For a description of the Senate allotment which includes employment and training, see Note 113.

The House recedes.

(Adult Education)

117. Under the House bill's grant for adult education and literacy, States are provided an allotment of $250,000. Funds remaining after these allotments are made would be distributed to States in proportion to the adult population who are: at least 16 years of age but less than 63 years, beyond the age of compulsory school attendance, do not have a high school diploma (or the equivalent), and who are not currently enrolled in school. For a description of the Senate allotment which includes adult education, see Note 113.

The House recedes.

118. Under the House bill, the Governor must submit a single State plan to the Secretary of Education and Labor for the workforce development and literacy programs under the Act. Under the Senate amendment, the Governor must submit a single, comprehensive 3-year plan to the Federal Partnership.

The Senate recedes with an amendment clarifying that the State plan will cover a 3-year period.

119. Under the House bill, but not the Senate amendment, the plan remains in effect for 6 years, unless the State modifies the plan.

The Senate recedes with an amendment clarifying that a State may submit modifications to its State plan during the 3-year period.

Contents

120. Under the Senate amendment, but not the House bill, the plan contains three components: (1) the strategic plan, (2) the description of workforce employment activities, and (3) the description of workforce education activities. The strategic plan, developed through the collaborative process, describes the statewide strategy and the allocation of funds in the flex account.

The Senate recedes.

121. Both the House bill and the Senate amendment require that States plan include provisions for each of the following: (1) the plan, (2) the allotment for at-risk youth. (See Note 113 and 114).

The House recedes with an amendment changing the title to "State Plan" and striking "workforce development and literacy".
The managers also intend for the identification of effective and ineffective providers of at-risk youth activities to provide States and local workforce development boards with information regarding “best practices” and “failed practices” in addressing the employment and training needs of at-risk youth.

120b. Both the House bill and the Senate amendment require a description of the at-risk youth activities to provide States with information regarding the at-risk youth activities to provide States with information regarding the at-risk youth activities. The House bill requires a description of the at-risk youth activities to provide States with information regarding the at-risk youth activities. The House bill requires a description of the at-risk youth activities to provide States with information regarding the at-risk youth activities.

121. The House bill, but not the Senate amendment, requires a description of the procedures public comment.

121a. Both the House and the Senate amendment require a description of the procedures public comment. The House recedes. 122. The House bill, but not the Senate amendment, requires a description of how the State will eliminate duplication among services, including a description of common data collection and reporting processes.

The Senate recedes.

122i. The House bill, but not the Senate amendment, requires a description of the procedures public comment.

122j. Both the House and the Senate amendment require a description of how the State will eliminate duplication among services, including a description of common data collection and reporting processes.

The Senate recedes.

122k. The House bill, but not the Senate amendment, requires assurance that the State will be accountable for funds distributed under the Act.

The House recedes.

122l. Both the House and the Senate amendment, requires a description of the sanctions which may be imposed for actions contrary to the Act.

The House recedes.

122m. The Senate amendment, but not the House bill, requires a description of how funds in the flex account will be allocated among workforce activities.

The Senate recedes.

122n. The Senate amendment, but not the House bill, requires information regarding the participation of local partnerships.

The Senate recedes.

123. The Senate amendment, but not the House bill, requires information regarding other public and private resources for workforce development activities.

The House recedes.

123a. Both the House and the Senate amendment, including a reference to the Wagner-Peyser Act and clarifying the participation of employees in the statewide system.

The House recedes.

123b. The Senate amendment, but not the House bill, requires information regarding how Veterans’ employment activities will be coordinated with the statewide system.

The Senate recedes.

123c. The Senate amendment, but not the House bill, requires an assurance that funds under the Act will supplement and not supplant other public funds for workforce development activities.

The House recedes.

123d. The Senate amendment, but not the House bill, requires information regarding economic development activities, if any.

The House recedes.

123e. The Senate amendment, but not the House bill, requires an amendment striking the reference to “labor organizations” and replacing it with a reference to “labor as appropriate.”

123f. Under the House bill, but not the Senate amendment, States must provide additional information regarding adult employment and training activities.

The House recedes.

124. The Senate amendment, but not the Senate bill, requires a description of how the State will serve the employment and training needs of various segments of the population, and how it will provide rapid response assistance to dislocated workers.

The Senate recedes with an amendment requiring the State plan to describe the statewide labor market information system. The House recedes. 125. The House bill, but not the Senate amendment, requires additional plan elements outlined in titles II–IV.

The House recedes.

125a. The Senate amendment requires an assurance that funds under the Act will eliminate duplication among workforce activities.

The Senate recedes. 125b. The Senate amendment requires a description of how the State will serve dislocated workers and other unemployed individuals.

125c. Under the Senate amendment, but not the House bill, the second part of the plan, developed by the Governor, describes workforce employment activities.

The Senate recedes.

125d. The Senate amendment requires an identification of substate areas. The House bill requires a description of how the State will develop comprehensive career centers. The House bill requires a description of how the State will establish integrated career center systems. (See Note 125d)

The House recedes.

125e. Both the House bill and the Senate amendment require a description of how the State will serve single parents, displaced homemakers, and noncustodial parents (and under the House bill—businesses), in education and youth development activities.

The Senate recedes. 125f. The Senate amendment, but not the Senate bill, requires a description of how the State will improve comprehensive career guidance and counseling. Both the House bill and the Senate amendment require a description of how the State will address professional development needs. (See related Note 125g)

The Senate recedes with an amendment requiring the State plan to describe how the State will improve comprehensive career guidance and counseling.

125g. The House bill, but not the Senate amendment, requires a description of the State’s strategy for integrating academic, vocational, and work-based learning. Both the House bill and the Senate amendment require collaborative efforts. (See related Note 125h)

The House recedes.

125h. Both the House bill and the Senate amendment require a description of how the State will encourage the participation of parents (and under the House bill—businesses), in education and youth development activities.

The Senate recedes. 125i. The Senate amendment requires an identification of performance indicators relating to the State goals and benchmarks for workforce development activities. The House bill requires an identification of performance indicators. (See related Note 125j for comparable House provision)

The Senate recedes.

125j. The Senate amendment requires a description of the state’s one-stop career center system. The House bill requires a description of how the State will establish integrated career center systems. (See Note 125k)

The House recedes.

125k. The Senate amendment requires the State plan to describe the strategy for developing the one-stop career center system. The Senate recedes.

125l. The Senate amendment requires a description of the steps the State will take over three years to establish a statewide labor market information system. The House bill requires a description of the State’s participation in the labor market information system. (See Note 125m for comparable House provision)

The Senate recedes.

125m. The Senate amendment, but not the House bill, requires a description of how the State will serve at-risk youth activities to provide States with information regarding the at-risk youth activities to provide States with information regarding the at-risk youth activities. The House recedes. 125n. The Senate amendment, but not the House bill, requires a description of how the State will eliminate duplication among services, including a description of common data collection and reporting processes.

The Senate recedes.

125o. The Senate amendment, but not the Senate bill, requires a description of the steps the State will take over three years to establish a job placement accountability system.

The House recedes.

125p. The Senate amendment requires a description of the process the State will use to approve training providers. The House bill requires a description of how the State will identify education and training providers. (See Note 125q)

The House recedes with an amendment requiring the State plan to describe the procedure the State will use to identify eligible providers of training services.

126. In order to receive funds under the Act, the States must agree to disburse funds among the programs described in section 104(b)(2)(B). (See Note 126)

The Senate recedes.

The Senate recedes. 127a. The Senate amendment, but not the Senate bill, requires a description of how the funds will be allocated among adult education, and among secondary and post-secondary vocational education programs. [Note: The House bill has separate grants for youth and for adult education and literacy.]

The House recedes with an amendment requiring the State plan to describe in which vocational education funds will be allocated among adult education, and among secondary and post-secondary vocational education programs.

127b. The Senate amendment, but not the Senate bill, requires a description of how the funds will be allocated among adult education, and among secondary and post-secondary vocational education programs. Both the House bill and the Senate amendment require a description of how the State will improve comprehensive career guidance and counseling.

The Senate recedes.

127c. In the House bill, goals and progress indicators for adult education and family literacy must be described in the plan as a condition of receiving funds. In the Senate amendment, performance indicators for workforce education activities must be identified in the plan.

The House recedes with an amendment moving the reference to performance indicators from this section to a single reference following the description of the State goals and benchmarks included in the State plan.

127d. The Senate amendment, but not the Senate bill, requires a description of how the State will improve comprehensive career guidance and counseling.

The Senate recedes. 127e. The Senate amendment, but not the Senate bill, requires a description of how the State will improve comprehensive career guidance and counseling.

The Senate recedes. 127f. The Senate amendment, but not the Senate bill, requires a description of how the State will improve comprehensive career guidance and counseling.

The Senate recedes.
State will adequately address the needs of at-risk youth in alternative education programs. The Senate recedes. 125. The Senate amendment, but not the House bill, requires a description of how the workforce education funds and activities are an integral part of State efforts to improve education. The House recedes with an amendment requiring the State plan to describe how the State will address the needs of students participating in education activities to be taught to the same challenging academic proficiencies as all students. 129. The Senate amendment, but not the House bill, requires a description of how the State will annually evaluate the effectiveness of the workforce education plan. The House recedes with technical amendments.

125. The Senate amendment requires a description of how the State will address the professional development needs for workforce education activities. (See Note 124b for related House provision)

The House recedes with technical amendments.

125. The Senate amendment, but not the House bill, requires a description of how the State will provide technical assistance to local education agencies. The House recedes.

129. The Senate amendment, but not the House bill, requires a description of how the State will adequately address the needs of substate areas. The House recedes.

132. The Senate amendment, a State must provide additional information in the plan to be eligible for funds for at-risk youth. However, a State is not required to provide this information in order to be eligible for funds for other workforce development activities.

132. The Senate amendment provides that the Governor may develop the entire plan with the consent of certain representatives of education. The House bill provides for the Governor to implement the collaborative process, which includes representatives of education, to develop the plan. (See Notes 118 and 121a)

The Senate recedes.

128. Under the House bill, in order for a State to receive a grant under one or more of the programs, it must: establish a collaborative process, develop a plan, and comply with the requirements of the Act. Additional requirements must be satisfied in order to receive an adult education and literacy grant. The Senate amendment provides that a State plan will be approved if the State has: included the required information in the plan, developed the strategic plan through the collaborative process, and negotiated the State benchmarks. The House recedes with an amendment providing that in order to receive funds, a State must submit a State plan containing all required elements and prepared through the collaborative process.

128a. The House bill requires States to meet additional grant requirements, including educational progress indicators, and performance measures, in order to receive funds for adult education and literacy. The House recedes.

129. Under the House bill, the Governor is required to designate local workforce development areas. The Senate amendment provides an option, that there be core services available at not less than one physical location in each substate area, and also allows for a combination of the options listed above. The House and Senate recede.

137. The House bill, not the Senate amendment, permits the Governor, through the collaborative process, to develop alternative procedures related to the integrated career system, subject to approval by the Secretaries. (See Note 320)

The House recedes.

Identification of education/training providers

The Senate amendment, under the Senate amendment, requires that the Governor certify biennially one board for each workforce development area. If a workforce development area is a State, the collaborative process may serve as the local workforce development board. The House recedes.

134. The House bill, but not the Senate amendment, requires the Governor to establish a statewide approach to integrating employment and training activities. (See Note 183)

The Senate recedes.

137. The House bill, not the Senate amendment, requires the Governor to determine the criteria for use by local chief elected officials in the selection of members of local boards. The House bill requires the Governor to determine the criteria through the collaborative process. (See Note 183)

The House and Senate recede.

Certification

132. Under the Senate amendment, requirements to implement the collaborative process, to establish state-wide criteria for selecting career center providers. (See Note 322)

The Senate recedes.

135. The House bill, but not the Senate amendment, requires the Governor, through the collaborative process, to establish statewide criteria for selecting career center providers, if a State chooses to offer services through vouchers. (See Note 339)

The Senate recedes with an amendment providing that certain programs of post-secondary educational institutions are automatically eligible to be providers of training services.

The Managers recognize the demonstrated effectiveness of the Center for Employment and Training (CET) in providing employment education, training, and placement services to low income individuals. While it is recognized that States and local boards require flexibility in choosing the most appropriate training models to meet their individual needs, it is the Managers’ intent, where possible, that exemplary centers of demonstrated effectiveness such as CET be replicated on the State and local levels.

The Senate amendment, under the Senate amendment, establishes an alternative eligibility procedure for service providers that are not eligible to participate in title IV of the Higher Education Act of 1965. (See Note 340)

The Senate recedes with an amendment requiring the Governor to establish an alternative procedure to determine the eligibility of other public and private providers of training services that are not determined to be automatically eligible.

The Managers recognize that both private non-profit and for-profit providers of training services should be encouraged to participate fully as providers of training services. Since 1980, private sector firms have developed extensive programs to serve the growing training needs of our rapidly changing economy and workforce. Research indicates that the training market in information technology training industry alone totaled $2 billion in 1994, most of this provided by commercial firms. This section of the legislation will ensure that the Governor, through the collaborative process, is not precluded from establishing centers to offer services through vouchers. (See Note 341)
under the alternative procedure, and additional information that the Governor may also require.

141. Under the House bill, but not the Senate amendment, the Governor must designate a State agency to collect, verify, and disseminate performance-based information relating to service providers, along with a list of providers, to local workforce development boards and integrated career center systems. (See Note 342)

The Senate recedes with an amendment requiring the Governor to designate a State agency to collect and disseminate the required information, receive applications from providers, and publish a list of eligible providers and their services.

The conference agreement allows States to accept from service providers offering programs not automatically eligible for participation in training programs, performance information consistent with requirements for eligibility under Title IV of the Higher Education Act.

The Managers note that regulations implementing Title IV include provisions regarding the calculation of completion rates (34 CFR 668.8(f)) and placement rates (34 CFR 668.8(g)). The regulations permit Title IV eligibility only for those programs with substantiated completion rates of at least 70 percent and substantiated placement rates of at least 70 percent (34 CFR 668.8(e)). States are encouraged to adopt similar standards in establishing their performance information requirements.

142. Under the House bill, but not the Senate amendment, a service provider who provides inaccurate, performance-based information will be disqualified from receiving funds under this Act for two years, unless upon appeal the provider can demonstrate that the information was provided in good faith. (See Note 152)

The Senate recedes with an amendment providing that providers who intentionally supply inaccurate information shall have their eligibility terminated for at least two years. Providers who fail to meet required performance criteria or otherwise materially violate the provisions of the bill may also have their eligibility terminated. The Governor is required to establish an appeals process.

The provision of inaccurate information to the designated State agency is grounds for disqualification of a provider from program participation for two years or longer. The purpose of this provision is to penalize providers suspected of misrepresent program performance to obtain eligibility. The Managers do not intend that providers be disqualified on the basis of minor errors in information submitted to the designated State agency, such as small errors in math.

143. Under the House bill, but not the Senate amendment, on-the-job training providers are exempt from this section, except that performance-based information on such providers must be collected and disseminated. (See Note 343)

The Senate recedes with an amendment stating that providers of on-the-job training are exempt from these requirements. The Governor may require one-stop career centers to collect and disseminate performance information about on-the-job training providers.

144. Under the Senate bill, but not the Senate amendment, requires that nothing in this section prohibits a State from providing services. (See Note 345)

The House recedes.

Accountability

145. Both the House bill and the Senate amendment require States to submit a performance report each year. The House bill, but not the Senate amendment, requires reporting on performance of local areas and local entities; and public disclosure of such information. Under the House bill, requires the results of any ongoing State evaluations of workforce development activities. (See Note 163)

The House recedes.

Accountability

146. Under the House bill, but not the Senate amendment, requires States to submit a report for adult education and literacy. The House recedes.

Core indicators and benchmarks

147. The Senate amendment clarifying that the special rule applies to a State that adopts performance indicators, attainment levels, or assessments.

The Managers recognize many States have already implemented a system of evaluation, that State may use this system rather than developing a new system of measures. The Managers want to make sure however, that a State desires to change these measures for special Rule 343, the House bill, but not the Senate amendment, allows the State to submit a consolidated workforce development and welfare assistance report to the Federal Partnership, the CBO and the agencies to collaborate with the Secretary of Health and Human Services.

The Senate recedes.

Core indicators and benchmarks

148. The Senate amendment establishes two principal goals for each statewide system: (1) providing meaningful employment and (2) improving skills.

The House recedes.

149. The House bill, but not the Senate amendment, requires each State to develop a statewide performance accountability system. The Senate amendment requires a job placement accountability system. (See Note 165)

The House recedes.

150. Under the House bill each State must identify indicators of performance, consistent with State goals, which at a minimum must include core indicators as provided under this section. The Senate amendment required benchmarking. (See Note 152)

The House recedes.

151. The House bill, but not the Senate amendment, requires the Secretaries of Labor and Education to collaborate with States, representatives of business and others to develop technical definitions of core indicators.

The House recedes.

152. The House bill requires common core indicators for adults, with additional indicators specifically for youth education and training, adult education and literacy, and vocational rehabilitation. The House bill also requires core performance indicators for youth education and training.

The Senate amendment requires States to develop benchmarks for attaining the goals of meaningful employment and improved skills.

The House recedes.

153. The House bill, but not the Senate amendment, requires the Secretaries of Labor and Education to collaborate with States, representatives of business and others to develop technical definitions of core indicators.

The Senate recedes.

154. The Senate amendment's benchmarks are similar to the Senate amendment's indicators, which may include the development of challenging benchmarks which may be adjusted by the Governor through the collaborative process.

The House recedes.

155. Under the House bill, the Secretaries, through collaboration with States, representatives of business, and others, must identify challenging levels of performance with respect to core performance indicators. Under the Senate amendment, the Federal Partnership must develop common indicators based on performance standards.

The House recedes with an amendment providing that the Secretaries shall provide technical assistance to States that request such assistance in the development of State benchmarks, which may include the development of model benchmarks.

If the Secretaries of Education and Labor decide to develop model benchmarks in order to encourage nationwide comparability of data, States will be effective in meeting these requirements. The Managers recognize many States have already established rigorous State academic standards, which may include the development of model benchmarks.

The Managers want to make sure however, that a State desires to change these measures for special Rule 343, the House bill, but not the Senate amendment, allows the State to submit a consolidated workforce development and welfare assistance report to the Federal Partnership, the CBO and the agencies to collaborate with States, representatives of business and others to develop technical definitions for use by the States in measuring the benchmarks, in order to encourage nationwide comparability of data.

The Managers recognize many States have already established rigorous State academic standards, which may include the development of model benchmarks. States may use as models in development of their own State benchmarks. Such process may also include the development of technical definitions for use by the States in measuring the benchmarks, in order to encourage nationwide comparability of data. Under the Senate amendment, the House bill, provides a process through which States negotiate with the Federal Partnership to determine appropriate benchmark levels.

The Senate recedes.

Incentives

156. Both the House bill and Senate amendment provide incentive grants based on performance. The House bill provides for grants which may be used as a reward for States meeting benchmarks for improving literacy and progress indicators to evaluate local providers receiving literacy funds.

The House recedes.

The Senate amendment, but the House bill, allows States to use performance measures for skills attainment.

The Managers recognize many States have already established rigorous State academic benchmarks for both vocational and non-vocational students and the Managers do not want to duplicate the efforts of these States. The Managers want to make sure however, that a State desires to change these measures for special Rule 343, the House bill, but not the Senate amendment, allows the State to submit a consolidated workforce development and welfare assistance report to the Federal Partnership, the CBO and agencies to collaborate with States, representatives of business and others to develop technical definitions of core indicators.

The House recedes.

The Senate recedes.
159. The Senate amendment, but not the House bill, provides for ongoing evaluations of employment-related activities, including the use of controlled experiments using groups chosen by random assignment. In the House bill, the Secretary of Labor performs ongoing evaluations. The Senate amendment requires the States to perform the evaluations. (See Note 417a)

160. The Senate amendment, but not the House bill, requires the Governor, through the collaborative process, to provide technical assistance to the Governor or other entities to determine the imposition of sanctions of States that have failed to demonstrate progress toward reaching their benchmarks over three years. The House recedes with an amendment providing that the Governor must provide technical assistance to the Governor or other entities to determine whether the failure of the State to meet its benchmarks was attributable to one or more categories of activities authorized under this title.

161a. Under the Senate amendment, but not the House bill, the Governor may deduct workforce employment and training expenditures from the block grant, and such expenditure does not constitute fraud, embezzlement, or other criminal activity. The Senate recedes.

161b. Under the Senate amendment, but not the House bill, the Governor may deduct workforce employment and training expenditures from the block grant, and such expenditure does not constitute fraud, embezzlement, or other criminal activity. The Senate recedes.

162. The Senate amendment, but not the House bill, provides for technical assistance. The Senate recedes with technical amendments.

163. Both the House bill and the Senate amendment address anti-discrimination through different means. The Senate recedes.

164. The Senate amendment, but not the House bill, provides for technical assistance.

165. The Senate amendment, but not the House bill, requires the Governor to establish a management accountability information system for reporting and monitoring programs and workforce development expenditures. Such system must ensure privacy protections.

166. The House bill, but not the Senate amendment, requires the Governor to establish a management accountability information system for reporting and monitoring programs and workforce development expenditures. Such system must ensure privacy protections.

167. The Senate amendment, but not the House bill, provides that States monitor the participation of individuals who are engaged in workforce activities as a condition of receiving welfare assistance. The Senate recedes with the House amendment providing that the Governor may deduct workforce employment and training expenditures from the block grant, and such expenditure does not constitute fraud, embezzlement, or other criminal activity.

168. The Senate amendment, but not the House bill, provides that States monitor the participation of individuals who are engaged in workforce activities as a condition of receiving welfare assistance. The Senate recedes.

169. The Senate amendment, but not the House bill, contains limitations on the uses of funds.

170. The Senate amendment, but not the House bill, contain limitations on the uses of funds.

171. Both the House bill and the Senate amendment prohibit the displacement of currently employed workers, although the House bill applies only to the adult employment and training and youth grants.

172. Both the House bill and the Senate amendment prohibit the displacement of currently employed workers, although the House bill applies only to the adult employment and training and youth grants.

175. Both the House bill and the Senate amendment address anti-discrimination through different means. The Senate recedes.

176. The Senate amendment, but not the House bill, prohibits funds from being used to pay the wages of in-cumbent workers. The Senate recedes.

177. Both the House bill and the Senate amendment prohibit the displacement of currently employed workers, although the House bill applies only to the adult employment and training and youth grants.

178. Both the House bill and the Senate amendment prohibit the displacement of currently employed workers, although the House bill applies only to the adult employment and training and youth grants.

179. Both the House bill and the Senate amendment prohibit the displacement of currently employed workers, although the House bill applies only to the adult employment and training and youth grants.
Amendments Act of 1972, which prohibits discrimination based on sex in any education program receiving Federal financial assistance, exempts certain institutions, associations, and activities from its terms. Since workforce and career development activities may include ‘education programs’ within the meaning of Title IX, institutions, associations, and activities that are exempt from Title IX are likewise exempt from this provision’s prohibition against sex-based discrimination.

The Senate recedes with an amendment requiring the establishment of a local workforce development board in each local workforce development area. The Senate amendment allows, but does not require, the State to establish local workforce boards in each substate area. (See Note 130)

The Senate recedes with an amendment requiring the Secretary of Labor to establish the establishment of a local workforce development board requirements described in this section. The Senate recedes with an amendment providing that the Secretary of Labor shall require a State to repay funds expended in violation of the prohibition against sex-based relocation.

The House recedes with an amendment providing that the Secretary of Labor shall require a State to repay funds expended in violation of the prohibition against sex-based discrimination.

The Senate recedes with an amendment requiring the Governor to determine criteria for use by local council of official representatives in the membership of local boards. The House bill requires the Governor to determine the criteria through the collaborative process. (See Note 131)

The Senate recedes with an amendment requiring the Governor of a State to establish criteria for the appointment of members to local boards, which criteria shall be included in the State plan. The Senate recedes with an amendment requiring minimum requirements for representation on local workforce boards. The Senate recedes with an amendment requiring a majority of business representatives on the local board. The Senate recedes with an amendment further specifying the types of representatives. The Senate recedes with an amendment requiring a majority business representation on the local board. The Senate recedes with an amendment providing that the Governor of a State to establish criteria for the appointment of members to local boards, which criteria shall be included in the State plan. The Senate recedes with an amendment requiring a majority of business representatives on the local board. The Senate recedes with an amendment further specifying the types of representatives. The Senate recedes with an amendment requiring a majority business representation on the local board. The Senate recedes with an amendment providing that the Governor of a State to establish criteria for the appointment of members to local boards, which criteria shall be included in the State plan. The Senate recedes with an amendment requiring a majority of business representatives on the local board. The Senate recedes with an amendment further specifying the types of representatives. The Senate recedes with an amendment requiring a majority business representation on the local board. The Senate recedes with an amendment providing that the Governor of a State to establish criteria for the appointment of members to local boards, which criteria shall be included in the State plan. The Senate recedes with an amendment requiring a majority of business representatives on the local board. The Senate recedes with an amendment further specifying the types of representatives. The Senate recedes with an amendment requiring a majority business representation on the local board. The Senate recedes with an amendment providing that the Governor of a State to establish criteria for the appointment of members to local boards, which criteria shall be included in the State plan. The Senate recedes with an amendment requiring a majority of business representatives on the local board. The Senate recedes with an amendment further specifying the types of representatives. The Senate recedes with an amendment requiring a majority business representation on the local board. The Senate recedes with an amendment providing that the Governor of a State to establish criteria for the appointment of members to local boards, which criteria shall be included in the State plan. The Senate recedes with an amendment requiring a majority of business representatives on the local board. The Senate recedes with an amendment further specifying the types of representatives. The Senate recedes with an amendment requiring a majority business representation on the local board. The Senate recedes with an amendment providing that the Governor of a State to establish criteria for the appointment of members to local boards, which criteria shall be included in the State plan. The Senate recedes with an amendment requiring a majority of business representatives on the local board. The Senate recedes with an amendment further specifying the types of representatives. The Senate recedes with an amendment requiring a majority business representation on the local board. The Senate recedes with an amendment providing that the Governor of a State to establish criteria for the appointment of members to local boards, which criteria shall be included in the State plan. The Senate recedes with an amendment requiring a majority of business representatives on the local board. The Senate recedes with an amendment further specifying the types of representatives. The Senate recedes with an amendment requiring a majority business representation on the local board. The Senate recedes with an amendment providing that the Governor of a State to establish criteria for the appointment of members to local boards, which criteria shall be included in the State plan. The Senate recedes with an amendment requiring a majority of business representatives on the local board. The Senate recedes with an amendment further specifying the types of representatives. The Senate recedes with an amendment requiring a majority business representation on the local board. The Senate recedes with an amendment providing that the Governor of a State to establish criteria for the appointment of members to local boards, which criteria shall be included in the State plan. The Senate recedes with an amendment requiring a majority of business representatives on the local board. The Senate recedes with an amendment further specifying the types of representatives. The Senate recedes with an amendment requiring a majority business representation on the local board. The Senate recedes with an amendment providing that the Governor of a State to establish criteria for the appointment of members to local boards, which criteria shall be included in the State plan. The Senate recedes with an amendment requiring a majority of business representatives on the local board. The Senate recedes with an amendment further specifying the types of representatives. The Senate recedes with an amendment requiring a majority business representation on the local board. The Senate recedes with an amendment providing that the Governor of a State to establish criteria for the appointment of members to local boards, which criteria shall be included in the State plan. The Senate recedes with an amendment requiring a majority of business representatives on the local board. The Senate recedes with an amendment further specifying the types of representatives. The Senate recedes with an amendment requiring a majority business representation on the local board. The Senate recedes with an amendment providing that the Governor of a State to establish criteria for the appointment of members to local boards, which criteria shall be included in the State plan. The Senate recedes with an amendment requiring a majority of business representatives on the local board. The Senate recedes with an amendment further specifying the types of representatives. The Senate recedes with an amendment requiring a majority business representation on the local board.
The Senate recedes.

191. The House bill requires the local board to identify and assess the needs of the local workforce development area. A similar provision is included in the Senate amendment under the local plan.

The Senate recedes.

192. The Senate and the Senate amendment contain budget and oversight duties for the local board. (See related Note 192b)

The Senate recedes.

192b. The House bill requires the local board to develop a budget for the adult training and the at-risk youth programs, and the integrated career center system, subject to the approval of the chief local elected official(s). (See related Note 192b)

The Senate recedes.

192c. The Senate amendment contains no comparable House provisions.

The Senate recedes.

193. The Senate amendment requires that the local board's functions be conducted in consultation with the chief local elected official(s). (See Notes 189a, 192a and 192b for related House provisions)

The Senate recedes.

194. The Senate amendment provides for the appointment of the partnership, by local elected officials, in areas with multiple jurisdictional requirements. (See Note 132)

The Senate recedes.

194a. The House bill provides that the local board may receive and disburse funds for adult training and at-risk youth programs, or may designate a fiscal agent (which may include the State) through a mutual agreement between the local board and the State. The Senate amendment contains no comparable provision.

The Senate recedes.

194b. The House bill allows the local board to employ its own staff. The Senate amendment contains no comparable provisions.

The Senate recedes.

195. The House bill requires the local board to carry out other duties as determined appropriate.

The Senate recedes.

195a. The Managers agree that statutory language authorizing local boards to employ staff is not necessary, as such authority is implicit in the legislation. Up to 10 percent of employment and training funds and at-risk youth distributed to local workforce development areas may be spent on administrative expenses. While local workforce development boards may use a portion of these administrative funds to employ necessary staff (limited to 4 percent under the at-risk youth provisions), such administrative, and in particular staff expenses of local boards be limited. Because local boards will no longer be involved in the operation of the local board (with limited exceptions), as well as the significant reduction of paperwork and reporting requirements as a result of this legislation, the administrative expenses of local boards should be significantly reduced from those currently spent by private industry councils under the Job Training Partnership Act.

195b. The House bill, but not the Senate amendment, specifies that the local board may not operate programs established under this Act. The Senate amendment allows Governors to prohibit employees of agencies from providing staff support to local boards.

The Senate recedes.

196. The Senate amendment requires that the local board and the Governor, through the collaborative process, to require local boards to carry out other duties as determined appropriate.

The House recedes.

196a. Under the Senate amendment, but not the House bill, if a State elects to establish State and local boards, or elects to offer services through vouchers (starting in the year 2000), it may use up to 50% of its flexible account funds for economic development. (See Note 132)

The Senate recedes.

197. The House bill allows the Governor, through the collaborative process, to require local boards to carry out other duties as determined appropriate.

The Senate recedes.

198. Under the Senate amendment, but not the House bill, if a State elects to establish State and local boards, or elects to offer services through vouchers (starting in the year 2000), it may use up to 50% of its flexible account funds for economic development. (See Note 132)

The Senate recedes.

199. The Senate amendment, but not the House bill, requires the Governor to enter into agreements with local partnerships (or where established, local boards), regarding the local workforce development activities in each substate area.

The Senate recedes.

199a. Under the Senate amendment, the local partnerships (or local boards) may make recommendations on the allocation of funds for, or administration of, workforce education activities, in accordance with the Act.

The Senate recedes.

199b. The Senate amendment requires that local partnerships be established by the chief local elected official and includes representation of business in the partnership.

The Senate recedes.

199c. The Senate amendment provides for the appointment of the partnership, by local elected officials, in areas with multiple jurisdictions. (See Note 186 for comparable House provision).

The Senate recedes.

199d. The Senate amendment includes required representation of business in the partnership, and a requirement that business organizations have a lead role in the partnership's activities.

The Senate recedes.

199e. The Senate amendment lists the contents of the local partnership agreement.

The Senate recedes.

200. Under the Senate amendment, but not the House bill, if the Governor is unable to reach agreement with a local partnership (or board), the Governor shall provide the local partnership (or board) an opportunity to comment on the proposal. (See Note 192b)

The Senate recedes.

201. The Senate amendment allows a State to be treated as a substate area for purposes of the partnership and local board requirements. (See Note 188 for comparable House provision.)

The Senate recedes.

202. Both the House bill and the Senate amendment reserve funds for State activities.

The Senate recedes.

202. Both the House bill and the Senate amendment require that the eligible agency shall conduct State programs and activities.

The Senate recedes.

203. Both the House bill and the Senate amendment require that the eligible agency shall conduct State programs and activities.

The Senate recedes.

203a. The House bill requires that funds received by eligible institutions at the local level for in-school youth programs shall be used.

The Senate recedes.

203b. The House bill requires that funds received by eligible institutions at the local level for in-school youth programs shall be used.

The Senate recedes.

204. The House and Senate bills provide a list of permissible activities for which the 8% of State funds may be used. The Senate amendment lists 3 broad categories of permissible activities for which 20% of the State funds may be used.

The Senate recedes.

205. Both the House bill and the Senate amendment, requires institutions receiving funds at the local level under the youth development and career preparation grant to use the monies to improve youth development and career-related education programs.

The Senate recedes with a technical amendment.

205a. Both the House bill and the Senate amendment have required uses of funds. The House bill requires that funds received by the State education agency shall be used.

The Senate recedes.

205b. Both the House bill and the Senate amendment have required uses of funds. The Senate amendment requires that funds received by the State education agency shall be used.

The Senate recedes.

206. The House bill requires that funds received by the State education agency shall be used for specific workforce education activities.

The Senate recedes with a technical amendment.

207. The Managers intend that activities such as purchasing, leasing or upgrading equipment, including instructional material; in-service training of vocational and academic instructors; apprenticeship programs; and those activities which provide strong experience in, and understanding of, all aspects of these programs and activities, enter not be precluded from funding at the local level. The bill's list of required activities is
not meant to limit schools and school districts' ability to find creative ways to meet their education goals.

205a. Both the House bill and the Senate amendment require a formula that is based on the number of poor students, but not on the overall number of students. (See Note 289)

206. Both the House bill and the Senate amendment require that at least 60% of the funds be distributed to the local level, not more than 40% for administrative expenses. (See Note 290)

217. Both the House bill and the Senate amendment require that the formula for distribution of funds for secondary school vocational education be distributed according to the current Perkins law formula—70% allocated on Title I ESEA formula, 20% allocated on the overall number of students within the State educational agency, and 10% allocated on the number of students enrolled in training programs under the jurisdiction of the local educational agency. The Senate amendment provides for an alternative formula if such formula distributes more funds to local educational agencies with the highest number or percentage of poor students.

221b. The Senate amendment requires that the formula for distribution of funds for secondary school vocational education be distributed according to the current Perkins law formula—70% allocated on Title I ESEA formula, 20% based on the number of children served under IDEA, and 10% allocated on the number of students enrolled in training programs under the jurisdiction of the local educational agency. The Senate amendment allows an eligible agency to develop an alternative formula if such formula distributes funds to local educational agencies with the highest number or percentage of poor students.

The Managers recognize that States are in a better position to know their needs and have therefore provided a waiver which allows the eligible agency the option to develop an alternative formula which would better target poor areas—both those with high populations of poor and those with high percentages of poor. The Managers intend that providing a waiver for high percentages of poor will enable more funds to flow to poor, rural areas. The requirement that an alternative formula be developed for school districts that serve the highest number or greatest percentage of poor children is meant to include a group of such districts that is not a single district, but that may determine the range of poor districts that it will target with an alternative formula.
22. Both the House bill and the Senate amendment establish minimum grant awards of $15,000 for a local educational agency or consortium of such agencies.

23. Both the House bill and the Senate amendment permit a State to grant a waiver for the minimum grant amount in cases where the State determines that it is located in a sparsely populated area.

24. Both the House bill and the Senate amendment, allow secondary-postsecondary vocational formula.

25. The House recedes with a technical amendment.

26. The Senate amendment, but not the House bill, requires that any funds not allocated by reason of minimum grant awards for postsecondary and adult vocational education shall be redistributed to eligible institutions.

27. The House recedes.

28. The House bill, but not the Senate amendment, permits the Governor, through the collaborative process, to modify the plan for workforce education.

29. The House recedes.

30. The House bill outlines that funds directed to the State level from the State to serve at-risk youth will be sent to the local workforce development board to be subgranted to eligible entities for programs to serve at-risk and off-school youth.

31. The House recedes.

32. The Senate amendment distributes secondary and postsecondary education funds by formula to schools. (See Note 221a, 226 & 227). At-risk youth funds are distributed by competitive grants to local entities. (See Note 230).

33. The House recedes.

34. The Senate amendment provides States to reserve an amount of funds from the amount they receive for postsecondary and adult vocational education to distribute to State corrections agencies. (See Note 203)

35. The House recedes with an amendment providing that corrections institutions may receive funds for any of the four authorized activities. (See Note 204)

36. The Senate amendment requires that the Federal dollars are reaching low-income areas that were ineligible to receive formula funds to rural, poor areas. (See Note 205)

37. The Senate amendment requires that the maximum grant awards for at-risk youth development and career preparation activities for the purpose of providing services to at-risk, out-of-school youth shall be distributed by competitive grants to local educational agencies that serve only elementary schools.

38. The Senate amendment requires that the maximum grant awards for at-risk, out-of-school youth and at-risk/postsecondary education activities shall be distributed to local educational agencies that serve only elementary schools.

39. The Senate amendment requires that the maximum grant awards for at-risk, out-of-school youth and at-risk/postsecondary education activities shall be distributed to local educational agencies that serve only elementary schools.

40. The Senate amendment requires that the maximum grant awards for at-risk, out-of-school youth and at-risk/postsecondary education activities shall be distributed to local educational agencies that serve only elementary schools.

41. The Senate amendment requires that the maximum grant awards for at-risk, out-of-school youth and at-risk/postsecondary education activities shall be distributed to local educational agencies that serve only elementary schools.

42. The Senate amendment provides that the Senate recedes with an amendment allowing an eligible agency to redistribute funds to rural, poor areas.

43. The Senate amendment requires States to reserve an amount of funds from the amount they receive for postsecondary and adult vocational education to distribute to State corrections agencies. The House bill allows States to reserve 2% of their State monies for corrections education. (See Note 203)

44. The Senate recedes with an amendment providing that corrections institutions may receive funds for any of the four authorized activities. (See Note 204)

45. The Senate amendment, but not the House bill, includes definitions for "eligible institution," "low-income," and "Pell Grant recipient" that only apply to the within State formula.

46. The Senate amendment requires that the maximum grant awards for at-risk, out-of-school youth and at-risk/postsecondary education activities shall be distributed to State corrections agencies. The House bill allows States to reserve 2% of their State monies for corrections education. (See Note 203)

47. The Senate recedes with an amendment providing that corrections institutions may receive funds for any of the four authorized activities. (See Note 204)

48. The Senate amendment, but not the House bill, states that the part of the Senate education shall determine and coordinate programs serving at-risk and out-of-school youth and allow for effective public participation. (See Note 296)

49. The House recedes.

50. The Senate amendment requires that the maximum grant awards for at-risk, out-of-school youth and at-risk/postsecondary education activities shall be distributed to State corrections agencies. The House bill allows States to reserve 2% of their State monies for corrections education. (See Note 203)

51. The House recedes.

52. The House bill and the Senate amendment provide funds for adult education and literacy services. The Senate amendment lists 3 broad categories of permits to services, for which 20% of workforce education funds reserved at the State level may be used.

53. Both the House bill and the Senate amendment provide funds for adult education and literacy services. The Senate amendment lists 3 broad categories of permits to services, for which 20% of workforce education funds reserved at the State level may be used.

54. The Senate recedes with an amendment providing that not more than 10 percent of adult education and literacy funds may be spent for a variety of State activities, including professional development, technical assistance, telecommunications, regional literacy networks, and evaluation.

55. The Senate recedes.

56. The Senate recedes.

57. The Senate recedes.

58. The Senate recedes.

59. The Senate recedes.

60. The Senate recedes.

61. The Senate recedes.

62. The Senate recedes.

63. The Senate recedes.

64. The Senate recedes.

65. The Senate recedes.

66. The Senate recedes.

67. The Senate recedes.

68. The Senate recedes.

69. The Senate recedes.
245. The Senate amendment, but not the House bill, sets a local administrative cost limit of 5% on agencies, organizations, institutions or consortiums which provide adult education or literacy services. Such funds may be used for planning, administration, personnel development and interagency coordination.

The Senate amendment further allows the State educational agency to negotiate with grant recipients in cases where cost limits would be too restrictive to permit them from carrying out all required activities.

The House recedes with an amendment substituting the reference to “State educational agency” with “eligible agency.”

Distribution

246. The House bill and the Senate amendment provide for the distribution of funds to local providers.

Legislative counsel.

246a. The House bill provides that States are to use 85% of funds under the block grant to make grants, on a competitive basis, to local service providers. The Senate amendment provides that a State educational agency shall award grants for adult education, on a competitive basis to eligible entities and/or a consortium of such entities.

The Senate amendment includes an amendment requiring that 85 percent of the adult education and literacy funds be allocated to local providers, and lists the entities eligible for assistance.

246b. The House bill and the Senate amendment have similar lists of eligible entities, but the House provision is contained under its “equitable access” provisions. (See Note 247a)

The House recedes with an amendment adding “family literacy services” to a list of eligible entities.

247. Both the House bill and the Senate amendment provide a list of grant requirements.

Legislative counsel.

247a. Both the House bill and the Senate amendment include a provision requiring direct and equitable access to all eligible entities.

The House recedes with an amendment substituting the reference to “State educational agency” with “eligible agency” and restricting the use of funds to provide services within the following categories: adult basic education, adult secondary education, English literacy instruction, and family literacy services.

247b. The House bill, but not the Senate amendment, requires a State to give priority to applications from local workforce development boards and integrated career center systems.

The House recedes.

247c. The Senate amendment, but not the House bill, requires States to consider the past effectiveness of applicants in providing services, the degree to which the applicant will utilize other literacy and social services available in the community and the commitment of the applicant to serve those in the community who are most in need of literacy services.

The House recedes with technical amendments.

248. The Senate amendment, but not the House bill, requires States to consider the past effectiveness of applicants in providing services, the degree to which the applicant will utilize other literacy and social services available in the community and the commitment of the applicant to serve those in the community who are most in need of literacy services.

The House recedes with technical amendments.

249. The House bill, but not the Senate amendment, allows a local service provider to receive a grant from a State under this subtitle to negotiate with a local workforce development board with respect to receipt of payments for adult education and literacy services provided by a provider to adults referred to the provider by a program supported by other titles of the House bill.

The House recedes.

250. The House bill, but not the Senate amendment, authorizes a local service provider to receive payment for adult education and literacy services provided to an adult participating in programs authorized under other titles of the House bill, either in the form of a career grant or by some other means.

The House recedes.

251. The Senate amendment, but not the House bill, requires each eligible entity to submit an application to the State educational agency for funding of workforce education activities (including adult education activities). (See Note 249b)

The Senate recedes.

Use of funds

252. The House bill requires that local service providers which receive a grant must use such grant to establish or operate one or more programs that provide instruction or services within the services within the following categories: adult basic education, adult secondary education, English literacy instruction, and family literacy services.

The Senate amendment requires that adult education and literacy funds at the local level be used for adult education services, English literacy services, and family literacy services.

National Literacy Act

253. Both the House bill and the Senate amendment allocate funds for the National Institute for Literacy.

The House bill reserves $4.5 million in each fiscal year for the National Institute for Literacy. Such funds are reserved at the Federal level before distribution to the States.

The Senate amendment provides that such funding be up to 0.15% of the $5,884,000,000 authorization ($8,830,000) for four programs, including funds for the National Institute for Literacy.

The Senate amendment requires an amendment authorizing the appropriation of $10 million for fiscal year 1997 and such sums through fiscal year 2002 for the National Institute for Literacy.

254. Both the House bill and the Senate amendment establish the National Institute for Literacy.

The House bill requires the Institute to be administered under the terms of an interagency agreement entered into by the Secretary of Education and the Director of the Institute with the Interagency Group.

The Senate amendment requires the Institute to be administered by the Federal Partnership established under the Workforce Development Act of 1995.

The Senate recedes.

255. Both the House bill and Senate amendment allow the inclusion in the Institute of any research and development center, institute or clearinghouse whose purpose is related to the purposes of the Institute.

Legislative counsel.

256. The Senate amendment, but not the House bill, requires the Institute to have offices in the Departments of Labor, Education, and the Department of Education or the Department of Labor.

The House recedes.

257. Both the House bill and the Senate amendment require the Interagency Group (Federal Partnership) to consider recommendations of the National Institute for Literacy Advisory Board (National Institute Council) in planning the goals of the Institute and implementing programs to achieve such goals.

The Senate amendment requires the Interagency Group to request a meeting to discuss the Council’s recommendations and the Institute shall be required to prepare a report to be submitted to the Congress.

The Senate recedes.

258. Both the House bill and the Senate amendment set forth the duties and activities of the Institute, with differences.

The Senate recedes with an amendment listing the activities for the National Institute for Literacy.

The House bill and the Senate amendment require the Institute to establish fellowships to be called “Literacy Leader Fellow.”

The Senate recedes.

259. Both the House bill, but not the Senate amendment, requires the Institute to establish fellowships to be called “Literacy Leader Fellow.”

The Senate recedes.

260. Both the House bill and the Senate amendment provide that such fellowships be used to engage in research, education, training, technical assistance or other activities to advance the field of adult education or literacy.

Legislative counsel.

261. The Senate amendment, but not the House bill, requires individuals receiving fellowships to be called “Literacy Leader Fellow.”

The Senate recedes.

262. Both the House bill, but not the Senate amendment, requires the Institute to award paid and unpaid internships to individuals seeking to help the Institute. The House bill specifies that certain individuals pursuing careers in adult education or literacy.

Legislative counsel.

263. The Senate amendment requires such fellowships be used to engage in research, education, training, technical assistance or other activities to advance the field of adult education or literacy.

The Senate recedes.

264. Both the House bill and the Senate amendment require such individuals may not otherwise be employees of the Federal Government, and that the Institute be responsible for the duties and activities of the Institute.

The Senate recedes.

265a. Both the House bill, but not the Senate amendment, requires individuals to be chosen from recommendations made to the President by individuals who represent such entities or groups.

The Senate recedes.

265b. Both the House bill and the Senate amendment provide for a review of the President’s duties and activities made to the President by individuals who represent such entities or groups.

The Senate recedes.

266. Both the House bill and the Senate amendment provide for a review of the President’s duties and activities made to the President by individuals who represent such entities or groups.

The Senate recedes.

267. Both the House bill and the Senate amendment require the Senate to submit a report to the President by individuals who represent such entities or groups.

The Senate recedes.
The Senate recedes.

267. Both the Senate bill and the Senate amendment require the Secretary to submit a biennial report.

The Senate recedes.

277a. The Senate bill requires the Secretary of Labor to carry out at-risk youth programs. (See Note 288.) The Senate amendment, but not the House bill, requires the Secretary of Labor to carry out at-risk youth activities. (See Note 289.)

The Senate recedes.

280. Both the Senate bill and the Senate amendment contain provisions regarding the applicability of certain Civil Service laws. Legislative counsel.

280a. Both the Senate bill and the Senate amendment contain provisions with respect to experts and consultants.

The Senate recedes.

280b. Both the Senate bill and the Senate amendment contain provisions regarding the applicability of certain Civil Service laws. Legislative counsel.

281. Both the Senate bill and the Senate amendment contain provisions for accounting and reporting requirements.

The Senate recedes.

282. Both the Senate bill and the Senate amendment contain provisions with respect to the provisions of the Federal Advisory Committee Act.

The Senate recedes.

283. The Senate bill, but not the Senate amendment, requires that the Secretary of Labor to carry out at-risk youth programs. (See Note 285.)

The Senate recedes.

284. The Senate amendment, but not the House bill, requires that the Secretary of Labor to carry out at-risk youth activities. (See Note 286.)

The Senate recedes.

285. The Senate amendment, but not the House bill, requires that the Secretary of Labor to carry out at-risk youth activities. (See Note 287.)

The Senate recedes.

286. The Senate amendment, but not the House bill, requires that the Secretary of Labor to carry out at-risk youth activities. (See Note 288.)

The Senate recedes.

287. The Senate amendment, but not the House bill, requires that the Secretary of Labor to carry out at-risk youth activities. (See Note 289.)

The Senate recedes.

288. The Senate amendment, but not the House bill, requires that the Secretary of Labor to carry out at-risk youth activities. (See Note 290.)

The Senate recedes.

289. The Senate amendment, but not the House bill, requires that the Secretary of Labor to carry out at-risk youth activities. (See Note 291.)

The Senate recedes.

290. The Senate amendment, but not the House bill, requires that the Secretary of Labor to carry out at-risk youth activities. (See Note 292.)

The Senate recedes.

291. The Senate amendment, but not the House bill, requires that the Secretary of Labor to carry out at-risk youth activities. (See Note 293.)

The Senate recedes.

292. The Senate amendment, but not the House bill, requires that the Secretary of Labor to carry out at-risk youth activities. (See Note 294.)

The Senate recedes.

293. The Senate amendment, but not the House bill, requires that the Secretary of Labor to carry out at-risk youth activities. (See Note 295.)

The Senate recedes.

294. The Senate amendment, but not the House bill, requires that the Secretary of Labor to carry out at-risk youth activities. (See Note 296.)

The Senate recedes.

295. The Senate amendment, but not the House bill, requires that the Secretary of Labor to carry out at-risk youth activities. (See Note 297.)

The Senate recedes.

296. The Senate amendment, but not the House bill, requires that the Secretary of Labor to carry out at-risk youth activities. (See Note 298.)

The Senate recedes.

297. The Senate amendment, but not the House bill, requires that the Secretary of Labor to carry out at-risk youth activities. (See Note 299.)

The Senate recedes.

298. The Senate amendment, but not the House bill, requires that the Secretary of Labor to carry out at-risk youth activities. (See Note 300.)

The Senate recedes.

299. The Senate amendment, but not the House bill, requires that the Secretary of Labor to carry out at-risk youth activities. (See Note 301.)

The Senate recedes.

300. The Senate amendment, but not the House bill, requires that the Secretary of Labor to carry out at-risk youth activities. (See Note 302.)

The Senate recedes.

301. The Senate amendment, but not the House bill, requires that the Secretary of Labor to carry out at-risk youth activities. (See Note 303.)

The Senate recedes.
obtain skills needed to retain meaningful employment), and the Opportunities Industrialization Centers of America in providing employment education, training, and placement services to at-risk youth. While it is recognized that States and local workforce development boards require flexibility in choosing the most appropriate training models to meet the needs of their individual clients, these managers’ intent, where possible, that exemplary models of demonstrated effectiveness such as CET be replicated on the State and local levels.

292. The Senate amendment, but not the House bill, provides that at-risk youth funds be expended in accordance with the State’s laws and regulations. (See Related Note 112)

The House recedes.

293. Both the House bill and the Senate amendment have a within State allocation. (See related Note 210)

The House recedes with a technical amendment.

293a. The House bill requires that not less than 40% of a State’s funds for the youth grant go to the local level to serve in-school and out-of-school youth, not more than 8% for State programs and not more than 5% for administration. The Senate amendment requires that 85% of a State’s funds for at-risk youth activities go to the local level and 5% for State activities.

The Senate amendment, but not the House bill, requires the development of a State formula for determining the distribution of local funds. The amendment further outlines the awarding of grants. Funds are distributed as follows: 75% to local workforce development boards; 20% to the Governor; and 5% for administrative purposes at the State level.

294. The House bill, but not the Senate amendment, requires that of the 40% of funds sent to the local level, not less than 40% of the funds must be used for programs to serve at-risk and out-of-school youth. Of the remaining 20% of funds, the Governor, through the collaborative process, can distribute one-half of the remaining funds by formula and one-half by either discretionary grants or for-profit awards. (See Note 220)

The House recedes.

295. The House bill, but not the Senate amendment, establishes a within State formula that must take into account certain factors for the distribution of local funds. The amendment further outlines the awarding of grants. Funds are distributed as follows: 75% to local workforce development boards; 20% to the Governor; and 4% for administrative purposes at the State level.

296. The House bill, but not the Senate amendment, establishes a within State formula that must take into account certain factors for the distribution of local funds. The amendment further outlines the awarding of grants. Funds are distributed as follows: 75% to local workforce development boards; 20% to the Governor; and 4% for administrative purposes at the State level.

297. The House bill states that the partnerships must have the Secretary of Labor’s approval to serve at-risk youth. The Senate amendment, but not the House bill, requires the Secretary of Labor to establish a job placement accountability system for Job Corps centers. The House recedes.

298. The Senate amendment, but not the House bill, requires that all partnerships establish, in collaboration with the State and local levels, the resolution of issues in dispute. (See Note 238)

The House recedes.

299. The Senate amendment, but not the Senate amendment, provides that the Governor, through the collaborative process, is authorized to develop a within State formula for the distribution of funds for at-risk youth programs to local entities in part by competitive grants. (See Note 239b for House provision, and Note 297 for Senate provision.)

The House recedes.

300. The Senate amendment contains provisions regarding Job Corps. The House bill has no comparable provisions, but retains Job Corps under current law.

The House recedes.

301. The Senate amendment, but not the House bill, provides definitions relating to Job Corps which includes a definition for “at-risk youth”. (See Note 15 for House definition of “at-risk youth”)

The House recedes with an amendment striking the definition of “at-risk youth”.

302. The Senate amendment, but not the House bill, provides for definitions relating to Job Corps which includes a definition for “at-risk youth”. (See Note 15 for House definition of “at-risk youth”)

The House recedes.

303. The Senate amendment, but not the House bill, provides specific purposes for Job Corps.

The House recedes.

304. The Senate amendment, but not the House bill, establishes a Job Corps program in the Department of Labor.

The House recedes.

305. Under the Senate amendment, but not the House bill, only at-risk youth are eligible for Job Corps.

The House recedes with an amendment providing requirements to be eligible to become an enrollee of the Job Corps program.

306. The Senate amendment, but not the House bill, requires the Secretary of Labor to prescribe procedures for screening and selecting applicants, after consultation with States and localities.

The House recedes.

307. The Senate amendment, but not the House bill, requires the Secretary of Labor to develop a plan to the Secretary of Labor for annual reports on the State and local implementation of the program.

The House recedes.

308. The Senate amendment, but not the House bill, provides for definitions relating to Job Corps under current law.

The House recedes.

309. The Senate amendment, but not the House bill, provides that 40% of the funds must be used for programs to serve at-risk and out-of-school youth. Of the remaining 20% of funds, the Governor, through the collaborative process, can distribute one-half of the remaining funds by formula and one-half by either discretionary grants or for-profit awards. (See Note 239b for House provision, and Note 297 for Senate provision.)

The House recedes.

310. The Senate amendment contains provisions regarding Job Corps. The House bill has no comparable provisions, but retains Job Corps under current law.

The House recedes.

311. The Senate amendment, but not the House bill, requires center operators to submit a plan to the Secretary of Labor for approval. The Senate amendment lists the requirements for such plan.

The House recedes with conforming and technical changes.

312. The Senate amendment, but not the House bill, provides that the Secretary of Labor to encourage community participation and establishes a selection panel for center operators. The Senate amendment also requires each center director to engage in certain community outreach efforts.

The House recedes with conforming and technical changes.

313. The Senate amendment, but not the House bill, provides that the Secretary of Labor to ensure that Job Corps enrollees receive counseling and placement.

The House recedes.

314. The Senate amendment, but not the House bill, requires the Secretary of Labor to provide standards of conduct, including a zero tolerance policy for violence and drug abuse, to be enforced by the center directors.

The House recedes.

315. The Senate amendment, but not the House bill, directs the Secretary of Labor to encourage community participation and establishes a selection panel for center operators. The Senate amendment also requires each center director to engage in certain community outreach efforts.

The House recedes with conforming and technical changes.

316. The Senate amendment, but not the House bill, provides that Job Corps enrollees are not to be considered Federal employees except with respect to the Internal Revenue Code, the Social Security Act, Federal workers’ compensation, and Federal tort claims.

The House recedes.

317. The Senate amendment, but not the House bill, provides that Job Corps enrollees include an appropriate number of candidates selected from rural areas.

The House recedes.

318. The Senate amendment, but not the House bill, requires the Secretary of Labor to make a plan to the Secretary of Labor for annual reports on the State and local implementation of the program.

The House recedes.

319. The Senate amendment, but not the House bill, provides that Job Corps enrollees are not to be considered Federal employees except with respect to the Internal Revenue Code, the Social Security Act, Federal workers’ compensation, and Federal tort claims.

The House recedes.
The House recedes with an amendment providing that one-stop career centers shall provide accurate information relating to the quality and availability of workforce and career development activities and vocational rehabilitation activities; referrals to such programs; and the provision of information related to adult education and literacy activities through contacts with eligible providers of such activities.

The Senate recedes with an amendment requiring one-stop career centers to provide eligibility information relating to unemployment compensation, publicly-funded education and training programs, and forms of public financial assistance, such as student aid programs, that may be available in order to enable individuals to participate in workforce and career development activities.

The Senate recedes with an amendment requiring one-stop career centers to provide information on the performance of programs available through career centers. The Senate recedes with an amendment requiring one-stop career centers to provide information on how the local workforce development area is performing on their local benchmarks, and any additional performance information provided by the local boards.

The House recedes with an amendment requiring one-stop career centers to provide information on the point of distribution of career grants. The Senate recedes with an amendment providing that a one-stop career center may select the point of distribution of career grants for the purchase of training services.

The Senate bill also includes career planning based on a preliminary assessment.

The Senate recedes with an amendment providing that a one-stop career center may select the point of distribution of career grants for the purchase of training services. The Senate recedes with an amendment allowing career center systems to contract out for core services for individuals with severe disabilities.

The House recedes with an amendment providing that one-stop career centers shall provide core services and services authorized under the Wagner-Peyser Act to individuals; at not less than one physical, co-located career center, and lists certain eligible entities. The Senate amendment contains no comparable provision. The Senate recedes with an amendment requiring that labor market information, shall be available through the one-stop career center system.

The Senate bill, but not the House recedes, requires such information on the performance of programs available through career centers. The Senate recedes with an amendment requiring one-stop career centers to provide information on how the local workforce development area is performing on their local benchmarks, and any additional performance information provided by the local boards.

Both the House bill and Senate amendment provide for information related to the local labor market. However the language differs as to what is required.
the integrated career center or one-stop delivery systems.

The House recedes with conforming amendments and inserting additional discretionary one-stop State reserve funds: and employment and training activities shall be used to carry out required State and local employment and training activities; to conduct a labor market information system; and establishment of a job placement accountability system.

The Senate amendment also permits the use of funds for: permissible one-stop activities; other permissible training activities; staff development; incentive grants; and the provision of training services through vouchers.

The House recedes with an amendment requiring that funds made available to a State and used for employment and training activities shall be used to carry out required State and local employment and training activities; to conduct a labor market information system; and establishment of a job placement accountability system.

The Senate amendment also permits the use of funds for rapid response assistance; labor market information; and to conduct evaluations.

Discretionary activities

331. Both the House bill and the Senate amendment list certain discretionary activities. The House bill, not the Senate amendment, specifically lists certain activities to be carried out in accordance with the Governor's reserve. Under the Senate amendment's, permissible activities under section 106(a)(6) through (N) are listed below.

The House recedes with an amendment inserting a new title "PERMISSIBLE STATE ACTIVITIES", with conforming and technical changes.

331a. Both the House bill and the Senate amendment allow funds to be used for staff development and training, but the House bill further allows for capacity buildings.

The House recedes with an amendment allowing a State to use State funds to provide professional development and technical assistance.

331b. Both the House bill and the Senate amendment allow for incentive grant awards, but the House bill further allows for research and demonstration.

The House recedes with an amendment allowing a State to use State funds to provide capacity building for career center systems; support for a common management information system; and training in nontraditional employment.

The House recedes with an amendment allowing additional permissible State activities including: certain economic development activities; implementation of efforts to increase the number of individuals trained and placed in nontraditional employment; other activities that the State deems necessary to assist local workforce development areas; a fiscal and management accountability system; the collaborative process, to develop alternate funding for core center systems; and the career grant pilot program.

The House bill requires that adult employment and training grant funds be used to provide core services to adults through career center systems. The Senate amendment requires that workforce employment funds be used to provide services through one-stop delivery. (See Note 324)

The House recedes.

332. The Senate bill, but not the Senate amendment, requires that adult employment training grant funds be used to provide intensive services, through career center systems, to adults who are unable to obtain employment through core services, but provides discretion on the types of services. The Senate amendment provides that intensive services are a permissible one-stop delivery activity. (See Note 327)

The Senate recedes with an amendment providing that funds made available to local workforce development areas shall be used to provide core services to individuals through the one-stop career center system of the State. The Senate amendment also permits the use of funds for: rapid response assistance; labor market information; and case management.

333a. The House bill, but not the Senate amendment, specifies that intensive services may include comprehensive and specialized assessments; individual employment plans; identification of employment goals; group or individual counseling and career planning; case management; and follow up counseling for up to 1 year.

The House recedes.

333b. Both the House bill and the Senate amendment permit the use of funds for case management and follow-up services.

The Senate recedes with an amendment authorizing training services which may include occupational skills training; on-the-job training; skills upgrading and retraining for previously employed individuals; basic skills training when in combination with at least one of the other services listed.

The House bill requires that adult employment and training grant funds be used to provide education and training services for only those adults who are unable to obtain employment through core or intensive services, and who are unable to obtain other grant assistance, but provides discretion on the types of education and training services. The Senate amendment does not require funds for training services to be used to provide education and training services for individuals who are not recipients of certain education and training services.

The Senate recedes with an amendment requiring that funds may be used to provide training services for individuals who are unable to obtain other grant assistance, including Federal Pell grants, established under title IV of the Higher Education Act of 1965; or who require assistance beyond that made available from other grant assistance. The Senate amendment also requires that training services may be provided to an individual while an application for a Pell grant is pending; or if an individual is subsequently awarded a Pell grant, appropriate reimbursement is made to the workforce development area from such Pell grants.

334a. The House bill and the Senate amendment include comparable training services as permissible uses of funds, but also include different additional services.

The House recedes.

334b. The House bill permits funds to be used for remedial education and illiteracy programs. The Senate amendment provides for such services under workforce education activities.

The House recedes.

334c. Both the House bill and the Senate amendment allow for: occupational skills training; on-the-job training, programs that combine workplace training and related in-struction; skill upgrading and retraining; entre-preneurial training; employability training; and customized training. The House bill also allows private contractors. The Senate amendment also includes: preemployment training for youth; rapid re-employment assistance; connecting activities for businesses to provide work-based training for youth; and services to assist individuals in attaining industry-based skills.

The House and Senate recede.

335. Both the House bill and the Senate amendment list supportive services as an allowable use of funds. However, the House bill lists such assistance.

The Senate recedes with an amendment providing for additional permissible services including supportive services which may be provided to individuals receiving training services; and who are unable to obtain such supportive services through other programs providing such services. Follow-up services for individuals involved in unsubsidized employment are also authorized.

335a. The House bill, but not the Senate amendment, specifies the allowable use of needs-related payments, with specific education and training participation requirements.

The Senate recedes with an amendment to add as a permissible local activity, the provision of needs related payments to individuals enrolled in training programs in order to enable their participation in such training services. In addition, certain time limits and payment caps were added for the provision of such payments.

336. The House bill, but not the Senate amendment, requires local boards to establish a priority process for providing intensive, or education and training services to dislocated workers and other unemployed individuals who are determined to be in need of training services.

The Senate recedes with an amendment to require that priority be given to dislocated workers and other unemployed individuals for receipt of training services with guidance provided to one-stop career centers by the Governor and local boards in establishing such policies.

The Managers agree that priority should be given to dislocated workers and other unemployed individuals in the provision of training services, when funding is limited. Such priority for services is consistent with the employment-first approach to training that is under the employment-first component of this legislation. This priority language, however, is not intended to preclude the provision of training services to other individuals, particularly to low income employed individuals, for which training is essential to obtain high skilled employment. Substantial flexibility is granted to States and local boards in making such individual determinations.

Career grants/vouchers

337. The House bill requires that education and training services for adults be provided the use of career grants; and, with providers identified in accordance with section 108 of the House bill. Such grants
must be provided through the career center system. The Senate amendment allows, but does not require States to deliver some or all of the permissible employment activities under this Act through vouchers administered through the one-stop system.

The Senate amendment restricts the receipt of vouchers to individuals age 18 or older, to obtain Pell grants. The House bill also restricts receipt of career grants (vouchers). (See Note 334)

The Senate recedes with an amendment clarifying that training services may be provided through the use of career grants, contracts, or other methods that are the 3-year limit on the use of career grants, contracts, or other methods that shall be practicable, maximizes the State choice in the selection of an eligible provider.

The Senate recedes.

337a. The House bill, but not the Senate amendment, provides 4 exceptions to the required use of vouchers.

The House recedes.

337b. The House bill, but not the Senate amendment, allows a 3-year transition for the full implementation of vouchers, from the date of enactment.

The House recedes.

337c. The House bill, but not the Senate amendment, requires that education and training be directly linked to occupations in demand.

The Senate recedes.

338. Under the Senate amendment, but not the House bill, States that choose to use vouchers must describe the State plan criteria for the activities, the amount of funds and the eligibility of participants and providers.

The Senate recedes.

339. The House bill requires an identification process for determining which service providers are eligible to receive funds for adult training or vocational rehabilitation programs. The Senate amendment requires such a process, other than to identify in the State plan the criteria for eligible providers, if a State chooses to offer services through vouchers. (See Note 139)

The House and Senate recede.

340. The House bill, but not the Senate amendment, establishes an alternative eligibility requirement for service providers that are not eligible to participate in title IV of the Higher Education Act. (See Note 139)

The Senate recedes.

341. The House bill requires the State to identify performance-based information that must be submitted by service providers. The Senate amendment has no such requirement, other than to identify in the State plan information related to the accountability of service providers, if a State chooses to offer services through vouchers. (See Note 140)

The House and Senate recede.

342. Under the House bill, but not the Senate amendment, the Governor provides, through local workforce development boards, and integrated career center systems. (See Note 141)

The House recedes.

343. Under the House bill, but not the Senate amendment, a service provider who provides inaccurate performance-based information, directly or indirectly from receiving funds under this Act for two years, unless upon the appeal, the provider can demonstrate that the information was provided in good faith. (See Note 144)

The House recedes.

344. Under the House bill, but not the Senate amendment, on-the-job training providers are eligible, except that performance-based information on such providers must be collected and disseminated. (See Note 145)

The House recedes.

345. The Senate amendment, but not the House bill, requires that the State plan must indicate in the State plan the extent to which the State will use vouchers to deliver such training activities. The Senate recedes.

Substate allocation

346. The Senate amendment, but not the House bill, provides that funds made available for workforce employment activities and training activities from the flex account dedicated to workforce employment activities, are available to the Governor to distribute as provided in the next Note. (See Note 147)

The Senate recedes.

347. The House bill allows Governors to reserve up to 20% of the State’s allotment under the adult training grant for statewide activities and administration. From this 20% reserve, States are limited to 25% for administration. The Senate amendment allows Governors to reserve up to 25% to carry out workforce employment activities. From this 25% reserve, States are limited to 20% for administrative expenses. The House recedes with an amendment requiring that of the funds made available for employment and training activities for a program year, the Secretary of Labor and the Secretary of Education, to administer the Act.

The Senate amendment also allows Governors, in consultation with local partners, to alter the distribution among substate areas of individuals who are less than 15 and not more than 65 individuals in poverty, unemployed individuals, and adult recipients of assistance. The Senate amendment also allows Governors, in consultation with local partners, to include such additional factors as determined necessary.

The Senate recedes with an amendment requiring that the Governor develop a formula for the distribution of employment and training funds to workforce development areas that must take into account certain factors for the distribution of local funds for activities.

347c. The House bill, but not the Senate amendment, allows the Governor discretion over 10% of the funds required for distributing local funds for workforce boards. The House recedes.

348. The House bill limits the administrative costs of the local workforce development areas to 10%. The Senate has no comparable provision.

The Senate recedes with amendment striking “board” and inserting “area.”

349. The Senate amendment, but not the House bill, allows the use of flex-account funds for school-to-work, workforce employment activities, workforce education activities, and economic development activities. The House recedes.

The House bill with an amendment striking “WORKFORCE”.

350. The Senate amendment, but not the House bill, requires States to use a portion of the flex-account funds for school-to-work activities, broadly defined. However, any State receiving a grant under the School-to-Work Opportunities Act of 1994, must continue such activities under the terms of the grant.

The Senate recedes.

351. Under the Senate amendment, but not the House bill, States may use flex-account funds for either training activities or education activities, as the State decides.

The House recedes with an amendment allowing States to use flex-account funds to carry out employment and training, at-risk youth, vocational education, and adult education and literacy activities.

352. Under the Senate amendment, but not the House bill, a State may engage in economic development activities if the State has established State and local workforce development boards or provides services through vouchers beginning in the year 2000.

A State may use up to 50% of the flex account funds to engage in the listed activities for workforce activities or training activities.

The Senate recedes.

FEDERAL

353. The Senate amendment, but not the House bill, establishes in the Department of Labor and the Department of Education a Workforce Development Partnership (“FEDERAL Partnership”), under the joint control of the Secretary of Labor and the Secretary of Education, to administer the Act.

The House recedes with an amendment requiring the Secretary of Labor and the Secretary of Education to enter into an inter-agency agreement to administer the provisions of this title, other than sections relating to vocational education, labor market information and national literacy activities.

The Senate amendment, but not the House bill, the Secretary of Labor and the Secretary of Education, working jointly through the Federal Partnership, will be responsible for activities involving a State plan and benchmarks, making allotments to States, awarding annual incentive grants, applying sanctions, designing the transfer of responsibilities to the Partnership, and disseminating information and providing technical assistance to States.
The House recedes with an amendment requiring the Secretary of Labor and the Secretary of Education to agree on the administration of this title.

355. The Senate amendment, but not the House bill, the Federal Partnership will be directed by a National Workforce Development Board, composed of 13 members, appointed by the President with the advice and consent of the Senate, including: 7 representatives of business and industry, 2 representatives of labor and workers, 2 representatives of federal and state education, and 2 Governors.

The Senate recedes.

356. The Senate amendment, but not the House bill, the Federal Partnership will be responsible for activities including: overseeing the development and implementation of the nationwide integrated labor market information system, establishing model benchmarks, negotiating State benchmarks, receiving and reviewing reports, preparing an annual report on the performance of States toward reaching the benchmarks, advising the Secretary of Labor and the Secretary of Education regarding the review and approval of State plans and procedures for awarding incentive grants and applying sanctions, reviewing Federal programs, and recommending how they could be integrated into State systems, and reviewing any issues about which the Secretary of Labor and the Secretary of Education disagree and making recommendations to the President regarding their resolution.

The Senate recedes.

357. The Senate amendment, but not the House bill, provides for the appointment by the President of the Secretary of Labor, by and with the advice and consent of the Senate, to administer the Federal Partnership.

The Senate recedes.

358. The Senate amendment, but not the House bill, provides for the transfer of personnel from the Employment and Training Administration (ETA) within the Department of Labor and the Office of Adult and Vocational Education (OAVE) within the Department of Education to the Federal Partnership.

The Senate recedes.

358a. The Senate amendment, but not the House bill, announces that the Secretary of Labor and Secretary of Education will work together to perform the functions associated with the Federal administration of the Act. Not later than 5 years after the date of initial transfers to the Federal Partnership, the number of Federal employees, unless the Secretaries submit a report to Congress stating why such reduction has not occurred. However, there must be a minimum 40% reduction in the number of Federal employees.

The Senate recedes with an amendment making technical changes.

359. The Senate amendment, but not the House bill, provides that personnel from ETA and OAVE that do not perform functions related to the administration of the Act will be transferred to other entities in the appropriate department.

The Senate recedes.

360. The Senate amendment, but not the House bill, requires the Secretary of Labor and Secretary of Education to submit a report to Congress stating why such reduction has not occurred. However, there must be a minimum 40% reduction in the number of Federal employees.

The Senate recedes with an amendment making technical changes.

361. The Senate amendment, but not the House bill, requires the Secretaries to submit an additional workplan outlining the transfer of functions of other State entities.

The Senate recedes.

362. The Senate amendment, but not the House bill, requires the elimination of the Office of Adult and Vocational Education (OAVE) within the Department of Education and the Employment and Training Administration (ETA) within the Department of Labor on July 1, 1998.

The Senate recedes.

Wagner-Peyser (Employment Service).

363. The Senate amendment, but not the House bill, amends section 4 of the Wagner-Peyser Act to require that the Federal Partnership shall oversee the activities of the Employment Service.

The Senate recedes.

364. Both the House bill and the Senate amendment amend section 2 to reflect the repeal of the Job Training Partnership Act and to conform the definitions and terms to each of the appropriate bills.

The Senate recedes with technical and conforming amendments.

365. Both the House bill and the Senate amendment amend section 3, the duties of the Federal government, by requiring the Secretary of Labor (or the Federal Partnership) to assist in the coordination and development of a nationwide system of labor exchange services for the general public, to assist in the development of continuous improvement models for such nationwide system which ensures private sector satisfaction and meets the demands of jobseekers, and to ensure the continued services for individuals receiving unemployment compensation.

The House recedes with an amendment requiring the Secretary of Labor to assist in the coordination and development of a nationwide system of labor exchange services for the general public, provided as part of the one-stop career center systems of the States; assist in the development of continuous improvement models for such nationwide system that ensure private sector satisfaction with the performance of jobseekers relating to the system; and ensure, for individuals otherwise eligible to receive unemployment compensation, the continued services for individuals required to participate to receive the compensation.

366. The Senate amendment, but not the House bill, amends section 7, the Unemployment Compensation Amendments of 1976.

The Senate recedes.

367. Both the House bill and Senate amendment amend section 4 to require the Governor (and in the House bill, the Governor of each of the participating States) to designate a State agency to carry out the Act.

The House recedes with an amendment inserting "in consultation with the State legislative branches of government".

367a. In the House bill, the designated State agency cooperates with the Secretary of Labor. In the Senate amendment, such cooperation occurs with the Secretary of Education.

The Senate recedes.

368. The House bill requires that 25% of the funds available under the Wagner-Peyser Act be used to cover both the current BLS programs (funded under sec. 14) and to support State local labor market information.

The House recedes.

369. The Senate amendment, but not the House bill, amends section 5(c) to strike an obsolete provision.

The House recedes.

370. Both the House bill and the Senate amendments amend section 7 to conform with the Workforce and Career Development Act of 1995 and inserting "Workforce and Career Development Act of 1996".

370a. The Senate amendment, but not the House bill, requires that labor exchange services be provided through the one-stop career center system. The House bill has a similar provision in its definition of "Public Employment Office."

The House recedes with an amendment striking "through" and inserting "as part of".

371. Both the House bill and the Senate amendment amend section 8 to require States to submit detailed plans for carrying out this Act as a part to their workforce development plans.

The Senate recedes with an amendment requiring that any State desiring to receive assistance under the Wagner-Peyser Act shall submit to the Secretary, as part of the State plan under the Workforce and Career Development Act, plans for carrying out the provisions of the Wagner-Peyser Act.

372. Both the House bill and the Senate bills repeal section 11, the Federal Advisory Council.

The Senate recedes.

373. Both the House bill and the Senate amendment include conforming amendments.

The Senate recedes with an amendment striking reference to "Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act" and inserting "the Workforce and Career Development Act of 1996".

Labor market information.

374. The Senate amendment, but not the House bill, requires States to use a portion of their workforce employment funds to pay for a statewide labor market information system. (See Note 368 for related House provision)

The Senate recedes.

375. The House bill, but not the Senate amendment, places the labor market information activities under the Wagner-Peyser Act.

The Senate recedes with an amendment authorizing an appropriation of $65 million for fiscal year 1998 and such sums through fiscal year 2002.

376. The House bill, but not the Senate amendment provides a purpose.

The House recedes.
376. The House bill provides the Secretary of Labor with the responsibility for the LMI system. The Senate amendment provides this responsibility to the Federal Partnership. The Senate amendment list comparable elements of the nationwide LMI system, with language differences.

The Senate recedes with an amendment requiring the Secretary of Labor, in accordance with this section, to oversee the maintenance and continuous improvement of the system.

The Managers commend the National and State Occupational Information Coordinating Committee for leadership in building the foundation for the existing labor market information system, which includes occupational information. Further, the Managers assume that the Federal and State governments will build upon the NOICC/NOIC initiatives in the development of occupational, career and consumer information delivery systems and related products, the training of professionals in the use of labor market information in career decision making, the support of career development programs, and in coordinating a multi-agency approach in building upon the existing labor market information system.

At the state level, the Managers encourage Governors and State agency heads to use the NOICC to carry out the collaborative, inter-agency process in building upon the existing statewide labor market information system. Further, the Managers wish to make clear that the NOICC may be used during transition to support the labor market information system activities of the Department of Labor and the Department of Labor and encourage the continued use of NOICC expertise under the improved system.

376a. The House bill specifies that data may include aggregated data by demographic characteristics. The Senate amendment states that data may be from "cooperatively statistical" programs.

The Senate recedes with an amendment to include within the system of labor market information statistics programs, data collection, compilation, estimation and publication conducted in cooperation with the Bureau of Labor Statistics.

The cooperative statistics program currently managed by the Bureau of Labor Statistics includes: Current Employment Statistics (CES), Local Area Unemployment Statistics (unemployment), Employment and Earnings Statistics (unemployment), Mass Layoff Statistics (MLS). The Managers intend that these programs will continue to be authorized under the Wagner-Peyser Act and that this legislation will not alter the way the funds are utilized. The Bureau of Labor Statistics will continue to justify funding levels through the appropriations process, as it has in the past, including its request for non-trust fund money.

376b. The House bill includes data on individuals collected during the disability and clarifies that data under this part are available from the Bureau of Census and other sources. The Senate amendment specifies that such data should be collected from all populations at the state, State and national level.

The House and Senate recede.

376c. The House bill, but not the Senate amendment, specifies that data shall be maintained in an aggregated fashion and specifies that data are available from the Bureau of Census and other sources.

The House and Senate recede.

376d. The House bill, but not the Senate amendment, specifies that information about the unemployed wage data records may be used.

The House and Senate recede.

376e. The Senate amendment, but not the House bill, specifies the form in which employment and consumer information shall be collected.

The Senate recedes with an amendment requiring that State and local employment information include other appropriate statistical data which will assist individuals to make informed choices related to employment and training and assist employers to locate and train employees who are seeking employment and training.

The Managers intend that the State-based data collection programs are produced in such a way as to produce a common set of labor market products and services that will be consistently available in all parts of the country and that, at the same time, will meet the unique needs of States and localities. The primary customers of the State and local products and services will be job seekers, employers and counselors. The consumer information, as described under Section 139, and other information supplied by the States and local workforce development systems will be useful to these customers.

To the extent feasible, the core products and services are expected to include: profiles of employers in the local labor market, information on job opportunities, employment requirements, wages, benefits, and hiring patterns - as such information is voluntarily supplied by employers and is related to the employment and training needs and skill levels of job seekers in the local labor market area.

376f. The House bill would profile "employers" as opposed to "industries" as in the Senate amendment. The House bill, but not the Senate amendment would also collect information on hiring patterns.

The House and Senate recede.

376g. The House bill, but not the Senate amendment, specifies that aggregated data shall be maintained.

The House and Senate recede.

376h. The House bill includes collection of information on the level of satisfaction of the participants and their employers and would also require the collection of descriptive information on programs (beyond performance).

The Senate amendment requires that the performance data include the percentage of program completion, while the House bill refers to summary data on program completion.

The House and Senate recede.

376i. The House bill and the Senate amendment provide for technical standards.

The Senate recedes with an amendment to include within the system of labor market information technical standards for data collection, compilation, estimation and publication conducted in cooperation with the Federal Government, which shall be implemented in the system.

376j. The Senate amendment, but not the House bill, specifies that statistical information collected as part of the LMI system shall be subject to a number of confidentiality requirements. This language is similar to the current state laws under which the census data is collected.

The Senate recedes with an amendment requiring that no officer or employee of the Federal Government may use the information furnished under the provisions of this section for any purpose other than the statistical purposes for which it is furnished; make any publication whereby the data contained in the information so furnished under this section can be used to identify any individual; or disclose any officer or employee of the Federal Government or agent of the Federal Government or agent of the Federal Government or agent of the State or to any person or persons, or for any purpose other than the statistical purposes for which it is furnished.

378. Under the House bill, but not the Senate amendment, any information collected as part of the LMI system may not be used against an individual in a legal process.

The Senate recedes with an amendment providing that nothing in this subparagraph shall be construed as preventing immunity from the legal process for information that is independently collected or produced for purposes other than for purposes of this section.

379. Both the House bill and the Senate amendment outline the cooperative administrative structure for the LMI system, but the House bill refers to local entities as part of such structure.

The Senate recedes with an amendment providing that the labor market information system be planned, administered, overseen, and evaluated by a cooperative governance structure involving the Federal Government, State, local and local entities. The Senate amendment also specifies certain duties for the Secretary of Labor.

380. The House bill, but not the Senate amendment, requires the Secretary of Labor to carry out specific duties with respect to data collection.
The Senate recedes.
381. The Senate bill, but not the Senate amendment, clarifies that the annual plan is part of the DOL budget submitted to Congress. As such, it is the written justification for the use of these funds and for the priorities of these funds for the following fiscal year.

The Senate recedes.

The Senate bill, but not the Senate amendment, clarifies that the annual plan is part of the DOL budget submitted to Congress. As such, it is the written justification for the use of these funds and for the priorities of these funds for the following fiscal year.

Both the House bill and the Senate amendment require the plan to include various elements to the extent that both the House and Senate require similar elements, there are differences in content.

The House recedes with an amendment requiring the State agency (or entity in the case of States that do not have a State agency) to develop and maintain a formal process involving the Secretary of Labor, the Senate and the Senate amendment, to develop the plan for the oversight of the State agency's responsibilities.

The Senate recedes with an amendment requiring the Secretary of Labor and the Senate to develop and maintain a formal process for the purpose of developing, improving, and identifying the most successful methods and techniques in providing the services and activities authorized under this Act.

The Senate recedes.
382. The House recedes.

The House bill, but not the Senate amendment, clarifies that the annual plan is part of the DOL budget submitted to Congress. As such, it is the written justification for the use of these funds and for the priorities of these funds for the following fiscal year.

Both the House bill and the Senate amendment require the plan to include various elements to the extent that both the House and Senate require similar elements, there are differences in content.

The House recedes with an amendment requiring the State agency (or entity in the case of States that do not have a State agency) to develop and maintain a formal process involving the Secretary of Labor, the Senate and the Senate amendment, to develop the plan for the oversight of the State agency's responsibilities.

The Senate recedes with an amendment requiring the Secretary of Labor and the Senate to develop and maintain a formal process for the purpose of developing, improving, and identifying the most successful methods and techniques in providing the services and activities authorized under this Act.

The Senate recedes.
The House recedes.

401. Both the House bill and the Senate amendment require the center to maintain a clearinghouse to disseminate information to Federal, State, and local entities.

The House and Senate recede.

402. The Senate amendment allows the FEDERAL PARTNERSHIP to ask the center to study topics or conduct activities as they determine necessary. The House bill allows the Secretary of Education to request that the center conduct the activities.

The Senate recedes.

403. The Senate amendment, but not the House bill, requires the center to identify current and technical grant-related needs using a variety of sources including a panel of Federal, State and local practitioners.

The Senate recedes.

404. The House bill and the Senate amendment require the center to annually submit a report to the Secretaries of Education and Labor and to the House and Senate authorizing committees. The Senate amendment further requires the center to annually submit a report to the Federal Partnership.

The House and Senate recede.

405. The Senate amendment, but not the House bill, provides a 6-month transition period between current grant expiration and subsequent authorization.

The House recedes with an amendment striking “on the advice of the Federal Partnership”.

406. Both the House bill and the Senate amendment use the definition of higher education which excludes proprietary schools. (See Note 33 for House definition of “eligible institution.”)

The House recedes.

407. The Senate amendment, but not the House bill, makes conforming amendments to current law for the transition period.

The House recedes.

408. The Senate amendment has a July 1, 1998 effective date and includes a January 1, 1998 effective date for the transition period for the national center. (See Note 456 for comparable House provision.)

The House recedes.

409. The House bill reserves 15% of the adult employment and training grant authorization for national discretionary grants (including incentive grants, research, development, and workforce development loans). The Senate amendment reserves 1.25% of the $5.884 billion authorization ($294 million) for national discretionary grants, incentive grants and for the administration of this title.

The House recedes with an amendment requiring 10% of the block grant for national activities. After funds have been distributed for Native Americans, migrants, and the outlying areas programs, the remainder shall be reserved for national emergency grants and incentive grants.

410. Under the Senate amendment, the Secretary of Labor is provided full discretion to award grants for major economic dislocations. Under the Senate amendment, the Senate recedes.

The House recedes.

411. The Senate amendment authorizes the Secretary of Labor to award national emergency grants to provide employment and training assistance to workers affected by major economic dislocations such as plant closures, mass layoffs, or closures and realignment of military installations.

The Senate recedes with an amendment requiring the Secretary of Labor to conduct evaluations of other Federal employment-related workforce programs to determine their effectiveness. (See Note 163.)

The House recedes.

412. The House bill, but not the Senate amendment, requires that funds be used exclusively to provide employment on projects assisting disaster areas.

The House recedes.

413. The House bill, but not the Senate amendment, limits the length of time such individuals may be employed under this part to six months. The House recedes.

414. The House bill, but not the Senate amendment, clarifies that funds may be expended through public and private agencies.

The Senate recedes.

415. Under the House bill, but not the Senate amendment, only individuals isolated or laid off due to the disaster are eligible to be offered disaster employment.

The House recedes with an amendment requiring that funds be used exclusively to provide employment on projects assisting disaster areas.

416. The House bill, but not the Senate amendment, specifies the types of areas served by Alaska Native American programs and the eligibility of Alaska Native American in the House bill see Note 57.

The House recedes.

417. The House bill, but not the Senate amendment, provides for the Secretary of Labor to carry out any portion of at-risk youth funds to carry out programs for Native American at-risk youth.

The Senate recedes.

418. The Senate amendment, but not the House bill, requires the Secretaries to distribute funds by formula.

The Senate recedes.

419. The Senate amendment does not change the eligibility of workforce activities. (For comparable definition of Native American in the House bill see Note 57.)

The House recedes.

420. Both the House bill and the Senate amendment provide for the receipt of funds. However, in the House bill, Indian controlled organizations serving “reservation areas” are eligible. In the Senate amendment, such entities serving “Indians” are eligible. Also, the House bill specifies the types of areas served by Alaska Native entities.

The House recedes with an amendment making technical changes.

The Senate recedes.

421. Both the House bill and the Senate amendment list authorized activities. However, the Senate amendment further specifies such activities.

The House recedes with an amendment requiring that activities carried out are consistent with this section and are necessary to meet the needs of Indians or Native Hawaiians in training or preparing to enter unsubsidized employment. The amendment requires that funds be used for workforce development activities and supplemental services and vocational education, adult education, and literacy services.

The Senate amendment, but not the House bill, continues eligibility for individuals previously eligible under the JTPA program for Native Americans.

The House recedes.

422. The House bill, but not the Senate amendment, allows for the Secretary of Labor to transfer authority to the Secretary of Education to carry out specific vocational education programs for Native Americans.

The Senate recedes.

423. Both the Senate amendment, but not the House bill, requires the Secretary to carry out activities as they determine necessary.

The House recedes.

424. Both the House bill and the Senate amendment list authorized activities. However, the Senate amendment further specifies such activities.

The House recedes with an amendment requiring that activities carried out are consistent with this section and are necessary to meet the needs of Indians or Native Hawaiians in training or preparing to enter unsubsidized employment. The amendment requires that funds be used for workforce development activities and supplemental services and vocational education, adult education, and literacy services.

The Senate amendment, but not the House bill, continues eligibility for individuals previously eligible under the JTPA program for Native Americans.

The House recedes.

425. Both the House bill and the Senate amendments provide for the Secretary of Labor to transfer authority to the Secretary of Education to carry out specific vocational education programs for Native Americans.

The Senate recedes.

426. The House bill, but not the Senate amendment, requires the Secretary of Education to include vocational education services in the receipt of funds. However, in the House bill, Indian controlled organizations serving “reservation areas” are eligible. In the Senate amendment, such entities serving “Indians” are eligible. Also, the House bill specifies the types of areas served by Alaska Native entities.

The House recedes with an amendment making technical changes.

The Senate recedes.

427. The Senate amendment, but not the House bill, requires the Secretaries to distribute funds by formula.

The Senate recedes.

428. Both the Senate amendment, but not the House bill, requires the Secretaries to distribute funds by formula.

The Senate recedes.

429. Both the House bill and the Senate amendment provide for the receipt of funds. However, in the House bill, Indian controlled organizations serving “reservation areas” are eligible. In the Senate amendment, such entities serving “Indians” are eligible. Also, the House bill specifies the types of areas served by Alaska Native entities.

The House recedes with an amendment making technical changes.

The Senate recedes.

430. The Senate amendment, but not the House bill, requires the Secretary to provide capacity building and technical assistance to the States.

The House recedes.

431. The Senate amendment, but not the House bill, requires the Secretary of Labor to conduct evaluations of other Federal employment-related workforce programs to determine their effectiveness. (See Note 163.)

The House recedes.

432. The Senate amendment, but not the House bill, requires the Secretary of Labor to transfer authority to the Secretary of Education to carry out specific vocational education programs for Native Americans.

The Senate recedes.

433. Both the Senate amendment, but not the House bill, requires the Secretaries to provide capacity building and technical assistance to the States.

The House recedes.

434. The House bill, but not the Senate amendment, allows the Secretary of Labor to use a portion of its’ discretionary funding to make grants to States to establish workforce skills and loan programs.

The Senate recedes.

435. The Senate amendment, but not the House bill, requires the Secretary of Labor to conduct evaluations of other Federal employment-related workforce programs to determine their effectiveness. (See Note 163.)

The House recedes.

436. The Senate amendment, but not the House bill, requires the Secretaries to provide capacity building and technical assistance to the States.

The House recedes.

437. The Senate amendment, but not the House bill, requires the Secretary of Labor to conduct evaluations of other Federal employment-related workforce programs to determine their effectiveness. (See Note 163.)

The House recedes.

438. The Senate amendment, but not the House bill, requires the Secretary of Labor to conduct evaluations of other Federal employment-related workforce programs to determine their effectiveness. (See Note 163.)

The House recedes.

439. The Senate amendment, but not the House bill, requires the Secretary of Labor to conduct evaluations of other Federal employment-related workforce programs to determine their effectiveness. (See Note 163.)

The House recedes.

440. The Senate amendment, but not the House bill, requires the Secretary of Labor to conduct evaluations of other Federal employment-related workforce programs to determine their effectiveness. (See Note 163.)

The House recedes.

441. The Senate amendment, but not the House bill, requires the Secretary of Labor to conduct evaluations of other Federal employment-related workforce programs to determine their effectiveness. (See Note 163.)

The House recedes.

442. The Senate amendment, but not the House bill, requires the Secretary of Labor to conduct evaluations of other Federal employment-related workforce programs to determine their effectiveness. (See Note 163.)

The House recedes.

443. The Senate amendment, but not the House bill, requires the Secretary of Labor to conduct evaluations of other Federal employment-related workforce programs to determine their effectiveness. (See Note 163.)

The House recedes.

444. The Senate amendment, but not the House bill, requires the Secretary of Labor to conduct evaluations of other Federal employment-related workforce programs to determine their effectiveness. (See Note 163.)

The House recedes.

445. The Senate amendment, but not the House bill, requires the Secretary of Labor to conduct evaluations of other Federal employment-related workforce programs to determine their effectiveness. (See Note 163.)

The House recedes.

446. The Senate amendment, but not the House bill, requires the Secretary of Labor to conduct evaluations of other Federal employment-related workforce programs to determine their effectiveness. (See Note 163.)

The House recedes.
to the Department of Education in recognition of that Department's special expertise in this area.

In making grants for education services the Senate amendment provides that grants provided under this title may be used for the provision of training and technical assistance for housing and related assistance.

434a. The House bill authorizes the Secretary of Labor to carry out this program. The Senate amendment authorizes the Secretary, acting jointly on advice of the Federal Partnership, to carry out this program.

The House recedes with an amendment making technical changes.

435. The House bill allows the Secretary of Labor to determine the identity of the relevant entities. The Senate amendment lists specific criteria for eligible entities.

The House recedes with an amendment requiring that funds made available under this section shall be used to carry out comprehensive, coordinated workforce development activities for migrant and seasonal farmworkers and their dependents.

436. The House bill lists specific allowable activities. The Senate amendment authorizes funds for "comprehensive workforce development activities and related services." The Senate recedes with an amendment requiring that regulations be developed in consultation with farmworker groups.

The House recedes with an amendment requiring the Secretaries to designate a single organizational unit to administer Native American programs and to provide technical assistance.

437. The Senate recedes.

438. The Senate amendment requires that regulations be developed in consultation with Tribal entities. Under the House bill, the Secretary of Labor is responsible for establishing regulations, whereas the Senate amendment specifies the Partnership, through the Native American office.

The Senate recedes with an amendment requiring the Secretaries to consult with the eligible entities in establishing regulations and performance standards for Native American programs.

439. The Senate amendment, but not the House bill, establishes an office within the Federal Partnership to administer this section.

The House recedes.

440. Both the House bill and the Senate amendment allow eligible entities to further consolidate activities in establishing this Act in accordance with P.L. 102-477.

The Senate recedes.

441. The Senate amendment, but not the House bill, establishes an office within the Federal Partnership to administer this section.

The House recedes.

442. Both the House bill and the Senate amendment require that regulations be developed in consultation with Tribal entities. Under the House bill, the Secretary of Labor is responsible for establishing regulations, whereas the Senate amendment specifies the Partnership, through the Native American office.

The Senate recedes with an amendment requiring that regulations be developed in consultation with farmworker groups.

The Senate recedes with an amendment requiring the Secretaries to consult with the eligible entities in establishing regulations and performance standards for the migrant and seasonal farmworker program.

443. The Senate amendment, but not the House bill, requires eligible entities to submit a 3-year plan to the Federal Partnership. The House recedes with an amendment requiring that regulations insist on a 3-year strategy for meeting the needs of migrant and seasonal farmworkers and their dependents.

444. The Senate amendment, but not the House bill, require that regulations be developed in consultation with farmworker groups.

The Senate recedes with an amendment requiring that in making grants and entering into contracts, the Secretary consult with the Governors and with local workforce development boards.

445. The Senate amendment, but not the House bill, require that regulations be developed in consultation with the Governors and with local workforce development boards.

Territories Outlying areas

446. The House bill provides funding for territories in each of the three grants. For the youth grant, funds are available to territories through the State allotment, with the definition of "State" including such territories. For the adult employment and training grant, up to one quarter of 1% of the authorized allotment available for territories ($4.6 million), is reserved for territories. For the adult education and literacy grant, $100,000 is reserved for each of the territories. The Senate amendment authorizes .2% of the $5.884 billion authorization ($13.76 million) for outlying areas.

The House recedes with an amendment reserving $14 million from the annual appropriation for outlying areas.

447. The Senate amendment, but not the House bill, provides that the Federal Partnership will take over administration of the School-to-Work Opportunities Act on October 1, 1996.

The Senate recedes.

448. The Senate amendment, but not the House bill, extends the definition of "eligible entity" for the Carl D. Perkins Vocational and Applied Technology Act and the Adult Education Act through fiscal years 1998.

The House recedes with an amendment striking paragraphs (b)(2), (b)(3), and (b)(4).

Repealers

449. Under the House bill, the Smith-Hughes Act is repealed on October 1, 1995. Under the Senate amendment, the following laws are repealed immediately upon enactment: (1) the State Legalization Impact Assistance Grant (SLIAG), (2) Title II of Public Law 100-84, (3) the Native American and Micronesia and Palau for a competitive grant award to all of the outlying areas based on recommendations by the Pacific Region Educational Lab to the Secretaries, and terminates the authority for the Republic of the Marshall Islands, the Federated States of Micronesia and Palau to receive funds under this title on September 30, 2001.

Other

No tracking

452. The House bill, but not the Senate amendment, includes two provisions prohibiting the tracking of individuals including youth, into a specific career or to require the attainment of a federally funded or endorsed skill certificate.

The Senate recedes with a clarifying amendment.

Transition

453. The House bill provides that the Secretary of Labor and the Secretary of Education will ensure an orderly transition from programs repealed or amended. The Senate amendment provides that States and local entities may seek waivers from the Secretaries under any of the programs repealed or amended during the 2 year transition period.

The House recedes with technical and conforming changes and increasing the time the Secretary has to approve or disapprove a waiver from 45 to 60 days.

454. The Senate amendment, but not the House bill, provides a flexibility demonstration program for six States (which meet specific eligibility requirements) to waive any statutory or regulatory requirement under any of the programs repealed or amended during the 2 year transition period.

The Senate recedes.

455. The Senate amendment, but not the House bill, requires each State to submit an interim State plan to the Federal Partnership by June 30, 1997. The Secretaries may approve the interim plan and authorize the full integration of program funds and activities if the plan is provided in fiscal year 1997. If the Secretaries disapprove the interim plan, they must make recommendations and provide technical assistance to States for developing the State plan to be submitted for fiscal year 1998.

The House recedes with an amendment authorizing the Secretaries to provide technical assistance to State that request such assistance in preparing the State plan or in developing the State benchmarks.

456. The Senate amendment, but not the House bill, provides that States and local entities will not be required to submit applications or plans in fiscal years 1996 or 1997 in order to receive funding under any programs which will ultimately be repealed under the Act.

The House recedes with an amendment striking "1996 or"

457. The Senate amendment, but not the House bill, provides that the Federal Partnership will take over administration of the School-to-Work Opportunities Act on October 1, 1996.

The Senate recedes.

458. The Senate amendment, but not the House bill, extends the definition of "eligible entity" for the Carl D. Perkins Vocational and Applied Technology Act and the Adult Education Act through fiscal years 1998.
The Senate recedes. 450g. Under the House bill, the conforming amendments are effective on July 1, 1997. Under the Senate amendment, the conforming amendments to the programs repealed immediately are effective on the date of enactment, and for the programs repealed subsequently are effective on July 1, 1998.

Higher Ed Repeals

451. The House bill, but not the Senate amendment, repeals the following programs:

(1) Articulation Agreements
(2) Access & Equity to Education for all Americans through Telecommunications
(3) Academic Libraries and Information Services
(4) National Early Intervention Scholarships
(5) Presidential Access Scholarships
(6) Model Program Community Partnership & Counseling Grants
(7) Early Awareness Information Program
(8) Technical Assistance for Teachers & Counselors
(9) Special Child Care Services for Disadvantaged College Students
(10) Loan Forgiveness for Teachers, Individuals Performing Community Service and Nurses
(11) Training in Financial Aid Services
(12) State Postsecondary Review Program
(13) State & Local Programs for Teachers Excellence
(14) National Teacher Academies
(15) Paul Douglas Teacher Scholarships
(16) Teacher Corps
(17) Class Size Demonstration Grant
(18) Middle School Teaching Demonstration Programs
(19) New Teaching Careers
(20) National Mini Corps Programs
(21) Demonstration Grants for Critical Language/Area Studies
(22) Development of Foreign Language & Culture Instructions Materials
(23) Small State Teaching Initiative
(24) Faculty Development Grants
(25) Early Childhood Staff Training & Professional Enhancement
(26) Intensive Summer Language Institutes
(27) Periodicals and Other Research Materials Published Outside the United States
(28) Improvement of Academic & Library Facilities
(29) Cooperative Education
(30) Grants to Institutions and Consortia to Encourage Women & Minority Participation in Graduate Education
(31) Harris Fellowships
(32) Javits Fellowships
(33) Faculty Development Fellowship Program
(34) Assistance for Training in the Legal Profession
(35) Law School Clinical Experience
(36) FIPSE—Special Projects in Areas of National Need
(37) Science & Engineering Access
(38) Women & Minorities Science & Engineering Outreach Demonstration Programs
(39) Eisenhower Leadership Program
(40) Community Service Programs

452. The House bill, but not the Senate amendment, makes conforming amendments to other Federal laws which reference the School-to-Work Opportunities Act of 1994.

453. The House bill, but not the Senate amendment, amends the Higher Education Act to specify that, for purposes of eligibility under Section 481(b)(6)(B)(I) of the 89/15 Rule, a proprietary institution may use its independent auditor rather than a certified public accountant to review the school's financial data; may use generally accepted accounting practices to determine compliance; and may count revenues earned from providing training on a contractual basis to government, business, or industry as non-federal revenue.

454. The House bill, but not the Senate amendment, prohibits the Secretary from requiring an institution to provide an institution's financial information for an institution's fiscal year which began on or before April 30, 1994. This date coincides with the day after which the Secretary's regulations implementing the 89/15 Rule became final.

455. The Senate recedes. The House bill, but not the Senate amendment, sets an effective date for these changes of July 1, 1994. This date coincides with the start of the 1994-1995 academic year.

456. The Senate recedes. Effective date

457. The Senate amendment, but not the House bill, amends the Immigration and Nationality Act to prohibit funds authorized under the Act to be used for training activities for refugees.

458. The House bill, but not the Senate amendment, provides that the Act retains current law and has no legal effect on the Rehabilitation Act of 1973.

459. The Senate amendment, but not the House bill, explains that references in title II, subtitle A, of the Workforce Development Act of 1995, unless otherwise noted, are to the Rehabilitation Act of 1973.

460. The Senate amendment, but not the House bill, amends section 2(a)(4) of the Rehabilitation Act of 1993 to include proposed employment of individuals with disabilities can be achieved through implementation of a statewide workforce development system that includes meaningful and effective participation for such individuals in workforce development activities and through title IV of the Rehabilitation Act. The Senate amendment also amends section 102(b) of the Rehabilitation Act by adding that empowering individuals with disabilities can occur through state and local workforce development systems that include comprehensive and coordinated programs of vocational rehabilitation.
The House recedes with an amendment striking "and (2) in subsection (b)(1)(A)", by inserting ""statewide workforce development systems that include, as integral components of the Workforce Development Act, a system of employment, training, and counseling for individuals with disabilities"".

461. The Senate amendment, but not the House bill, repeals section 6 of the Rehabilitation Act that allows consolidated plans from State vocational rehabilitation, rehabilitation agencies, and State developmental disabilities councils.

The House recedes.

462. The Senate amendment, but not the House bill, amends section 7 of the Rehabilitation Act by conforming definitions with the Workforce Development Act.

The House recedes with conforming amendments.

463. The Senate amendment, but not the House bill, amends section 12(a)(1) of the Rehabilitation Act by giving the Commissioner of the Rehabilitation Services Administration the authority to provide consultative services to State vocational rehabilitation agencies and nonprofit private agencies to achieve the meaningful participation of individuals with disabilities in the statewide workforce development system.

The House recedes with conforming amendments.

464. The Senate amendment, but not the House bill, amends section 13 of the Rehabilitation Act by conforming data collection with the Workforce Development Act of 1995.

The House recedes with conforming amendments.

465. The Senate amendment, but not the House bill, amends section 14(a) of the Rehabilitation Act by conforming evaluation requirements with the Workforce Development Act of 1995. The Senate amendment also states that the Secretary may modify or supplement such benchmarks, under certain conditions, to address unique conditions associated with reporting on individuals with disabilities.

The House recedes with conforming amendments.

466. The Senate amendment, but not the House bill, amends section 100(a)(1)(F) of the Rehabilitation Act, adding language regarding the term "workforce development activities".

The House recedes.

467. The Senate amendment, but not the House bill, adds a new (G) to section 100(a)(1) of the Rehabilitation Act, a finding which states that linkages between vocational rehabilitation programs and other components of the workforce development system are critical to the effective and meaningful participation of individuals with disabilities in workforce development activities.

The House recedes with conforming amendments.

468. The Senate amendment, but not the House bill, amends section 100(a)(2) of the Rehabilitation Act, which expresses the purpose of title I, adding specifications that a program of vocational rehabilitation is an integral component of a statewide workforce development system.

The House recedes with an amendment striking and technical amendment eliminating the term "coordinated with the" and conforming amendments.

469. The Senate amendment, but not the House bill, amends section 101(a) of the Rehabilitation Act, conforming the schedule for submitting the State plan under title I of the Rehabilitation Act to coincide with the schedule for submission of the Workforce Development Act plan, and requires that the State plan required under title I of the Rehabilitation Act be submitted to any State workforce development board for review and comment, and submission of such comments to the appropriate designated State unit which administers the vocational rehabilitation program.

The House recedes with an amendment striking paragraph "(3)" and inserting "(3) by striking paragraphs (10)(A), (15)(A-B), (27), (28) and (30) of section (A) and (C) and conforming amendments.

470. The Senate amendment, but not the House bill, adds a new paragraph (3) with regard to improving and expanding vocational rehabilitation services for individuals with disabilities.

The Senate recedes.

471. The Senate amendment, but not the House bill, adds in paragraphs (6) (so redesignated), that the State plan shall include the results of a comprehensive, statewide needs assessment.

The House recedes.

472. The Senate amendment, but not the House bill, deletes in section 101(a) of the Rehabilitation Act, in paragraph (9) as redesignated, reference to individuals at extreme medical risk.

The Senate recedes.

473. The Senate amendment, but not the House bill, makes technical changes to section 101(a) of the Rehabilitation Act, in paragraph (10) as redesignated, substituting the term "individualized written rehabilitation program" for the term "individualized written rehabilitation program".

The House recedes with conforming amendments.

474. The Senate amendment, but not the House bill, amends paragraph (11) as redesignated, allowing for entering into cooperative agreements in entities that are and are not part of the workforce development system.

The House recedes with conforming amendments.

475. The Senate amendment, but not the House bill, amends paragraph (12) as redesignated, establishing the obligation to make referrals within the workforce development system.

The Senate recedes.

476. The Senate amendment, but not the House bill, amends paragraph (13) as redesignated, requiring notice to the public, including notice to entities that are and are not part of the workforce development system.

The Senate recedes.

477. The Senate amendment, but not the House bill, amends paragraph (16) as redesignated, establishing the obligation to make referrals within the workforce development system.

The House recedes.

478. The Senate amendment, but not the House bill, amends paragraph (17) as redesignated, requiring notice to the public, including notice to entities that are and are not part of the workforce development system.

The Senate recedes.

479. The Senate amendment, but not the House bill, amends section 102 of the Rehabilitation Act, substituting the term "individualized employment plan" for the term "individualized written rehabilitation program", wherever it appears.

The House recedes.

480. The Senate amendment, but not the House bill, amends section 103 of the Rehabilitation Act by removing the authority to use title I funds of the Rehabilitation Act for surgery or construction.

The Senate recedes.

481. The Senate amendment, but not the House bill, amends section 105 of the Rehabilitation Act by encouraging links between the Workforce Development Act and any boards established under the Workforce Development Act of 1995.

The Senate recedes with conforming amendments.

482. The Senate amendment, but not the House bill, amends section 106(a)(1) of the Rehabilitation Act to require that standards and indicators, to the extent that appropriate, will be consistent with benchmarks established under the Workforce Development Act of 1995. The Senate amendment also provides that the Secretary may modify or supplement such benchmarks, under certain conditions, to address unique conditions associated with reporting on individuals with disabilities.

The House recedes with an amendment that specifies the application of this requirement to future standards and indicators approved by the Secretary under the authority of the Administrator of the Rehabilitation Services Administration to modify or supplement such benchmarks.

483. The Senate amendment, but not the House bill, amends section 107 of the Rehabilitation Act by conforming definitions with the Workforce Development Act of 1995. The Senate amendment also provides that the Secretary may modify or supplement such benchmarks, under certain conditions, to address unique conditions associated with reporting on individuals with disabilities.

The Senate recedes.

484. The Senate amendment, but not the House bill, makes conforming amendments to the Rehabilitation Act of 1973.

The Senate recedes.

485. The Senate amendment, but not the House bill, provides that amendments to the Rehabilitation Act take effect upon enactment. The Senate amendment also provides that the Secretary may modify or supplement such benchmarks, specifically provisions that relate to State benchmarks or other components of a statewide system, shall take effect in a State that submits and obtains approval of an interim plan under section 173 for program year 1997 on July 1, 1997, and in any other State, on July 1, 1998.

The Senate recedes with an amendment to conform the dates with the rest of the Act.

Higher education privatization

486. The House bill, but not the Senate amendment, requires the current Board of Directors to develop a reorganization plan for the restructuring of the Association's ownership. Current shares in Sallie Mae would be converted into shares in a newly formed holding company chartered in a State or the District of Columbia. The Senate recedes with an amendment providing that the Student Loan Marketing Association (SLMA) shall either vote to reorganize as a private company or shall be dissolved. In either instance, SLMA as a government-sponsored enterprise with an implicit Federal financial backing, shall cease to exist. The amendment specifies that within 18 months of the date of enactment, SLMA's board of directors shall develop a plan for reorganization and present such plan to its shareholders for approval. In the event that the shareholders agree to the plan, a newly formed corporation shall coexist with the current GSE until 2008. This lengthy transition is necessary for budget purposes, during which time only the GSE may engage in Federal-assisted student loan only activities.

The Senate recedes.

487. The House bill, but not the Senate amendment, amends section 106 of the Higher Education Act of 1965. In the event that the shareholders do not agree to reorganize, SLMA shall submit to the Secretary a plan for reorganization, then it will cease all business activities by the year 2013.
487. The House bill, but not the Senate amendment, requires that the reorganization plan be approved by the holders of a majority of Sallie Mae's outstanding stock. As defined, an effective date means the date determined by the Association Board of Directors pending stockholder approval, but no later than 18 months after the effective date of this section.

The House recedes.

488. The House bill, but not the Senate amendment, clarifies that, except as specifically stated, all references in the provisions of section 440, the provisions of section 439 of the Higher Education Act continue to apply in full force and effect to the Association during its wind-down period following the reorganization of its ownership. The Holding Company and its other subsidiaries shall not be entitled or subject to any of the rights, privileges, obligations or limitations applicable to the Association under section 439, except as specifically provided in section 440. This section clarifies that the Holding Company and its non-GSE subsidiaries shall not purchase federally-insured student loans until the Association ceases to purchase such loans. The Association's purpose of purchase of such loans as a lender-of-last-resort or under agreement with the Secretary of Education pursuant to section 440(c)(6). The House recedes.

489. The House bill, but not the Senate amendment, specifies that, as soon as practicable after the reorganization, the Association would use its best efforts to transfer to the Holding Company or its non-GSE subsidiaries all real and personal property, including intangibles held by the Association, except for property defined as "remaining property." Remaining property would include the financial, program-related assets and obligations of the Association, such as student loans, student loan portfolios, investments, letters of credit, outstanding swap agreements and forward purchase commitments. Such property could be transferred out of the GSE subsequently, so long as the GSE continued to maintain adequate capital to meet the requirements of section 439(r), as amended.

The House recedes.

490. The House bill, but not the Senate amendment, specifies that at the time of the reorganization, employees of the Association would become employees of the Holding Company or the other subsidiaries. This provision requires the Holding Company and the subsidiaries to provide ongoing operational support for the Association during the wind-down as requested by the Association. The Association is also specifically empowered to obtain management and operational support from persons other than the Holding Company and the subsidiaries.

The House recedes.

491. The House bill, but not the Senate amendment, clarifies that the Association may pay dividends in the form of cash or noncash distributions to the Holding Company, without paying dividends to sole shareholders under current law. The payment of dividends would continue to be subject to the requirements of section 439(r).

The House recedes.

492. The House bill, but not the Senate amendment, provides that for purposes of calculating the Association's capital requirements, any distribution of noncash assets by the Association to the Holding Company is to be valued at net book value. Such distributions would be approved by the Association's Board of Directors.

The House recedes.

493. The House bill, but not the Senate amendment, limits the Association's ability to engage in new business activities or acquire new assets following the reorganization. Activities may be undertaken in connection with student loan purchases through September 30, 2005; in connection with contracts entered into for future warehousing advances, where such commitments are outstanding as of the date of the reorganization; or pursuant to a letter of credit. Any such agreement that is outstanding as of such date. Activities may also be undertaken in connection with the GSE's role as lender of last resort. Final, activities may be undertaken pursuant to agreements entered into with the Secretary of Education if the Secretary may prescribe concerning any material risk to the Association which could reasonably result from the activities of the Holding Company or its non-GSE subsidiaries. The GSE must also keep records relating to the policies, procedures and systems used by the GSE to monitor and control such risk. The summary reports may be required no later than September 30, 2009, except in connection with fulfilling the Association's purposes and obligations; (ii) the Association's books and records shall clearly reflect the assets and liabilities of the Association, separate from the assets of the Holding Company and its other subsidiaries; (iii) the Association's corporate office shall be physically separate from all offices of the Holding Company and its other subsidiaries; (iv) no director of the Association who is appointed by the President may serve as a director of the Holding Company; (v) at least one of the Association's officers shall be an officer solely of the Association; (vi) transactions between the Association and the Holding Company and its subsidiaries shall be on arm's length terms; and (vii) the Association shall not extend credit to the Holding Company or its subsidiaries to the extent that the attributes accorded them by the Association's statutory charter. The Association must deposit certain qualifying assets into a trust. The assets are to be transferred irrevocably, solely for the benefit of the holders of the Association's debt obligations, and in such amount as is determined by the Secretary of the Treasury to be sufficient to pay the principal and interest on the outstanding debt obligations according to their terms. To the extent that the Association cannot provide paying, any qualified assets required, the Holding Company shall be required to transfer such assets in an amount necessary to prevent any deficiency.

The House recedes.

494. The House bill, but not the Senate amendment, requires the trust to transfer qualifying assets to the Secretary of Education described in the previous paragraph.

The House recedes.

495. The House bill, but not the Senate amendment, establishes new requirements to the safety and soundness requirements currently applicable to the Association under the Higher Education Act. The GSE is required to obtain such information and keep such records as the Secretary of the Treasury may prescribe concerning any material financial risk to the Association which could reasonably result from the activities of the Holding Company or its non-GSE subsidiaries. The GSE must also keep records relating to the policies, procedures and systems used by the GSE to monitor and control such risk. The summary reports may be required no later than September 30, 2009, except in connection with fulfilling the Association's purposes and obligations; (ii) the Association's books and records shall clearly reflect the assets and liabilities of the Association, separate from the assets of the Holding Company and its other subsidiaries; (iii) the Association's corporate office shall be physically separate from all offices of the Holding Company and its other subsidiaries; (iv) no director of the Association who is appointed by the President may serve as a director of the Holding Company; (v) at least one of the Association's officers shall be an officer solely of the Association; (vi) transactions between the Association and the Holding Company and its subsidiaries shall be on arm's length terms; and (vii) the Association shall not extend credit to the Holding Company or its subsidiaries to the extent that the attributes accorded them by the Association's statutory charter. The Association must deposit certain qualifying assets into a trust. The assets are to be transferred irrevocably, solely for the benefit of the holders of the Association's debt obligations, and in such amount as is determined by the Secretary of the Treasury to be sufficient to pay the principal and interest on the outstanding debt obligations according to their terms. To the extent that the Association cannot provide paying, any qualified assets required, the Holding Company shall be required to transfer such assets in an amount necessary to prevent any deficiency.

The House recedes.

496. The House bill, but not the Senate amendment, imposes requirements to ensure that a substantial degree of separation is maintained between the Association and its affiliates. As such, any actions by the Association shall be maintained separately from those of the Holding Company and its other subsidiaries and may be used only in connection with the Association's purposes and obligations; (ii) the Association's books and records shall clearly reflect the assets and liabilities of the Association, separate from the assets of the Holding Company and its other subsidiaries; (iii) the Association's corporate office shall be physically separate from all offices of the Holding Company and its other subsidiaries; (iv) no director of the Association who is appointed by the President may serve as a director of the Holding Company; (v) at least one of the Association's officers shall be an officer solely of the Association; (vi) transactions between the Association and the Holding Company and its subsidiaries shall be on arm's length terms; and (vii) the Association shall not extend credit to the Holding Company or its subsidiaries to the extent that the attributes accorded them by the Association's statutory charter. The Association must deposit certain qualifying assets into a trust. The assets are to be transferred irrevocably, solely for the benefit of the holders of the Association's debt obligations, and in such amount as is determined by the Secretary of the Treasury to be sufficient to pay the principal and interest on the outstanding debt obligations according to their terms. To the extent that the Association cannot provide paying, any qualified assets required, the Holding Company shall be required to transfer such assets in an amount necessary to prevent any deficiency.

The House recedes.

497. The House bill, but not the Senate amendment, provides that under no circumstances shall the assets of the Association be required to be immediately deposited to an account controlled by the Association. No restrictions shall apply to directors of the Association not appointed by the President.

The House recedes.

498. The House bill, but not the Senate amendment, limits the Holding Company's activities to the ownership of the Association and its other subsidiaries during the wind-down period, and all business activities shall be conducted at the subsidiary level.

The House recedes.

499. The House bill, but not the Senate amendment, requires that the Holding Company be available to pay dividends or guarantee or provide credit enhancement for any debt of the Holding Company or the other subsidiaries. This provision requires the Holding Company or its other subsidiaries with respect to the assets of the Association are required to be immediately deposited to an account controlled by the Association. No restrictions shall apply to directors of the Association not appointed by the President.

The House recedes.

500. The House bill, but not the Senate amendment, requires the Holding Company to issue to the Secretary of the Treasury for the GSE 200,000 stock warrants, each warrant entitling the holder to purchase a share of stock of the Holding Company at any time on or before September 30, 2009.

The House recedes.

501. The House bill, but not the Senate amendment, provides that after the reorganization, the Holding Company shall not sell, pledge, or otherwise transfer any outstanding shares of the Association, or cause the Association to liquidate or file bankruptcy, without the approval of the Secretary of the Treasury and the Secretary of Education.

The House recedes.

502. The House bill, but not the Senate amendment, limits the period for winding down the GSE activities under Part B of Title IV of the Higher Education Act to September 30, 2009. The Association may determine to cease its activities and dissolve the Association before that date if the Secretary of Education determines that the Association continues to be needed as a lender of last resort or continues to be needed to purchase loans in furtherance of an agreement under section 439(t).

The House recedes.

503. The House bill, but not the Senate amendment, requires that at least 10% of all of the Association's outstanding debt obligations to be transferred to a trust that will satisfy all payment obligations on the remaining debt issues on the attributes accorded them by the Association's statutory charter. The Association must deposit certain qualifying assets into the trust. The assets are to be transferred irrevocably, solely for the benefit of the holders of the Association's debt obligations, and in such amount as is determined by the Secretary of the Treasury to be sufficient to pay the principal and interest on the outstanding debt obligations according to their terms. To the extent that the Association cannot provide paying, any qualified assets required, the Holding Company shall be required to transfer such assets in an amount necessary to prevent any deficiency.

The House recedes.
any remaining assets to either the Holding Company or its subsidiaries as directed by the Holding Company.

The House recedes.

506. The House bill, but not the Senate amendment, requires that after funding the trust and prior to dissolution, the Association must take whatever actions are necessary to ensure that all the obligations of the Association, including the repurchase or redemption of the Association’s preferred stock. Any such obligations that cannot be fully paid or redeemed shall become liabilities of the Holding Company as of the date of dissolution.

The House recedes.

507. The House bill, but not the Senate amendment, sets forth the defined terms which Sallie Mae’s outstanding common stock held as of the day of enactment, but may not acquire new stock in the Corporation until such time as Sallie Mae is privatized.

The House recedes.

508. The House bill, but not the Senate amendment, prohibits the use of the name “Sallie Mae” to be used as a trademark or service mark, unless the association pays a fee of $50 million in 1996 for the right to assign the name.

The House recedes.

509. The House bill, but not the Senate amendment, specifically permits the Association to use the name “Student Loan Marketing Association” and allows the use of “Sallie Mae” to the extent permitted by the applicable State or DC law.

The House recedes.

510. The House bill, but not the Senate amendment, specifies that the number and composition of the Board of Directors of the Holding Company shall be as set forth in the Holding Company’s charter or bylaws and as permitted under the laws of the jurisdiction of its incorporation.

The House recedes.

511. The House bill, but not the Senate amendment, makes clear that, except as explicitly provided, the section is not intended to limit the authority of the Association to act as a federally chartered GSE or the authority of the Holding Company to take any actions that are lawful for a State-chartered corporation.

The House recedes.

512. The House bill, but not the Senate amendment, grants authority to the Attorney General, upon request of the Secretary of Education or the Secretary of the Treasury, to enforce the provisions of new Section 440, by action brought in the United States District Court for the District of Columbia.

The House recedes.

513. The House bill, but not the Senate amendment, consolidates into the defined terms used throughout section 440.

The House recedes.

514. The House bill, but not the Senate amendment, amends the safety and soundness requirements set forth in Section 439(r).

The subsection supplements the reports provided by the Association in support of its safety and soundness requirements by requiring the Association to provide to the Secretary of the Treasury, within 45 days of the end of each calendar quarter, financial statements and quarterly reports setting forth the Association’s capital ratio. The subsection also amends the safety and soundness provisions relating to the Association’s capital ratio by providing new capital requirements in the event of the Association’s failure to maintain a capital ratio of 2.25 percent for any quarter. If the Association fails to maintain such ratio, the Secretary of the Treasury may take certain specified actions to limit increases in the Association’s liabilities, restrict growth in the Association’s assets (other than student loan purchases and warehousing advances), restrict capital distributions by the Association, require that the Association issue new capital sufficient to restore the capital ratio to the required 2.25 percent, and limit certain increases in the executive compensation paid by the Association. However, if the Association’s capital ratio for any quarter falls below 2.25 percent, but is equal to or in excess of 2 percent, the Secretary must defer taking such actions until the next quarter and then may proceed with such actions only if the capital ratio remains below 2.25 percent.

The House recedes.

515. The House bill, but not the Senate amendment, provides that upon the dissolution of the Association and the creation of the trust fund, both the Association’s Federal charter and section 439, shall be repealed.

The House recedes.

516. The House bill, but not the Senate amendment, permits the Holding Company and any of its subsidiaries to be eligible lenders under the Higher Education Act for secondary market purposes.

The House recedes.

517. The House bill, but not the Senate amendment, supplements existing safety and soundness requirements applicable to the Association by amending Section 439(n) of the Higher Education Act to authorize the Attorney General, upon request of the Secretary of the Treasury, to enforce such requirements in an action before the United States District Court for the District of Columbia.

The House recedes.

518. The House bill, but not the Senate amendment, amends the safety and soundness requirements set forth in Section 439(r).

519. The House bill, but not the Senate amendment, prohibits the Holding Company from using the name College Construction Loan Insurance Association.

The House recedes.

520. The House bill, but not the Senate amendment, requires certain amendments to the Corporation’s Articles of Incorporation.

The House recedes.

521. The House bill, but not the Senate amendment, privatizes the Corporation for government agencies, government sponsored enterprises, including Sallie Mae. Specifically, Sallie Mae may continue to own stock held as of the date of enactment, but may not acquire new stock in the Corporation.

The House recedes.

522. The House bill, but not the Senate amendment, restricts stock ownership in the Corporation for government agencies, government sponsored enterprises, and government corporations, and government sponsored enterprises, including Sallie Mae. Specifically, Sallie Mae may continue to own stock held as of the date of enactment, but may not acquire new stock in the Corporation.

The House recedes.

523. The House bill, but not the Senate amendment, prohibits Sallie Mae from controlling the operations of the Corporation, but allows it to retain its current representation on the board of the Corporation. The House recedes.

524. The House bill, but not the Senate amendment, requires that, for a five year period following enactment, the Corporation shall disclose that it is not a government sponsored enterprise or instrumentality.

The House recedes.

525. The House bill, but not the Senate amendment, prohibits the Corporation from using the name College Construction Loan Insurance Association.

The House recedes.

526. The House bill, but not the Senate amendment, requires certain amendments to the Corporation’s Articles of Incorporation.

The House recedes.

527. The House bill, but not the Senate amendment, places certain reporting requirements on the Corporation for a period of two years.

The House recedes.

528. The House bill, but not the Senate amendment, requires that, in the event that the Secretary of the Treasury cannot sell the federally held stock in the Corporation within six months of the date of enactment, the Corporation must repurchase the stock at a price not to exceed the value estimated by the Congressional Budget Office.

The House recedes.

529. The House bill, but not the Senate amendment, requires, that in the event that the Secretary of the Treasury sells the Corporation to the public or to any other entity, the Corporation will be required to maintain a capital ratio of 2.25 percent for any quarter. If the Association fails to maintain such ratio, the Secretary of the Treasury may take certain specified actions to limit increases in the Association’s liabilities, restrict growth in the Corporation’s assets, restrict capital distributions by the Corporation, require that the Corporation issue new capital sufficient to restore the capital ratio to the required 2.25 percent, and limit certain increases in the executive compensation paid by the Corporation. However, if the Association’s capital ratio for any quarter falls below 2.25 percent, but is equal to or in excess of 2 percent, the Secretary must defer taking such actions until the next quarter and then may proceed with such actions only if the capital ratio remains below 2.25 percent.

The House recedes.

530. The House bill consolidates the Federal library programs under the Library Services and Construction Act, the Elementary and Secondary Education Act, and Title II of the Higher Education Act into one Federal library programs program focused on helping libraries acquire and use new technologies and forging electronic ties among libraries and between libraries and one-stop career centers.

The Senate recedes.

The Senate recedes.

The Senate recedes.

The Senate recedes.

The Senate recedes.

The Senate recedes.

The Senate recedes.

The Senate recedes.

The Senate recedes.

The Senate recedes.
provides for forward funding and an additional authorization of appropriations to effect a timely transition to the new authorization. Additional amounts as may be necessary are authorized to be appropriated for fiscal year 1996 and such sums as necessary for fiscal years 1997-2000 for library technology programs.

The Senate recedes.

531h. The Senate amendment, but not the House bill, authorizes $75 million for Fiscal Year 1996 and such sums as necessary for Fiscal Years 1997-2000 for museum services under this Act to be spent for Federal administration.

The House recedes.

532. The Senate amendment, but not the House bill, provides for 5 year staggered terms for members of the board.

The Senate recedes.

533. The Senate amendment, but not the House bill, establishes an Institute of Museum and Library Services.

The Senate recedes.

534. The Senate amendment, but not the House bill, establishes an Institute of Museum and Library Services by the President with the advice and consent of the Senate. The Senate amendment further provides that the Director will serve for a term of 4 years, and that the appointment will alternate between individuals with expertise in library and museum services.

The Senate recedes.

535. The Senate amendment, but not the House bill, provides for the appointment of a Director of Deputy Directors for the offices of Library Services and Museum Services.

The Senate recedes.

536. The Senate amendment, but not the House bill, provides for the appointment by the Director of Deputy Directors for the offices of Library Services and Museum Services.

The Senate recedes.

537. The Senate amendment, but not the House bill, provides for the staffing of the Institute by the Director.

The Senate recedes.

538. The Senate amendment, but not the House bill, provides for the orderly transition of functions from the Institute of Museum Services (IMS) to the Institute of Museum and Library Services.

The Senate recedes.

539. The Senate amendment, but not the House bill, provides for the orderly transition of functions from the Board of Director of Library Programs in the Department of Education’s Office of Education Research and Improvements to the Institute.

The Senate recedes.

540. The Senate amendment, but not the House bill, sets forth definitions for this subtitle.

The House recedes.

541. The Senate amendment, but not the House bill, sets forth definitions for this subtitle, in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Northern Mariana Islands, the Virgin Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

The Senate recedes.

542. The Senate amendment, but not the House bill, empowers the Director of the Institute to award grants for Museum improvements, and such sums for which the grants may be used.

The Senate recedes.

543. The Senate amendment, but not the House bill, adds model programs demonstrating cooperative efforts between libraries and museums to the list of museum services activities.

The Senate recedes.

544a. The Senate amendment, but not the House bill, allows the Director to enter into contract or cooperative agreements for the improvement of museums.

The Senate recedes.

544b. The Senate amendment, but not the House bill, limits the Federal share of activities funded under this section.

The Senate recedes.

545. The Senate amendment, but not the House bill, requires the Director to develop procedures for reviewing assistance made under this Section.

The Senate recedes.

546. The Senate amendment, but not the House bill, allows the Director to annually award a national award for museum services to outstanding museums for significant contributions in service to the community.

The House recedes.

547. The Senate amendment, but not the House bill, establishes a National Museum Service Board appointed by the President with advice and consent of the Senate.

The Senate recedes.

547a. The Senate amendment, but not the House bill, sets forth qualifications for appointment to the Board.

The House recedes.

548. The Senate amendment, but not the House bill, provides for 5 year staggered terms for members of the Board.

The House recedes.

549. The Senate amendment, but not the House bill, outlines the structure and general operating rules of the Board.

The Senate recedes.

550. The Senate amendment, but not the House bill, amends the National Commission on Libraries and Information Science Act to provide the commission with the responsibility of advising the Director of the Institute of Museum and Library Services on matters relating to library and museum services. The Senate amendment further outlines procedures for advising the Director and modifies membership and membership criteria for the commission.

The Senate recedes.

551. The Senate amendment, but not the House bill, provides for an authorization for the Arts and Artifacts Indemnity Act.

The Senate recedes.

557. The Senate amendment, but not the House bill, provides for an authorization for the Arts and Artifacts Indemnity Act.

The Senate recedes.

558. The Senate amendment, but not the House bill, transfers authority for indemnity agreements to the Director of the IMS from the Federal Council on the Arts and Humanities.

The Senate recedes.

559. The Senate amendment, but not the House bill, retains the definition of eligible items from current law.

The Senate recedes.

560. The Senate amendment, but not the House bill, expands coverage under the Act to domestic exhibits on display within the U.S.

The Senate recedes.

561. The Senate amendment, but not the House bill, retains the applications procedure from current law.

The Senate recedes.

562. The Senate amendment, but not the House bill, retains the terms under which indemnity agreements are made from current law.

The Senate recedes.

563. The Senate amendment, but not the House bill, makes conforming amendments to current law with respect to the authority of the Director to issue regulations and certify claims.

The Senate recedes.

564. The Senate amendment, but not the House bill, retains the terms under which indemnity agreements are made from current law.

The Senate recedes.

565. The Senate amendment, but not the House bill, provides for a short title.

The House recedes.

566. The Senate amendment, but not the House bill, provides for the consolidation of library programs, providing access through new technology and providing electronic links among libraries and between libraries and integrated career center systems. The House bill contains no recognition of need.

The House recedes.

567. The Senate amendment, but not the House bill, retains the purposes relative to library services. However, definitions in the House bill are in title I of the House bill.
The House recedes.

550a. The Senate amendment includes definitions of “library consortia,” “library entity,” and “public library.” The House bill includes a definition of “library” in the general definitions section. (See Note 50.)

The House and Senate recede with an amendment retaining the definition of “library consortia” and “State”; striking the definition of “library entity” and “State advisory council,” and modifying the definition of “library.”

550b. Both the House bill and the Senate amendment include a definition of “State library administrative agency”. The Senate amendment also includes a definition of “State Plan.” (See Note 80.)

The Senate recedes on the definition of “STATE ADMINISTRATIVE AGENCY” and the House recedes on the definition of “STATE PLAN”.

551. The Senate amendment, but not the House bill, reserves 1.5% of funds appropriated for serving Indian Tribes. In the House bill, Indian Tribes may use funds allotted under section 325 for library services.

The Senate recedes.

551a. The Senate amendment, but not the House bill, reserves 8% of allotted funds for a national leadership program in library service.

The Senate recedes.

552. Both the House bill and the Senate amendment provide for minimum State allotments. However, the House bill does not provide funding for the Freely Associated States.

The House recedes with an amendment providing that funds allotted to the “Freely Associated States” be reserved for competitive grants to all outlying areas based on the recommendations by the Pacific Regional Education Laboratory to using no more than 5 percent of these funds for administrative purposes, and specifies that eligibility for assistance under this subtitle, but does not require maintenance of effort provisions. The House bill provides the Federal share for programs under this subtitle, but does not require maintenance of effort provisions. The House recedes.

553. The Senate amendment sets the Federal share for State projects at 75%, and makes no distinction for the Trust Territories.

The Senate recedes.

554. The Senate amendment, but not the House bill, requires State library administrative agencies to provide State libraries within the State with technical assistance and that the State will have an opportunity to revise their applications, if they fail to be approved. The Senate amendment requires that States receiving assistance under this subtitle establish a State advisory council which is broadly representative of the library entities within the State.

The House recedes.

555. Both the House bill and the Senate amendment limit administrative funding at the State level. The Senate amendment limits the amount of funds allotted to 3% of the Federal share for the States as part of the Trust Territories.

The Senate recedes.

556. The Senate amendment establishes the Federal share for programs under this subtitle and provides for minimum rate of effort provisions. The House bill establishes the Federal share for programs under this subtitle, but does not require maintenance of effort.

The Senate recedes.

557. The Senate amendment sets the Federal share for the States and Trust Territories at 66%.

The Senate recedes.

558a. The Senate amendment, but not the House bill, limits the amount of each State's allotment used for administrative expenses by the State library administrative agency to no more than 3%. The Senate amendment limits this amount to 5%.

(See Note 554.)

The House recedes.

559. The Senate amendment, but not the House bill, requires States receiving assistance under this subtitle to establish or enhance linkages among libraries, including children from families living below the official income poverty line. Each State shall set aside up to $1.50 per preschool child from families below the poverty level, and up to $1.00 per school aged child from families living below the poverty levels. The Senate recedes.

559a. Of the amount reserved for children in poverty, the Senate amendment, but not the House bill, requires that each library in the State receive a share equal to its share of such children.

The Senate recedes.

559aa. The Senate amendment, but not the House bill, allows for the aggregation of funds set aside to serve children in poverty, should an individual library's grant be too small to be effective. The Senate amendment further prescribes conditions under which such funds can be aggregated.

The Senate recedes.

559b. The Senate amendment, but not the House bill, requires that libraries serving Indian Tribes be aggregated to a single grant to $1.00 per school aged child from families below the poverty level. The Senate recedes.

559c. The Senate amendment, but not the House bill, requires that libraries serving Indian Tribes be aggregated to a single grant to $1.00 per school aged child from families below the poverty level. The Senate recedes.

559d. The Senate amendment, but not the House bill, requires that libraries serving Indian Tribes be aggregated to a single grant to $1.00 per school aged child from families below the poverty level. The Senate recedes.

559e. The Senate amendment, but not the House bill, requires that libraries serving Indian Tribes be aggregated to a single grant to $1.00 per school aged child from families below the poverty level. The Senate recedes.
562. The Senate amendment, but not the House bill, provides for grants for library services for Indian Tribes. The Senate amendment further specifies the purposes for which these grants can be used, requirements as to who may administer these funds, and maintenance of effort requirements.

The Senate recedes with an amendment to conform Indian provisions with the rest of the Act.

563a. The Senate amendment, but not the House bill, prescribes the procedure for applying for grants under this section.

The Senate recedes.

563. The Senate amendment, but not the House bill, establishes a national leadership program for library services, and sets forth activities for which such funds may be used.

The Senate recedes with an amendment providing for “National Leadership Grants” to enhance the quality of library services nationwide and to provide coordination with museums.

563b. Both the House bill and the Senate amendment, but not the House bill, specifies that nothing in this sub-title shall be construed to interfere with the director may award leadership grants, provided and controlled by the proponent and an opponent.

The Senate recedes.

562a. The Senate amendment, but not the House bill, sets forth criteria under which the Senate amendment shall be considered for amendment under the five-minute rule and shall be considered as read. This amendment shall be in order except an amendment in the nature of a substitute consisting of the text of H.R. 3505, modified by the amendment printed in the report of the Committee on Rules accompanying this resolution. That amendment may be offered only by the minority leader or his designee, shall be considered as read, shall be debarred for one hour equally divided and controlled by the proponent and an opponent, and shall not be subject to amendment. All points of order against that amendment are waived. At the conclusion of consideration of the amendment the Committee shall rise and report the bill to the House with such amendment as may have been adopted. The previous question shall be considered as ordered on the bill and any amendment thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. UPTON). The gentleman from New York [Mr. SOLOMON] is recognized for 1 hour.

Mr. SOLOMON. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from Texas [Mr. FROST], pending which I yield myself such time as I may consume. During consideration of this resolution, one minority amendment is provided for the purposes of debate only.

(Mr. SOLOMON asked and was given permission to revise and extend his remarks and to include extraneous material.)

Mr. SOLOMON. Mr. Speaker, House Resolution 481 is a modified closed rule providing for the consideration of the bill H.R. 3820, which is the Campaign Finance Reform Act of 1996.

The rule provides for 1 hour of general debate equally divided between the chairman and ranking minority member of the Committee on House Oversight. The rule makes in order one amendment in the nature of a substitute if offered by the minority leader or his designee, consisting of the text of H.R. 3505 that I believe was introduced by the gentleman from California [Mr. FARR], as modified by an amendment printed in the rule and even if allowed on the campaign reform bill considered, and that was a minority substitute.

On both of those occasions, the majority party, the Democrats, even denied the minority a motion to recommit with instructions. That is something that we are not going to do, we have not denied to the minority in this rule, because we have guaranteed that any broad substitute, a new proposal introduced at the beginning of this Congress; and the minority, whether they be Republicans or Democrats, ought to have that right to put forth a position of their party.

The provisions of this rule will be discussed in greater detail during further debate on this rule and, of course, on the bill itself. Suffice it to say that it will reduce the contribution limits for individuals, for PAC’s and for parties that are now in the bill.

Mr. Speaker, this rule was reported to the House by voice vote after a motion was agreed to that it be reported without recommendation. While that is the new House rule adopted on Rules to take, it does reflect a sincere difference of opinion among our members over the proper course of action to take on this issue and this rule at this point in our session.

On the one hand, we have a strong case to be made on an issue such as this to allow for just one minority substitute. In fact, in the last two Congresses, the 102d and 103d Congresses, only one amendment was allowed on the campaign reform bill considered, and that was a minority substitute.

On both of those occasions, the major party, the Democrats, even denied the minority a motion to recommit with instructions. That is something that we are not going to do, we have not denied to the minority in this rule, because we have guaranteed that any broad substitute, a new proposal introduced at the beginning of this Congress; and the minority, whether they be Republicans or Democrats, ought to have that right to put forth a position of their party.

The provisions of this rule will be discussed in greater detail during further debate on this rule and, of course, on the bill itself. Suffice it to say that it will reduce the contribution limits for individuals, for PAC’s and for parties that are now in the bill.

Mr. Speaker, this rule was reported to the House by voice vote after a motion was agreed to that it be reported without recommendation. While that is the new House rule adopted on Rules to take, it does reflect a sincere difference of opinion among our members over the proper course of action to take on this issue and this rule at this point in our session.

On the one hand, we have a strong case to be made on an issue such as this to allow for just one minority substitute. In fact, in the last two Congresses, the 102d and 103d Congresses, only one amendment was allowed on the campaign reform bill considered, and that was a minority substitute.

On both of those occasions, the major party, the Democrats, even denied the minority a motion to recommit with instructions. That is something that we are not going to do, we have not denied to the minority in this rule, because we have guaranteed that any broad substitute, a new proposal introduced at the beginning of this Congress; and the minority, whether they be Republicans or Democrats, ought to have that right to put forth a position of their party.

The provisions of this rule will be discussed in greater detail during further debate on this rule and, of course, on the bill itself. Suffice it to say that it will reduce the contribution limits for individuals, for PAC’s and for parties that are now in the bill.

Mr. Speaker, this rule was reported to the House by voice vote after a motion was agreed to that it be reported without recommendation. While that is the new House rule adopted on Rules to take, it does reflect a sincere difference of opinion among our members over the proper course of action to take on this issue and this rule at this point in our session.

On the one hand, we have a strong case to be made on an issue such as this to allow for just one minority substitute. In fact, in the last two Congresses, the 102d and 103d Congresses, only one amendment was allowed on the campaign reform bill considered, and that was a minority substitute.

On both of those occasions, the major party, the Democrats, even denied the minority a motion to recommit with instructions. That is something that we are not going to do, we have not denied to the minority in this rule, because we have guaranteed that any broad substitute, a new proposal introduced at the beginning of this Congress; and the minority, whether they be Republicans or Democrats, ought to have that right to put forth a position of their party.

The provisions of this rule will be discussed in greater detail during further debate on this rule and, of course, on the bill itself. Suffice it to say that it will reduce the contribution limits for individuals, for PAC’s and for parties that are now in the bill.

Mr. Speaker, this rule was reported to the House by voice vote after a motion was agreed to that it be reported without recommendation. While that is the new House rule adopted on Rules to take, it does reflect a sincere difference of opinion among our members over the proper course of action to take on this issue and this rule at this point in our session.

On the one hand, we have a strong case to be made on an issue such as this to allow for just one minority substitute. In fact, in the last two Congresses, the 102d and 103d Congresses, only one amendment was allowed on the campaign reform bill considered, and that was a minority substitute.

On both of those occasions, the major party, the Democrats, even denied the minority a motion to recommit with instructions. That is something that we are not going to do, we have not denied to the minority in this rule, because we have guaranteed that any broad substitute, a new proposal introduced at the beginning of this Congress; and the minority, whether they be Republicans or Democrats, ought to have that right to put forth a position of their party.

The provisions of this rule will be discussed in greater detail during further debate on this rule and, of course, on the bill itself. Suffice it to say that it will reduce the contribution limits for individuals, for PAC’s and for parties that are now in the bill.

Mr. Speaker, this rule was reported to the House by voice vote after a motion was agreed to that it be reported without recommendation. While that is the new House rule adopted on Rules to take, it does reflect a sincere difference of opinion among our members over the proper course of action to take on this issue and this rule at this point in our session.

On the one hand, we have a strong case to be made on an issue such as this to allow for just one minority substitute. In fact, in the last two Congresses, the 102d and 103d Congresses, only one amendment was allowed on the campaign reform bill considered, and that was a minority substitute.

On both of those occasions, the major party, the Democrats, even denied the minority a motion to recommit with instructions. That is something that we are not going to do, we have not denied to the minority in this rule, because we have guaranteed that any broad substitute, a new proposal introduced at the beginning of this Congress; and the minority, whether they be Republicans or Democrats, ought to have that right to put forth a position of their party.

The provisions of this rule will be discussed in greater detail during further debate on this rule and, of course, on the bill itself. Suffice it to say that it will reduce the contribution limits for individuals, for PAC’s and for parties that are now in the bill.

Mr. Speaker, this rule was reported to the House by voice vote after a motion was agreed to that it be reported without recommendation. While that is the new House rule adopted on Rules to take, it does reflect a sincere difference of opinion among our members over the proper course of action to take on this issue and this rule at this point in our session.

On the one hand, we have a strong case to be made on an issue such as this to allow for just one minority substitute. In fact, in the last two Congresses, the 102d and 103d Congresses, only one amendment was allowed on the campaign reform bill considered, and that was a minority substitute.

On both of those occasions, the major party, the Democrats, even denied the minority a motion to recommit with instructions. That is something that we are not going to do, we have not denied to the minority in this rule, because we have guaranteed that any broad substitute, a new proposal introduced at the beginning of this Congress; and the minority, whether they be Republicans or Democrats, ought to have that right to put forth a position of their party.

The provisions of this rule will be discussed in greater detail during further debate on this rule and, of course, on the bill itself. Suffice it to say that it will reduce the contribution limits for individuals, for PAC’s and for parties that are now in the bill.
Moreover, as I stated earlier, the leadership has further agreed to allow the new compromise language of the gentleman from California [Mr. THOMAS] to be offered by way of an amendment to the rule that I have just explained. That compromise makes it possible to accommodate recommendations made in other amendments filed with the Committee on Rules.

So we have honored our responsibility to the leadership by bringing this rule to the floor in order to allow the House to vote on whether it wants to consider the majority or minority campaign reform alternatives.

Mr. Speaker, the issue of campaign finance reform is a very sensitive and important matter for all of our colleagues, for nonincumbent candidates, and for the people that we represent. Every Member of this body is an expert of sorts on campaign financing since we have all been through that at least once in our career. It is my opinion that we would not be here, in my case it is 17 campaigns, and we all favor a campaign system that is open, that is fair, and that is clean and competitive.

Mr. Speaker, we have come a long way over the past several decades in achieving a more open and more above-board campaign financing system, due largely to the detailed disclosure laws we now have for individuals, for party and PAC contributions. However, when it comes to how we might further improve that system, there is a wide divergence of opinion, both inside and outside this House, as to what we ought to do. That was certainly in evidence in the variety of amendments filed before our Rules Committee last week, all of which were by very sincere Members on both sides of the aisle who have very strong feelings about the way they think we should go. I think it is fair to say that there is very little support either inside this House or among our constituents for funding congressional campaigns with taxpayer dollars. I for one am unalterably opposed to that. Yet, that is how we finance Presidential campaigns to a greater degree.

Another alternative is to encourage candidates to agree to certain contributions and spending limits in return for certain other benefits such as reduced rates for postage and broadcast time. I am unalterably opposed to that. Under no circumstances should we be giving discounts on postage, which is going to drive up the cost of letters that our constituents might want to mail. That is the wrong way to go, and by all means we should never be placing a mandate on the private sector to help fund our campaigns. That is outrageous. It is ridiculous.

There are others who argue just as forcibly that imposing spending limits, even on such a voluntary basis, inures to the benefits of incumbents who have better name recognition to begin with by virtue of their holding office.

In short, Mr. Speaker, no matter how we squeeze this balloon, no matter whose idea of reform we adopt, someone will come to believe that they have a greater advantage depending on how we devise the campaign financing mechanisms. There will always be perceived winners and losers and at will always be in the eye of the beholder as to who has the upper hand. In the final analysis, however, there is no such thing as a perfect or pristine campaign financing system.

As I indicated at the outset, probably one of the most important reforms ever adopted was the current disclosure system which allows the voters to decide how much weight to give to the mix of contributions a candidate receives and from what sources.

I for one think there is more that we can and must do to reform our campaign financing system, but I also have a lot more confidence in the wisdom of the voters to take into account how we finance our campaigns than I do in those who would severely limit the ability of all candidates, incumbents, and challengers alike, to raise sufficient funds to run a competitive and credible campaign, given the costs involved.

I do not subscribe to the view espoused by some that any candidate, regardless of party or political philosophy, is somehow bought, tainted, or beholden to his or her campaign contributors. The fact is we all receive contributions from a wide variety of individuals and groups who choose to support us because of our views and our campaign promises and/or because of our previous voting record.

I know of very few Members of this body, or challengers for that matter, whose views are shaped by the amounts of money that they might receive from campaign contributors. I think we demean ourselves and this system by giving credence to such a cynical view. I for one resent it when such accusations are made of honorable men and women who run for office. It is tough enough as it is, good, capable people to get these days.

In conclusion, Mr. Speaker, while I reserve decision on whether or not to vote for the bill that this rule makes in order, I do urge every single Member to come over and vote for the rule. While we already know that the other body will take no further action on this issue in this Congress, at least our debate today in this House on two alternatives before us will give us a better idea of what we might want to do in the next Congress. We will have moved the process at least one step closer to arriving at some consensus in the future.

Mr. Speaker, I include the following material for the RECORD:

THE AMENDMENT PROCESS UNDER SPECIAL RULES REPORTED BY THE RULES COMMITTEE; 103D CONGRESS V. 104TH CONGRESS

As of July 24, 1996

<table>
<thead>
<tr>
<th>Rule type</th>
<th>103d Congress</th>
<th>104th Congress</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of rules</td>
<td>Percent of total</td>
</tr>
<tr>
<td>Open/Modified Open 2</td>
<td>46</td>
<td>44</td>
</tr>
<tr>
<td>Closed 4</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>104</td>
<td>100</td>
</tr>
</tbody>
</table>

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. An 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 24, 1996
Mr. FROST. Mr. Speaker, I yield my time.

Mr. SOLOMON. Mr. Speaker, I yield my time.

Mr. FARR. Mr. Speaker, the gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.

The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR. The gentleman from California, Mr. FARR.
I would like to elaborate on a specific example that I raised in the Rules Committee on this point. If an individual candidate happens to have two wealthy precincts in his district, and he has 100 people from those two precincts, thereby raising $400,000, the local country club and they give him $2,000 each, he can raise $200,000 from 100 people in those two wealthy precincts in his district. Then he can match that with $200,000 from PAC’s and from wealthy individuals who do not live in his district, thereby raising $400,000.

If the challenger has a lot of small events and raises a lot of small contributions totaling $50,000 inside his district, he can then match that with $50,000 from outside his district. He will only be able to spend $100,000. The other candidate, who can raise a lot of large dollar contributions inside his district, would be able to spend $400,000, four times as much as the second candidate.

What kind of reform is this? I contend that the end result of the Thomas proposal will be to distort the original purpose of campaign finance reform as well as the current calls for reform of the system. I urge my colleagues to vote against the previous question to allow for free and open debate on this issue.

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

Mr. SOLOMON. Mr. Speaker, I yield 5 minutes to the gentleman from Sanibel, FL [Mr. Goss], one of the very valuable members of the Committee on Rules, the subcommittee Chair.

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

Mr. Goss. Mr. Speaker, I thank my friend from New York, [Mr. Solomon] who is the distinguished chairman of the Rules Committee, for yielding me the time. I must commend him on his handiwork that is an extraordinary piece of legislation. His leadership and open-mindedness on this matter I think have been exemplary. This rule has truly required the wisdom of Solomon.

Most agree that the current system is not working, and we all understand that Americans have become disillusioned with the political process. But the proposed solutions that we have got really run the gamut, and generating a consensus is extremely difficult. It is not quite impossible but extremely difficult.

Our Committee on Rules action on this matter represents a microcosm of the divergence of views, as we have heard from the two previous speakers. Even our majority Members in the committee were torn about what is the best way to go, which explains why this rule did originate come forward without our expressed endorsement. It is also why we have added an amendment to the rule to incorporate additional changes in the base bill, most notably by sending a stronger signal that we want to control the flow of money into campaigns, it is still my view that this bill needs lots more time, lots more work. It is not comprehensive campaign reform, and I make no pretense that it is. But it is an important, if small, step toward full reform for the first time in this Congress in decades.

Mr. Speaker, it is true the 104th Congress has made some remarkable changes in how we do business. We have increased public awareness. We have implemented real lobby disclosure reform. We put in place changes to promote accountability. We brought sunshine in. We restored some public confidence.

Yet, even with these landmark reforms, Congress continues to suffer from a serious credibility problem, based in part on the skepticism with which people view political campaigns. I must say, I agree, The Federal election laws are outdated. They are overdue for reform.

H.R. 3820, as improved by this rule, has some very good features. It requires that 50 percent of all contributions come from a candidate’s home district.

It bans soft money. It eliminates leadership PAC’s. While the original bill recognized that individuals and PAC’s should be treated equally when it comes to contribution limits, albeit at a higher limit than exists today, the amendment to the rule would maintain a discrepancy between levels of contributions by individuals and PAC’s.

This provision, to me, represents sort of a mixed bag. It is preferential to the original language in the bill since it maintains the current $1,000 threshold for individual donations. It keeps them low, but I believe it loses almost as much ground as it gains in giving up on the idea of equalizing PAC’s with individuals, since a lot of us think it is very important to treat PAC’s and individuals the same.

My proposal and my practice is to keep the individual limit at $1,000 and lower the PAC limit to that same $1,000 amount, and it works well for me. Not only does my bill, which is not in order today, equalize contribution limits at the $1,000 level, it also requires that 50 percent of contributions come from a candidate’s district and that 90 percent come from within a candidate’s State. Other Members have similar thoughts. I think it is vital that we restore the direct link of accountability between elected officials and the people they represent and work for. That is what this is about, accountability. The bill before us makes progress in that regard, and obviously it needs to go further.

I must say I do not believe the Democratic substitute we will consider today is a worthwhile alternative, in that it tends to distort the proposal that is more in line with higher spending by PAC’s, even more money from PAC’s, and provides roundabout incentives for overall spending limits which tilt the field toward incumbents, and that we hear a lot about. We do not want to give the incumbents the advantage.

In addition, the Democratic substitute makes no attempt to protect union members from misuse of their political contributions, and that is an issue this year, some $35 million dollars’ worth of issue, something that H.R. 3820 does address in a very meaningful way.

In closing, I commend the gentleman from California [Mr. Thomas] and him committee for trying to bring a consensus measure forward, a measure I will support on the understanding that more will be done toward full reform.

Meanwhile, Members have another option, and it is one I am going to take. That is the choice to voluntarily self-impose more stringent standards in one’s own campaign, including things like tighter limits on PAC’s, perhaps fewer dollars spent on fraught election pieces, which are thinly disguised as newsletters sometimes. Those options are out there for each Member.

Meanwhile, I urge support of this rule in order to begin the debate on reform that I predict will last for years before consensus is found, but at least we are beginning the debate.

Mr. FAZIO of California. Mr. Speaker, will the gentleman yield?

Mr. Goss. I yield to the gentleman from California.

Mr. FAZIO of California. Mr. Speaker, the gentleman indicated that this Republican bill bans soft money. I think that is a gross misstatement. The bill does not change existing law on how soft money can be transferred among committees, nor does it limit it, but it does open up an exceedingly large new approach to spending soft money.

Mr. Goss. Reclaiming my time, I will leave the debate on the merits of the bill, as it should be, to the debate on the subject, not a debate on the rule.

Mr. FROST. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. Clay].

Mr. Clay. Mr. Speaker, I will not oppose the rule, but I do oppose the underlying purpose driving this legislation.

In addition to seeking to increase the ability of the wealthy to dominate the political process, this bill also contains labor law provisions that have never been reported by committee and are nongermane to the issue of campaign finance reform.

Title IV of the bill requires unions to obtain annual written authorization from a worker before that worker may pay any money to a union for services not directly related to the provision of those services. In addition, this section repeals the rights of workers to voluntarily join unions. It also diminishes a right to organize or litigate on behalf of their members.

H.R. 3820 imposes costly and burdensome paperwork requirements on unions. The cost of these reporting requirements alone has been estimated at approximately $200 million a year.
Mr. Speaker, this provision is placed in the bill solely to harass and harm labor unions. It is absolutely unnecessary.

Unions are democratic organizations whose officers and policies are determined by the majority will of their members. Unions are already under far more extensive reporting and disclosure requirements than virtually all other institutions. No one is required to join a union.

Unions are obligated by law to inform relevant employees that they are not required to pay full union dues. Unions must inform such employees of the percentage of their union dues that are used for purposes other than directly related to collective bargaining. The alleged evil that this legislation seeks to address is already fully regulated by law. Employees can protect their rights simply by filing a charge with the National Labor Relations Board. The Beck decision created a right for workers who disagree with the majority of their fellow workers to object to paying for certain union activities.

Rather than protecting the right of the minority to object to certain expenditures, this legislation imposes absurd obstacles in the path of the majority's ability to engage in political activity.

Both labor unions and corporations participate in politics. Corporations spend millions of shared dollars for the purpose of directly influencing the political process. Views expressed by corporations do not necessarily reflect the views of those who are paying for that expression, the shareholders, or those who are generating the money, the employees.

The Republican majority has singled out labor unions for a kind of harsh, punitive treatment not imposed on corporations.

Mr. Speaker, this legislation is not about protecting free and open political discourse, and I urge Members to vote against H.R. 3820.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Naperville, IL, Mr. HARRIS FAWELL.

Mr. FAWELL. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise in support of this rule and of the campaign reform legislation which we will be debating today.

Title IV, as has already been indicated, of the campaign finance bill is a revised version of legislation that I introduced, which is referred to as the Worker Right to Know Act. This legislation is designed to implement the basic rights of workers established in the U.S. Supreme Court Beck decision back in 1988. It has never been implemented.

Although the Worker Right to Know Act is being portrayed by some as something of a Trojan horse that will destroy unions, I hope that my colleagues will view the legislation for what it is; namely an empowerment for working men and women who, in order to keep their jobs, and this is very important, in order to keep their jobs they are obligated to pay collective-bargaining dues. Further, this bill baffled a union security agreement, and that is key to the discussion.

Why is this legislation necessary? The fact of the matter is that almost a decade after the Beck decision, workers are being required to pay collective-bargaining dues as a condition of employment and are not aware that under Beck they are not obligated to pay non-collective-bargaining dues, nor do they know, really, how to implement the Beck rights.

A recent poll conducted for Americans for a Balanced Budget found that, of the 1,000 union members polled, 78 percent did not even know that they had a right to a refund of the non-collective-bargaining portion of their union dues, nor do they know that their union dues were ever used to support political activities.

I held a hearing on the issue of mandatory union dues in the Subcommittee on Employer-Employee Relations and on Employment, Economic and Educational Opportunities. We heard the frustration being expressed by the employees caught up in the current system who feel forced to support ideological, political, and social causes that they do not agree with. They cannot walk away and leave the union because they must pay the dues. My colleagues would also find it impossible, as I did, to tell them that the time is not right for reform.

The Worker Right to Know Act thus provides that an employee cannot be required to pay to a union nor can a union accept payment of any dues not necessary for collective bargaining unless the employee consents in writing that they wish to do so. That decision can not walk away and leave the union because they must pay the dues. My colleagues would also find it impossible, as I did, to tell them that the time is not right for reform.

The Worker Right to Know Act thus provides that an employee cannot be required to pay to a union nor can a union accept payment of any dues not necessary for collective bargaining unless the employee consents in writing that they wish to do so. That decision can not walk away and leave the union because they must pay the dues. My colleagues would also find it impossible, as I did, to tell them that the time is not right for reform.

We held a hearing on the issue of mandatory union dues in the Subcommittee on Employer-Employee Relations and on Employment, Economic and Educational Opportunities. We heard the frustration being expressed by the employees caught up in the current system who feel forced to support ideological, political, and social causes that they do not agree with. They cannot walk away and leave the union because they must pay the dues. My colleagues would also find it impossible, as I did, to tell them that the time is not right for reform.

The Worker Right to Know Act thus provides that an employee cannot be required to pay to a union nor can a union accept payment of any dues not necessary for collective bargaining unless the employee consents in writing that they wish to do so. That decision can not walk away and leave the union because they must pay the dues. My colleagues would also find it impossible, as I did, to tell them that the time is not right for reform.

What we have here is what we have revised this bill to basically say written consent and just tell us what the ratios are.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Speaker, I have been at the center of virtually every effort to reform campaign finance since the day I walked into this institution, but this exercise today is absolutely useless. It is going to produce a useless bill, which is an absolutely fraudulent imitation of real campaign reform. It gives the wealthy an even greater lock on the political system than they have right now.

The main issue in campaign finance is simply, how do we change the fact that wealthy people have far too much influence in politics today, whether they give individually or collectively?

The existing campaign finance system is beyond repair. It ought to be blown up. What amazes me is that we have this fanciful idea that somehow elections ought to be handled as a private matter. There is no more public activity in which American citizens engage than selecting the leaders who are supposed to help run the country.

This is a public responsibility. It should not be financed by the richest private deep-pockets people in this country. That is why the electoral system is virtually owned lock, stock, and barrel by the economic elite in this country, and we are not going to change that until we blow up the existing system.

I am against this silly rule because it refused to allow my amendment to be offered which would have banned all soft money whatsoever in general elections. It would have eliminated all soft money loopholes. It would have eliminated the fiction that we have something called independent expenditures, which are just another legalized way for the rich to get around the law. It would have imposed limits on what political candidates can spend, and it would have ended the ability of both parties to launder money and get it to their own candidates.

I would have financed that by imposing a one-tenth of 1 percent assessment on all corporations who make profits of more than $10 million. It would have created a fund into which individual Americans can voluntarily, I emphasize voluntarily, voluntarily contribute as much money as they choose in order to create a grassroots democracy fund out of which campaigns would be funded on a public basis.

What an absolute prescription to give the Republican bill that is being brought out here today, for instance, says there ought to be a 50 percent requirement for funds that are raised in a Member's district. What an absolute sham. That means that someone under independent expenditures can spend $100,000 or $200,000 raised outside of a candidate's State. They can go into his district and spend a million bucks if they want to in an independent expenditure, and yet the target of that expenditure is defenseless because he has to limit what he can raise to his own district.

What an absolute prescription to give the millionaires and billionaires of this country an opportunity to own the system even more than they do today. It is a disgrace and the Democratic alternative is too weak to do any good. I am against the whole shebang.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentlewoman from Washington State [Mrs. SMITH].

Mrs. SMITH. Mr. Speaker, I stand today against this rule because we are right at the same place we have been for many years. A
couple of powerful people will decide what is going to be their partisan bill and bring them out to the floor and beat each other up with them.

I do have to say there seems to be a little more openness on the Democrat side than there was on the Republican side, but what we find here is a question of why do we need reform. Simple as this: The Republicans, who have the Contract With America, promised this. The gentleman from Texas, Dick Armey, said we are united in the belief the people’s House must be wrested from the grip of special interests and handed back to the American people.

It is as simple as this. We made our commitments. Promises made. Now it is time to keep those promises.

Neither one of the bills included in this rule do anything but tighten the grip or give credibility to the grip. The American people are watching. Are we going to beat each other up with nothing, at least, a little grip on this place, hang around here for a year as I have.

The Democrat bill still lets big groups give $8,000, one check at a time, night after night, at fund raisers here in Washington, DC. We all can do better than that.

What I challenge both sides to do is, we have 3 hours. The American people are watching. Are we going to beat each other up with nothing, at least, a little grip on this place, hang around here for a year as I have.

I support the rule and I urge my colleagues to support the rule. The rule is tight, but it is the only way that it allows us to debate campaign reform this year.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. MEEHAN].

Mr. MEEHAN. Mr. Speaker, there comes a time in a legislator’s life when he or she has to be held accountable. On the issue of campaign finance reform that day has arrived.

We have been talking about reforming the way Congress does business for this entire Congress. Fundamentally, there is no more effective way to change the way Congress does business but than to change our campaign finance laws. We have cajoled. The Republican leadership has delayed this issue, played games with this issue.

We were supposed to deal with it last week, now we are going to deal with it this week. And what do we have? We have a group of us who have worked in a bipartisan way, 21 Democrats and 20 Republicans, in a bicameral way, working with Members of the U.S. Senate to come up with a bill that will do two things: first, voluntarily cap how much money is spent in elections and, second, curb the influence of special interest PAC’s.

The President is waiting at the White House for that bill and he is ready, willing, and able to sign it. But that has the Republican leadership nervous, so we have a rule before the House that does not allow the bill, the bipartisan bill, that individual and public support all across America than any legislation on campaign finance reform that we have dealt with in recent years.

What do they put in its place? They put in a bill that is such an embarrassment to their own membership that, when we were debating 1 minutes this morning, not one Republican came to the floor to defend that phony, foolish piece of legislation called campaign finance reform.

There are no spending limits. It codifies the corrupt soft money loophole. It doubles the aggregate amount that an individual can contribute to parties and federal candidates without capping the contributions. There are no aggregate limits.

This bill that they have submitted is a sham. This debate is a sham, and the American people are going to call it for what it is.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the very distinguished gentleman from Rocklin, CA, [Mr. J O DOOLITTLE].

Mr. DOOLITTLE. Mr. Speaker, I rise to oppose this rule because it only allows two versions of campaign finance reform, both of which miss the mark. They are both based on the false diagnosis that campaign spending is out of control. They are both offering the false prescription that more regulation and limits are needed.

With reference to the false diagnosis, indeed, looking back over history, we can see election spending since 1980 has been fairly constant, fluctuating between four one-hundredths of 1 percent and six one-hundredths of 1 percent of gross domestic product.

Americans spend more each year buying yogurt and buying potato chips than they do on congressional elections. Clearly, we are not spending too much money, when juxtaposed with other legitimate expenditures that we are making.

As to the prescription that more regulation is needed, has anyone heard of the first amendment? Congress shall make no law abridging the freedom of speech. I listened to the gentleman from Wisconsin over here. Congress specifically and the people of this country specifically did not want government regulating this with all the force that government can bring. They wanted people to be able to vote, and that is how they would make their decisions. When we imposed campaign spending limits, we hurt the challenger.

If you do not believe that, just listen to what Mr. David Broder had to say recently in the Washingtonian. He said, raise the current $1,000 limit on personal campaign contributions to $50,000, maybe even go to $100,000. Today’s limits are ridiculous, given television and campaign costs. Raising the limit with full disclosure would enable some people to make really significant contributions to help a candidate.

For these reasons, we should oppose the rule and the bills.

Mr. FROST. Mr. Speaker, I yield 2½ minutes to the gentlewoman from New York [Mrs. MALONEY].

Mrs. MALONEY. Mr. Speaker, I thank the gentleman for yielding me the time. I stand in strong support of this rule. This is the legislative Innovation Week, but the most important reform, campaign finance reform, will not be reformed.

We have before us today two drastically different approaches to campaign finance. The Republican bill puts more money in the system. The Democratic bill limits the amount, voluntarily limits contributions, expenditures, and limits soft money. The two bills are miles apart, and really dead on arrival.

This rule is an extremely interesting one. For the first time in recent memory, the Committee on Rules reported out a bill that does not urge the adoption of the rule. I commend my friend and colleague, the gentleman from New York, for this legislative innovation. I believe the Republicans are pulling out all stops to save the Republicans from the major embarrassment of having to vote on their radical, out of touch, more money, more special interest in politics.

We need a vote on this rule. We need to let our constituents and the American public know whether their Congressperson supports more money
in the system or less money in the system, so that when they go to vote this fall when we are up for election they will know how their Congressperson voted on campaign finance reform: More money, more special interests or less money, less special interests. I truly believe that given the fact that these bills, campaign finance bills, died in the Senate that both of these bills are dead on arrival. The only real chance for campaign finance reform in this session is an independent commission.

Mr. Speaker, you publicly endorsed it. You shook hands on it. Let us turn the promise of your handshake into the reality of a law.

Mr. FROST. Mr. Speaker, 1 yield 2 minutes to the gentleman from West Virginia [Mr. Wise].

Mr. WISE. Mr. Speaker, the previous gentleman from California lamented that the American people spend more on potato chips than they do on campaigns. The problem is that in campaigns, they are spending $1,000 a bag. Some of them just cannot stop with one.

Democrats say they want campaign finance reform. Republicans say they want campaign finance reform. The public demands campaign finance reform. Mr. Speaker, this is not campaign finance reform.

Most people think the problem with campaigns today is that there is too much spending in elections. This bill on the floor says the problem is there is not enough spending in elections.

This bill increases the amount that the wealthiest can contribute. That is not reform. This bill increases the amount that individuals can give to political parties. That is not reform. It does nothing to stop the unlimited soft money, the real loophole in this present process. That is not reform. It does nothing to limit giving to the political parties. It increases fact, it increases the amount that you can give. That is a big loophole. It does nothing to reign in independent expenditures, one of the biggest loopholes around right now. It does nothing to limit how much political parties can spend in behalf of a candidate. That is a big loophole. That is not reform.

There is already too much spending in elections, too much time spent on fundraising. So presumably then reform would limit this, would it not? Not this bill. It means more spending, more fundraising, more costs, more money for election. That is not reform.

Mr. Speaker, it is clear to me the public is going to have to demand and take this matter into their own hands by demanding that candidates live up to a voluntary code. The public is going to have to demand its own reform because this leadership is not bringing that reform to the floor today. It is not reform.

Please, vote against the bill. But let us vote for the rule to get this debate started, and maybe 1 day we are going to get some real campaign reform around here.

Mr. THOMAS. Mr. Speaker, this is always a very efficient bill for Members because we are dealing with something which affects every one of us.

It is also especially troublesome because we are dealing with an attempt to write law in an area where the Constitution is fairly clear and the Supreme Court, most recently, reclarified where we are dealing with people's fundamental first amendment right of freedom of speech.

But I do have to say that the gentleman from West Virginia and several other speakers have certainly exercised their free speech rights in characterizing and perhaps overzealously characterizing provisions in both bills. These bills do in fact limit. Ours limits it in a different way. When we get into discussion about the bills and their substance, we obviously will have a lot of time to talk about the new way in which we limit.

I am going to spend some time talking about the common way in which both the bills cut and reform. It just seems to me that as we discuss what we are doing here, we do have to keep in mind that there is a Constitution, that there are rights.

The Supreme Court has corrected the overzealousness of Congress in the past. We should move reform. It should be done carefully. We will talk about the substance.

But as we deal with the rhetoric, and it appears that we are warming up on the rhetoric, we really ought to try to stick to the facts and the substance, because, frankly, some folks are getting just a little carried away.

For example, the gentleman said that there were no limits whatsoever on the amount of soft money the individuals could give to parties. There is. There is an aggregate limit in the Democrats' bill and in our bill, and it is the same amount.

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

Mr. THOMAS. I yield to the gentleman from West Virginia.

Mr. WISE. Does the gentleman do anything to limit soft money? Does the gentleman's bill do anything to limit soft money?

Mr. THOMAS. Yes. In our bill we take that money which can now be spent, the money which national parties can now spend in mixed activity in which they can utilize all soft money, and say, any time the national party is involved with Federal candidates, it must be so-called hard money, you cannot use soft money. That is a change.

Mr. FROST. Mr. Speaker, I yield 1½ minutes to the gentleman from Texas [Mr. Doggett].

Mr. DOGGETT. Mr. Speaker, I would like nothing better than to reach out and work with the gentleman from California [Mr. Thomas], with the gentlewoman from Washington [Mrs. Smith], with other Members of the Republican side of this House and try to develop a genuinely bipartisan approach to this very difficult problem. So long as campaign finance reform is just a matter of how you can do more harm to your opponents than you can do unto yourself, we are not going to get anywhere.

That is where we are this morning, because the Republican leadership of this House is so afraid of a bipartisan approach that they will not even permit a vote on it. They have come this morning, determined to poison the well with their labor baiting, which they could have handled in a separate piece of legislation. But just in case there was any chance this Congress really might get down to the business of reform, they added a little poison, just to be sure that this Congress did not clean itself up.

Mr. WISE. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California [Mr. Thomas], chairman of Committee on Government Reform and Oversight.

Mr. THOMAS. Mr. Speaker, yet another example of overzealousness.

The gentleman said that what we do is allow more folks to shovel up to clean up the Campaign, but what you really have in mind through this bill is to shovel in just a little more special interest money.

One partisan after another gets up to demand this approach and do not look to the Democrats or to the Republicans on this. Look to every nonpartisan organization that has ever tried to clean up the campaign finance system. You will not find one, not one organization in this country that endorses the kind of sham that we are offered today in this piece of legislation. Whether it is the League of Women Voters, whether it is Common Cause, whether it is the National Council of Churches, they reject this because it is not reform. It leads us down the road to one roadblock after another to block the legitimate concerns of the American people.

Mr. SOLOMON. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. Thomas], chairman of Committee on Government Reform and Oversight.

Mr. THOMAS. Mr. Speaker, yet another example of overzealousness.

The gentleman said that what we do is allow more folks to shovel in even more special interest money. Special interest money is usually defined as political action committee money. Our bill cuts political action committee contributions by 50 percent, far more than the Democrats' bill provides.

We had testimony in front of the committee that labor unions are now involving themselves in the political process to the tune of $300 to $400 million. That amount is not disclosed.

The provisions that we have in the bill requires that union political money be disclosed. What we do is to say no to the approach of the Democrats. If you want your money spent for those political purposes, by all means, tell the unions to go ahead. But if you do not, following the court's decision, you can say no. We allow the rank and file to one roadblock after another to block the legitimate concerns of the American people.
Mr. FROST. Mr. Speaker, I yield 1½ minutes to the gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Mr. Speaker, I thank my friend from Texas for yielding me this time.

Mr. Speaker, the gentleman from California [Mr. THOMAS] is correct on one point; that is, that campaign finance affects each Member of this House and we are not exactly objective. But we should be concerned when every interest group, public interest group, has said that the Republican bill is phony and it is worse than no change in the current law. There is good reason for that.

I am concerned that this rule does not give us the opportunity to have a free and open debate on this House.

The Republicans told us that we were going to have open debates on the floor, but this rule does not permit it. There is a bipartisan bill that was developed by Democrats and Republicans. We are going to have the opportunity under this rule to offer the bipartisan substitute.

There are concerns that many of us have. The Thomas bill allows soft money to be used by special interests, by corporations, by large contributors to do new things to influence congressional campaigns. I would like to be able to offer an amendment to change that.

This bill will now not allow me to offer such an amendment. I believe that our constituents want us to limit the total amount of money spent in congressional campaigns. This rule will not allow me to offer such an amendment.

I believe there should be overall limits on the amount of PAC contributions that we can accept. This rule will not allow me to offer that amendment.

I urge my colleagues to do what the gentleman from Texas has suggested. Let us defeat the previous question so we can have a true, open debate on this floor.

Mr. SOLOMON. Mr. Speaker, I would just say to the previous gentleman that he should not stand up and say that the rule prevents the bipartisan alternative to be offered on the floor. We are giving you twice the time that you have given us in the past two Democratic Congresses when you were in power. We are giving you two bites, and you just heard the main sponsor say that she was going to have the opportunity to offer that in the motion to recommit.

Please do not try to confuse the Members. You will have two bites at the apple.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the very distinguished gentleman from Bloomfield Hills, MI [Mr. KOLLENBERG].

Mr. KOLLENBERG. Mr. Speaker, I thank the gentleman for yielding this time to me, and I appreciate the mention of Bloomfield. It is my home.

Mr. Speaker, I rise in support of this rule. This rule would allow us to continue the debate not only on campaign finance but on the important issue of a workers right to know.

Mr. Speaker, it is estimated that the unions gave grants anywhere from $700 to $2,019 each year in membership dues. Yet, if you asked the worker how his or her hard-earned money is spent, they probably could not tell you.

After all, Mr. Speaker, union leaders like nothing more than to have their rank and file uninformed about their actions. And when they do decide to inform its membership or the public, it is a sad commentary on truthfulness.

Just ask the radio and TV stations who have pulled union ads because of mistruths, distortions, and outright lies.

Mr. Speaker, it is time to let the Sun shine in. Language in H.R. 3760 lets union members decide for themselves whether they want their hard-earned union funds go toward political scare tactics and misinformation. Whether you are for or against a balanced budget or increasing minimum wage, H.R. 3760 empowers each and every union member to see how their money is spent and object to dues taken out beyond those necessary for collective bargaining purposes.

Mr. Speaker, this is a good rule. I urge my colleagues on both sides of the aisle to vote for the rule and allow us to continue the debate. Employees have the right to know.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, I rise today in support of this rule. The American people deserve a full and open debate on the issue of campaign finance reform. They truly do want to see the system cleaned up.

Unfortunately, Mr. Speaker, the underlying bill makes a mockery of the reform that is needed to restore integrity to our political process. The American people look at this Republican Congress, and they see an institution that is being sold out to the highest bidder.

When my Republican colleagues took over this Congress 18 months ago, they promised to change the way business is done in Washington. Instead they have proved themselves to be masters at the special interest game.

Common Cause, the good government reform lobby, says that the bill that is on the floor today, and I quote: The Thomas bill is a fraud. End quote.

It does not improve our system of campaign finance, it makes the system worse. Wealthy individuals who have reaped the lion’s share of Republican tax cuts will be able to contribute even more money to Republicans in the future and have even more influence. The wealthiest 1% will be able to funnel an unlimited amount of cash to the Republican Party, and this bill does absolutely nothing to limit campaign spending in congressional races.

But let me just say this is in keeping with what the Speaker, the gentleman from Georgia [Mr. GINGRICH] has talked about in this issue. Speaker Gingrich has said that we need more money, not less money in our political system and, sadly, this bill lives up to Newt Gingrich's vision of reform.

This bill sadly misses an opportunity we so desperately need for reform, and it continues the same old Washington game.

Again quoting Common Cause: Any Member of Congress who votes for the Thomas bill is voting to protect a corrupt way of life in Washington, DC.

I urge my colleagues to vote against this phony reform bill.

Mr. DREIER. Mr. Speaker, I yield 2 minutes to the gentleman from Bakersfield, CA [Mr. THOMAS].

Mr. THOMAS. Mr. Speaker, I thank my friend from California for yielding once again. I think we are getting carried away with our own rhetoric. The gentleman from Connecticut just said this is the same old Washington game. Apparently she does not understand that in the majority's legislation we end the same old Washington game.

We say, “You have to get a majority of money from people who live back home.” We say that the incumbents who had a monopoly on the Washington game do not get it anymore.

Mr. Speaker, it is a fundamentally changed system, and I understand that if you do not yield at this point, there are a number of people who are getting carried away with their rhetoric. And I will tell my colleagues that if they do not like the majority's provision, if they do not like the minority's provision, I implore them to talk to the gentleman from Missouri [Mr. GEPHARDT], the gentleman from California [Mr. FAZIO], the gentleman from Texas [Mr. FROST].

Under this rule we have provided a motion to recommit with or without instructions. The gentleman from Wisconsin can have his wishes met, the gentlewoman from Connecticut, if she has a wish, can have her wishes met, the gentleman from Massachusetts [Mr. MEEHAN] can have his wishes met.

If my colleagues do not like what is in front of them, offer it as the motion to recommit. Then we will determine whether they are in this process to promote a reform or whether we are in the process to stir the pot and create more rhetoric and confusion in the minds of the American people.

Mr. Speaker, during general debate I will be more than willing to discuss the substance of the bill.
Let me put this in some kind of context. My average campaign contribution when I first got elected was $7.50. Today it is $50. So I really believe in the Jeffersonian concept that we should not have special interest money here. Since then, this is going to allow more, more, more.

Now we saw something historic. We saw the Committee on Rules report this first reform bill out, without any recommendation, because even they were allowed family a family of four to give $12.4 million. Oh, yes, they would be a real free agent if somebody gave them $124 million, and so what they had to do, and let me finish and then I will be happy to yield—

Mr. SOLOMON. The gentlewoman said my name indirectly.

Mrs. SCHROEDER. I said the Committee on Rules. I thought the gentleman’s name was SOLOMON. Is the gentleman’s name Committee on Rules? I am sorry.

OK. But then what happened is they called on the gentleman from California to do this radical surgery on the bill and so, voila, we now have another bill because they have been promising reform and we have not seen it.

And now we just had the gentleman from California say, “Our big chance to do something that’s really pure is we can all arm wrestle over here for who gets the motion to recommit.” Well, I mean there are 13 different ideas. I don’t know what is wrong with the rule that allows us to mend things, discuss things, and so forth?

Mr. Speaker, let me just say what I think the problem is. I think the problem goes back to that bipartisan handshake that we saw the President and the Speaker have in New Hampshire over a year ago when they said, look, this is like base closing. The Congress is not different than any other group. The handicap for any group to do reform itself, and it is especially hard when they are weighing themselves off money. We ought to go back to that concept, get a commission in here and move forward on that. Maybe that should be the motion to recommit, Mr. Committee on Rules.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I might consume just to say to my good friend who is retiring and is going to miss her dearly in a number of different ways, but I happen to think she is a nice person, and I like her, but let me just say she says the Committee on Rules was embarrassed. That is not true. I tell my colleagues we have 9 Republicans, we have 4 Democrats, and I would say that of the 13 members, that there were 13 different opinions up there. And when I looked back, and look at what we are going to do, and I looked at the 102d Congress which the gentlewoman was involved with and the 103d which she was involved with, and she voted to gag Republicans, according to what she is saying here, the same as she says we are gagging them now, which is not the case. Actually we are giving them twice as many opportunities to work their will on the floor.

As I understood it, the gentlewoman from Virginia [Mrs. SMITH] was here earlier, and she said that the Democrats were going to give her the opportunity to offer what she called an alternative, a bipartisan alternative. I do not know that, now I understand that is not going to happen. But as my colleagues know, let us have the House work its will, let us bring this bill to the floor, and let us have meaningful debate, and let us not be so partisan about it. Why do we not just try to discuss the issue and have a good solid debate that the American people understand?

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I would just say that it is very interesting, and I appreciate the chairman of the Committee on Rules speaking in favor of an open rule on this bill, and that is exactly what I tried to do. The chairman of the Committee on Rules just said, “Well, let’s let this be debated, let’s vote on these issues.”

Well, that is what I am proposing, and Mr. Speaker, I urge a “no” vote on the previous question. If the previous question is defeated, I shall offer an open rule which will allow Members to offer any germane amendment to the bill.

I include the text of the amendment and accompanying documents for the RECORD at this point in the debate:

Previous Question Amendment Text—House Resolution for Consideration of H.R. 3820, Campaign Finance Reform Act

In lieu of the amendment offered by Representative SOLOMON of New York insert the following:

Strike all after the resolving clause and insert in lieu thereof the following: “That at any time after the adoption of this resolution the Speaker may, pursuant to clause (b) or 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. 3820) to amend the Federal Election Campaign Act to reform the financing of federal election campaigns, and for other purposes. The first reading of the bill shall be dispensed with. General debate shall be confined to the bill as shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on House Oversight. After general debate the bill shall be considered for amendment under the five-minute rule. 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. Any member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill. 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.”

Mr. FROST. Mr. Speaker, at the beginning of this Congress the Republican majority claimed that the House was going to consider bills under an open process.

I would like to point out that 60 percent of the legislation this session has been considered under a restrictive process.
Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in opposition to the rule of H.R. 3820. This bill was originally reported out of the Rules Committee without any recommendation.

H.R. 3820 is a bad bill. Instead of improving the campaign election process, it makes the current situation worse by increasing the amount of money, particularly special interest money, in the system. The average American gives about $200 to a Federal campaign so it is clear that provisions of this bill that increase the caps on donations to candidates and to political parties is designed to favor wealthy individuals and average citizens.

H.R. 3820 should be sent back to the House Oversight Committee and the House Economic and Educational Opportunities Committee for further review. I urge my colleagues to vote against the rule on H.R. 3820 and work to pass a real campaign finance reform bill.

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

Mr. SOLomon. I yield myself such time as I might consume to say, Mr. Speaker, I am a little confused because my good friend, the gentleman from Texas [Mr. FROST] did not offer an amendment in the Committee on Rules to have an open rule. We might have an open rule. We might have an amendment in the Committee on Rules without any recommendation.

Mr. FROST. 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. The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FROST. 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. Evidently a quorum is not present. The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were 213 ayes, 193, not voting 19, as follows:

[Roll No. 363]

| Aillard | Baker (LA) |
| Allard | Baker (CA) |
| Archer | Ballenger |
| Armey | Barr |
| Bachus | Barrett (NE) |
| Bacus | Bartlett |
| Bliley | Faux |
| Blunt | Franks (CT) |
| Boehlert | Franks (N) |
| Bonilla | Furse |
| Bono | Underbrink |
| Brownback | Gannett |
| Bryant (TN) | Ganske |
| Bunning | Gekas |
| Burr | Gilchrist |
| Burton | Gillmor |
| Buyer | Gilman |
| Coble | Goodlatte |
| Coburn | Gohmert |
| Collins (GA) | Goodling |
| Combett | Goss |
| Cooley | Graham |
| Cox | Graham (MS) |
| Crane | Gramm |
| Crapo | Granger |
| Cremeans | Houghton |
| Cubin | Hunter |
| Cunningham | Hutchinson |
| Davis | Hyde |
| Deal | Huntsman |
| Diaz-Balart | Jackson (CT) |
| Dickey | Johnson (TX) |
| Denton | Johnson (TX) |
| Dornan | Kelly |
| Dreier | Kim |
| Dunn | King |
| Dunn | Kinney |
| Dunn | Kingston |
| Dunn | Kingstone |
| Dunn | Klug |
| Ehlers | Kolbe |
| Ehrlich | Kolbengen |
| English | Lkahood |
| Everett | Lakhdar |
| Ewbank | Lambert |
| Fawell | Latham |
| Fields (TX) | L'Outreoute |
| Flanagan | Laughlin |
| Foley | Lazio |
| Fowlers | Leach |
| Fox | Lewis (CA) |
| Franks (CT) | Lewis (KY) |
| Franks (N) | Lightfoot |
| Furse | Lindsey |
| Gannett | Lucas |
| Ganske | Lucas |
| Gekas | Mansueto |
| Gilchrist | Martin |
| Gillmor | McCauley |
| Gilman | McCrery |
| Goodlatte | McHugh |
| Goodling | McInnis |
| Gohmert | McIntosh |
| Graham | McKeon |
| Graham (MS) | Meyers |
| Greenwood | Mica |
| Gundersen | Miller (FL) |
| Gutknecht | Molinari |
| Hancock | Moonhead |
| Hanlon | Morella |
| Hastert | Myers |
| Hastings (WA) | Myrick |
| Hayworth | Nethercutt |
| Hefley | Neumann |
| Hefley | Ney |
| Hefley | Norwood |
| Hefley | Nordyke |
| Hefley | Nussle |
| Hobson | Oxl |
Bereuter changed their vote from “nay” to “yea.”
So the previous question was ordered. The result of the vote was announced as above recorded.

The Speaker pro tempore (Mr. Upton). The question is on the amendment offered by the gentleman from New York [Mr. Solomon].
The amendment was agreed to.

The Speaker pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.
Mr. HOKE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.
The vote was taken by electronic device, and there were—yeas 270, nays 140, not voting 23, as follows:

[Roll No. 362]

YEAS—270

[Names of Representatives]

NAYS—140

[Names of Representatives] Not Voting—23

So the resolution, as amended, was ordered to be reported.
The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.
The Speaker pro tempore, Pursuant to House Resolution 481 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. 3820.
stressed the same theme more than the chairman of the Democratic National Committee, Don Fowler, and the chairman of the Republican national committee, Haley Barbour, when they sat side-by-side and talked about the perils of incumbent nominees. In the 1970’s but the very serious unforeseen consequences of the law over the last 20 years on the question of political parties.

In both bills today, we see very positive reform in the area of political parties, expanded opportunities to participate in the system, fewer restrictions in trying to support the issues and the candidates that the parties put forward. As a matter of fact, one of America’s foremost experts on political parties, Professor Larry Sabato, who has also coauthored a book entitled “Dirty Little Secrets,” about the way money flows in Washington, said this about our bill, but it extends to a certain extent to the Democrats’ provisions in particular. He also says, “No title is as welcome as strengthening political parties.” He says, “The parties are essential, stabilizing institutions in an increasingly chaotic political environment. In our society, they deserve to be bolstered in every reasonable way.” He says, “I enthusiastically support the provision on party reform.”

Also, I think a number of cynics say that we, since we are incumbents, cannot reform ourselves. I think it is important to note that in both bills, both the Republican and the Democratic bill, we ban leadership PAC’s, just 1 day after one of our local newspapers ran an article about how through leadership PAC’s Members of Congress are raising significant new, and in fact, record, amounts of money. No one can say we are not interested in reform if we are in fact denying this kind of a structure. Banning leadership PAC’s is in the Republican bill, and it is in the Democrat bill.

There are additional disclosure requirements, and we will go into some of the differences, but fundamentally both bills tighten up in the area of disclosure. However, Mr. Chairman, there are obviously fundamental differences, and the fundamental differences in the bill center around the way in which the Democrats and the Republicans choose to use government, the role of government and the use of government.

In the minority’s bill, they use government to control and limit. In our bill, we use government to empower individuals. For example, in the Farr bill, there are a very confusing set of dollar amounts which are used to determine how one can participate in the political game. One can spend $600,000 in the primary and the general, but you have got to have a set amount from individuals over a set amount of dollars in order to put up a close primary; that is, $5,000 within 20 points of your opponent, then there are new rules that apply. If you are in a run-off, there are additional rules. It is a very complicated attempt to use government to limit participation in the system.

On the other hand, we have a new approach. It is a novel approach. As a matter of fact, David Broder in The Washington Post said the way to the future. It essentially reverses the traditional definition of reform. It may offer a way out of the maze. The Cleveland Plain Dealer said it comports rather well with political and constitutional realities and it is worth a try.

What we do is empower individuals. We say that the control on the amount of money spent in elections is in the hands of the people back home, local control of campaign finances. A number of our colleagues who have not yet fully appreciated the radicalness of this procedure say there are no limits at all. Pretty obviously when they are used to staying in Washington and raising money, they are not excited about exercising the determination how much money they can spend. We hear criticisms of the system that we have to spend time in New York or in Dallas or in Hollywood raising money and we are away from our basic job of representing our constituents.

Well, folks, with the new position, the new thinking, the Republican bill, you get to go back home more often than not because you are required to raise a majority of your money back home. If that was a problem under the current system, we have changed it.

A number of folks have said special interest control, that in fact the problem is the corruption or at least the appearance of corruption with special interest money putting in a majority of money in a number of campaigns. Folks, we fix that. A majority of money has to come from individuals who live in the district. We empower the people back home.

In addition, we weaken incumbents by allowing parties to offset the incumbent carryover. This is a relatively radical idea. There have been suggestions to ban carryover, but we are the biggest backers of the one-size-fits-all limit. What we have said is empower political parties to offset incumbent advantages.

But the biggest and the best device to control incumbents is to tell them they have to go back home and get a majority of money from people who live in the district because in Washington, we have a monopoly on attention. In any other major city, we have a monopoly on attention. When we go back to the district, we have to share our incumbency with the other candidates. We do not have the privilege of exclusivity back home. It is the most radical, the best method of controlling incumbents. When people say we do not have the reform, we don’t have government to control, we do not impose a one-size-fits-all limit. What we do is empower people back home. When a majority of people in your district have
said you have spent enough, you have spent enough. Empowering people back home is a radical, positive change in campaign finance reform.

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

Mr. Fazio of California. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, let me begin by indicating that we have enjoyed working with the majority on this issue. It is never the issue with the interests of great interests of Members and it is always more difficult to try to set the tone to in fact lead, than to critique. We in the Democratic Party have experienced that for a number of years.

It has become obvious to most Americans that there is far too much money in politics today, giving wealthy special interests far too much influence in the election campaigns and decreasing the voice of everyday working Americans.

Fearful of the effect of big money in our political system, the Democrats have for years been fighting for changes in the campaign finance laws; however, each time reform legislation has passed this House, it has been ultimately rebuffed, either by President Bush’s veto or by more recent series of Republican-led filibusters in the Senate.

Having for so long resisted Democratic efforts to limit campaign spending, the new majority recently offered its plan for changing our political system, and what was that plan of the Republican leadership? Put most plainly, the majority’s so-called campaign reform was to vastly increase the role of money in politics by enormously increasing all contribution limits. They sought to ensure that those interests with the greatest wealth would be permitted to contribute even greater sums into the campaign process as if the wealthiest in our society did not already wield enough influence in our politics.

Indeed, under the majority’s bill, a single individual could have contributed up to $3.1 million to candidates and political parties; that is, $3.1 million from one person. Put another way, under the Republican proposal initially proposed, a family of four could have contributed nearly $12.5 million per election cycle. It is a breathtaking sum and more than 125 times the amount permitted under current law.

Perhaps their version of a family’s first agenda, but it is hardly the change the American people are seeking. While the political parties may need strengthening, the majority’s bill went to extremes in this regard as well, permitting the party to raise trouble special interests that then in turn funnel unlimited, yes, and I mean fully unlimited, amounts of that money back into the campaign system, creating what the New York Times called a new class of political power. What a very Republican idea that is.

Of course the inevitable result of allowing the political parties to raise and spend unlimited amounts of money is to further centralize political power and political wealth here in Washington, DC. This is hardly returning power to the average voter or reducing the influence of special interests.

But let us talk about what the majority wanted to do. Americans of all sorts were appalled at this effort to increase the influence of the rich and the powerful. Public interest groups, newspaper editorials, concerned Democratic constituents, every Republican fighter that fought to stop this abomination from becoming law, and now thanks to these efforts the Republican leadership has offered an amended version of the bill.

But they still do not get it. There is too much money with too much influence in our political system and regrettably the majority’s bill does absolutely nothing to fix the problem. Campaign finance reform is realistic. It is balanced, and it is achievable. Through these measures, we hope to limit the influence of money in our politics and restore the influence of ordinary working Americans in their government.

Mr. Chairman, urge all my colleagues to vote against H.R. 3820 and to vote for H.R. 3505, the Democratic substitute.

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

Mr. Thomas. Mr. Chairman, I yield 3 minutes to the gentleman from Tennessee [Mr. Wamp], a freshman who has had as much influence in redirecting campaign finance reform as any Member of the House.

Mr. WAMP. Mr. Chairman, I thank the chairman for yielding me the time, but more importantly for his leadership on this issue.

As a member of the Speaker’s task force on reform, I have worked with many others tirelessly on this effort for many months. But Chairman Thomas has been working on this effort for many years. Unlike other senior Members, some of whose committee Members of this body have pursued reform for many years, I commend him for this responsibility and balanced approach.

Mr. Chairman, I am 1 of only 22 Members of this body that refuses to accept any PAC money, so I really come to this argument with a desire to eliminate political action committees. As a matter of fact, I testified last week before the Committee on Rules on an amendment that would ban political action committee contributions and force the Supreme Court through expedited review to go ahead now and determine should we ban political action committee contributions. As a matter of fact, it is not perfect. Frankly, no bill that I have seen in the last 2 years is perfect, but this is a step in the right direction because it cuts PAC’s, special interest political action committee contributions in half.

That is a step in the right direction: disconnecting so much of their influence. It requires a majority of a Member’s money to come from individuals in their home district. Another great step in the right direction. Why? Because some Members take the majority of their money from people outside their district. Some stay here in Washington and raise all their money and do not count on the folks back home to tell them what to do and then follow their instructions.

It also leaves the individual limit. The bill that is on the floor today, not a bill that was floating around before, the bill this majority has brought to the floor leaves the individual limit at a thousand dollars, but it indexes it into the future because it is set for 22 thousand dollars in 1999. That has changed in the last 22 years, so it should be indexed into the future, not retroactively. This bill indexes it prospectively.

It is a commonsense solution and it is real reform. Every Member of this body should support this reasonable approach that took many months and a roller coaster ride to arrive at.

I want to say this in closing, Mr. Chairman. The gauntlet should go to the Majority. The gauntlet should go to the Majority. The gauntlet should go to the Majority. Mr. Chairman, I am 1 of only 22 Members of this body that refuses to accept any PAC money, so I really come to this argument with a desire to eliminate political action committees. As a matter of fact, it is not perfect. Frankly, no bill that I have seen in the last 2 years is perfect, but this is a step in the right direction because it cuts PAC’s, special interest political action committee contributions in half.
Mr. MCKINNEY. Mr. Chairman, I rise today in strong support of real campaign finance reform. I rise, however, in opposition to the sorry excuse that the Republicans are offering today.

Had it not been for the Democrats, the Republican bill would still allow individuals to contribute up to $31 million a year. And while that provision was revised, the Republicans actually increase the influence of soft-money contributions.

The Democratic substitute, on the other hand, reduces this influence and requires a spending limit of $600,000. The Republican bill still allows unlimited campaign spending.

In short, Mr. Chairman, the Democratic substitute offers real reform while the born-again Republican bill increases the role of big money in politics.

Once again, Mr. Chairman, the Republican Party has demonstrated its desire to perfect the art of cash-and-carry campaign finance. They created the current campaign financing system for Democrats to use. They conducted the first-ever audit of House finances. It was the new majority that took the bold step that made them apply to Congress. It was the new majority to apply all laws thatapply to the private sector and make them apply to Congress. It was the new majority that took the bold step that banned gifts. It was the new majority that conducted the first-ever audit of House finances. It was the new majority that passed comprehensive lobbying reform. It was the new majority that held the first ever vote on term limits for Members of Congress. It was the new majority that passed a balanced budget amendment to the Constitution. We set term limits for committee chairs.

For the record, as we go through this debate today, we do not need lectures from the other side of the aisle on reform. We have spent the last 18 months cleaning up after them. In my first election in a primary, I came to this debate with a different background than many of my colleagues. Also serving in my second term, I think it is important for us to take a look at the way things used to be in this legislative process.

Let us talk about that, it took the new majority to apply all laws that apply to the private sector and make them apply to Congress. It was the new majority that took the bold step that banned gifts. It was the new majority that conducted the first-ever audit of House finances. It was the new majority that passed comprehensive lobbying reform. It was the new majority that held the first ever vote on term limits for Members of Congress. It was the new majority that passed a balanced budget amendment to the Constitution. We set term limits for committee chairs.

So for the record, as we go through this debate today, we do not need lectures from the other side of the aisle on reform. We have spent the last 18 months cleaning up after them. As for some of the other participants that have been critical of this effort at reform, Common Cause, it is interesting. They created the current campaign finance system. Now they want to experiment with public funding, more big government, more big bureaucracy, moving decision-making away from the people and moving it to Washington. Their proposal is based on the myth of the magical Washington bureaucracy. We do not need lectures on how to reform a broken campaign finance system for Republicans. This bill, the Republican bill, makes it easier for those funds to end up influencing our individual campaigns by relaxing the restrictions on

July 25, 1996

CONGRESSIONAL RECORD – HOUSE

Ms. MCKINNEY. Mr. Chairman, I rise today in strong support of real campaign finance reform. I rise, however, in opposition to the sorry excuse that the Republicans are offering today.

Had it not been for the Democrats, the Republican bill would still allow individuals to contribute up to $31 million a year. And while that provision was revised, the Republicans actually increase the influence of soft-money contributions.

The Democratic substitute, on the other hand, reduces this influence and requires a spending limit of $600,000. The Republican bill still allows unlimited campaign spending.

In short, Mr. Chairman, the Democratic substitute offers real reform while the born-again Republican bill increases the role of big money in politics.

Once again, Mr. Chairman, the Republican Party has demonstrated its desire to perfect the art of cash-and-carry campaign finance. They created the current campaign financing system for Democrats to use. They conducted the first-ever audit of House finances. It was the new majority that took the bold step that made them apply to Congress. It was the new majority to apply all laws that apply to the private sector and make them apply to Congress. It was the new majority that took the bold step that banned gifts. It was the new majority that conducted the first-ever audit of House finances. It was the new majority that passed comprehensive lobbying reform. It was the new majority that held the first ever vote on term limits for Members of Congress. It was the new majority that passed a balanced budget amendment to the Constitution. We set term limits for committee chairs.

For the record, as we go through this debate today, we do not need lectures from the other side of the aisle on reform. We have spent the last 18 months cleaning up after them. In my first election in a primary, I came to this debate with a different background than many of my colleagues. Also serving in my second term, I think it is important for us to take a look at the way things used to be in this legislative process.

Let us talk about that, it took the new majority to apply all laws that apply to the private sector and make them apply to Congress. It was the new majority that took the bold step that banned gifts. It was the new majority that conducted the first-ever audit of House finances. It was the new majority that passed comprehensive lobbying reform. It was the new majority that held the first ever vote on term limits for Members of Congress. It was the new majority that passed a balanced budget amendment to the Constitution. We set term limits for committee chairs.

So for the record, as we go through this debate today, we do not need lectures from the other side of the aisle on reform. We have spent the last 18 months cleaning up after them. As for some of the other participants that have been critical of this effort at reform, Common Cause, it is interesting. They created the current campaign finance system. Now they want to experiment with public funding, more big government, more big bureaucracy, moving decision-making away from the people and moving it to Washington. Their proposal is based on the myth of the magical Washington bureaucracy. We do not need lectures on how to reform a broken campaign finance system for Republicans. This bill, the Republican bill, makes it easier for those funds to end up influencing our individual campaigns by relaxing the restrictions on

July 25, 1996

CONGRESSIONAL RECORD – HOUSE

Ms. MCKINNEY. Mr. Chairman, I rise today in strong support of real campaign finance reform. I rise, however, in opposition to the sorry excuse that the Republicans are offering today.

Had it not been for the Democrats, the Republican bill would still allow individuals to contribute up to $31 million a year. And while that provision was revised, the Republicans actually increase the influence of soft-money contributions.

The Democratic substitute, on the other hand, reduces this influence and requires a spending limit of $600,000. The Republican bill still allows unlimited campaign spending.

In short, Mr. Chairman, the Democratic substitute offers real reform while the born-again Republican bill increases the role of big money in politics.

Once again, Mr. Chairman, the Republican Party has demonstrated its desire to perfect the art of cash-and-carry campaign finance. They created the current campaign financing system for Democrats to use. They conducted the first-ever audit of House finances. It was the new majority that took the bold step that made them apply to Congress. It was the new majority to apply all laws that apply to the private sector and make them apply to Congress. It was the new majority that took the bold step that banned gifts. It was the new majority that conducted the first-ever audit of House finances. It was the new majority that passed comprehensive lobbying reform. It was the new majority that held the first ever vote on term limits for Members of Congress. It was the new majority that passed a balanced budget amendment to the Constitution. We set term limits for committee chairs.

For the record, as we go through this debate today, we do not need lectures from the other side of the aisle on reform. We have spent the last 18 months cleaning up after them. In my first election in a primary, I came to this debate with a different background than many of my colleagues. Also serving in my second term, I think it is important for us to take a look at the way things used to be in this legislative process.

Let us talk about that, it took the new majority to apply all laws that apply to the private sector and make them apply to Congress. It was the new majority that took the bold step that banned gifts. It was the new majority that conducted the first-ever audit of House finances. It was the new majority that passed comprehensive lobbying reform. It was the new majority that held the first ever vote on term limits for Members of Congress. It was the new majority that passed a balanced budget amendment to the Constitution. We set term limits for committee chairs.

So for the record, as we go through this debate today, we do not need lectures from the other side of the aisle on reform. We have spent the last 18 months cleaning up after them. As for some of the other participants that have been critical of this effort at reform, Common Cause, it is interesting. They created the current campaign finance system. Now they want to experiment with public funding, more big government, more big bureaucracy, moving decision-making away from the people and moving it to Washington. Their proposal is based on the myth of the magical Washington bureaucracy. We do not need lectures on how to reform a broken campaign finance system for Republicans. This bill, the Republican bill, makes it easier for those funds to end up influencing our individual campaigns by relaxing the restrictions on
Mr. Chairman, the so-called Worker Right to Know Act, which seeks to limit the access of a particular group of Americans to the political process, has been attached to this bill, adding another reason for the President to veto it.

Mr. Chairman, the so-called Worker Right to Know Act was never marked up by the Employer-Employee Relations Subcommittee nor the full Committee on Economic and Educational Opportunities to which it was referred. And yet it isn't surprising to us. It's par for the course for the 104th Congress—as irrelevant as authorizing has become, the next step will be abolishment. Maybe that's appropriate since we move bills to the floor without mark-up.

Mr. Chairman, moving this bill into the Campaign Reform Act, after two hearings that in my opinion revealed that the legislation is not justified, is simply a political effort to attack a group that my colleagues disagree with. In defense of it, one of my colleagues suggests that it is to enforce the Beck decision. Mr. Chairman, this Department of Labor has been enforcing the Beck decision. But regardless of that, Mr. Chairman, members on the other side of the aisle have become so worried about the increased effort of organized labor to educate Americans about the antiworker, antifamily, antichild 104th Congress that through this so-called Worker Protection Act, they are seeking to stifle that effort.

Mr. Chairman, this is not the way to practice democracy.

Mr. Chairman, we all know that protections already exist for workers. Workers can object to the use of their union dues for purposes other than bargaining, they can request a refund of the portion of their dues that are spent on these activities, and file a complaint with the National Labor Relations Board if they disagree with the amount that is returned to them.

In contrast to that, the outrage of some Members about the AFL-CIO's mobilization is almost comical when you consider that the AFL will still be far outspent by the Republicans' business allies.

In fact, the National Association of Manufacturers, in a recent newsletter, solicited donations from its members for a similar voter education effort being orchestrated by a business affiliation known as the coalition.

The NAM has gone so far as to propose that each business member donate what would amount to $1.80 per employee to present the other side. And Mr. Chairman, despite the fact that corporate expenditures on the political process greatly exceed those of organized labor, no one bothers to address the fact that corporations regularly use stockholder money for political purposes. And if those investors may disagree. Yet I see no one offering legislation to force corporations to disclose to the stockholder their political expenditures. This legislation itself—as a whole—is so objectionable that it must have been drafted to guarantee its defeat.

I urge my colleagues to vote against the legislation.
Members. They have been all over the country. They are going to spend, according to a professor who came and gave testimony in our committee, $300 to $400 million in this cycle trying to influence elections. Yet all of the money virtually is being spent on one side of the political aisle. It is not on the Republican side.

Forty percent of union members around America vote for Republican candidates. This money, their money is being spent against their will. We believe that what we ought to do is to empower those workers by doing just two simple things: Requiring unions to tell their employers just how much of their union dues is actually used for representational costs. So it requires the unions to tell their Members just how much of their dues are used for representational costs.

The second thing that this section of the bill does, very simply, is to empower the worker to decide whether any money in dues that she pays in dues over the representational costs, can be used for other political activities.

Now, at a time when we are trying to do more to empower workers, to encourage teamwork in America, I think this is a very modest proposal to help working men and working women in terms of using their hard-earned money for the purposes that they see fit.

Mr. Chairman. The Chair would advise the Members that the gentleman from California [Mr. THOMAS] has 10 3/4 minutes remaining, and the gentleman from California [Mr. FAZIO] has 16 3/4 minutes remaining.

Mr. FAZIO of California. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut [Ms. DELAUR].

Ms. DELAUR. Mr. Chairman, I rise in opposition to the phony campaign finance reform proposal. I am opposed to the Gingrich-Thomas bill. The campaign finance reform bill offered by the Republican majority continues a pattern that goes back to their earliest days of running this House. Promises made and promises broken. They promised real reform in Washington, but instead they offer legislation to make a bad system worse.

The GOP legislation does nothing to limit campaign spending in congressional races. Elections will continue to be contests of bank accounts and not of ideas. Public Citizen, Common Cause, and other public interest groups have called the Thomas bill a fraud.

Business Week magazine, not exactly a liberal publication, commented on freshman Republican earlier this year. They said, and I quote, although they stormed Capitol Hill promising to shake up the political establishment, the Republican class of 1994 has embraced the Washington tradition all too well, shaking the special money interest tree.

The American people truly want an end to business as usual in Washington. They deserve real reform of our campaign system. We have an opportunity to pass an honest campaign finance reform bill today, a bill that will enhance the ability of average Americans to participate in the electoral process and diminish the influence of special interests.

The Democratic alternative gives us the chance to pass real reform to limit the influence of big money. It limits spending for each congressional campaign to $600,000. It limits PAC contributions to $2,000 from any one contributor. It eliminates soft money. These limits are reasonable, and they are, in fact, long overdue.

Mr. Chairman, I call on my colleagues to defeat the Gingrich-Thomas big-money bill and vote for the Farr Democratic substitute.

Mr. FAZIO of California. Mr. Chairman, I yield 2 minutes to the gentlemen from New York [Mr. ENGEL].

Mr. ENGEL. Mr. Chairman, I thank my friend for yielding the time.

This bill should not be called the campaign finance reform bill. I have some better names for it. It should be called the wealthy country club set control of American politics bill. How about the fat cat influence on American politics bill? How about the rich and incumbent protection Republican campaign bill? That is all this is doing. This is giving special interests an even larger say in campaigns. But at least our Republican friends are consistent.

They have spent the past 2 years trying to decimate Medicare and give huge tax breaks for the rich. This is just a continuation of that pattern. Let us continue to give breaks for the rich. Let them control politics. Let them have more influence in politics.

Speaker GINGRICH said, there is not enough money in politics right now. We do not have more money in politics. This is exactly the opposite direction that we ought to be going toward.

The Republican bill imposes no limits on how much can be spent in a campaign, allowing the influence of special interest money to continue to dominate the political system. The Republican bill increases the importance of soft money in campaigns; thereby increasing the role of special interests in their party.

The Republican bill imposes huge costs and administrative burdens on labor unions; again, a consistent Republican pattern these past 2 years of punishing working men and women in this country, punishing labor unions for speaking out, for daring to speak out against the Republican extremist agenda.

This is a highly partisan bill which is designed to create an unfair advantage to the Republican Party and their wealthy donors. If they can have real campaign finance reform in this Congress or any Congress is to have a bipartisan bill. We ought to do that.

The Democratic bill attempts to limit big money. It attempts to put the amount of money that a candidate can spend on a campaign to have a cap. This is the only way we are going to eliminate special interests.

This goes in the wrong direction. The Republican bill ought to be defeated.

Mr. THOMAS. Mr. Chairman, I yield 2 minutes to thegentleman from California [Mr. CALVERT].

Mr. CALVERT. Mr. Chairman, I would like to thank my good friend from California for shepherding this important piece of legislation through the House.

In the last Congress I was privileged to be a member of the Task Force on Campaign Finance Reform.

One provision I fought for in particular was that 51 percent of total contributions come from within a candidate's congressional district.

This creates stronger ties to a Member's constituents and will help reduce the influence of narrow special interests. No longer will this House operate under the image that we are beholden to PAC's or individuals based thousands of miles from the people we represent.

In my past two elections I have promised to raise a majority of my money from within my district. Indeed, I have raised an average of over 60 percent of my funds from the people of the 43rd District of California.

Not only does this indicate my support from my constituents, but more importantly it allows me to better represent their views.

They are the citizens who have made my congressional career possible. They are the people whom I represent.

Mr. FAZIO of California. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. MEEHAN], a real leader in our caucus on campaign finance reform and a leader of the bipartisan effort.

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

Mr. MEEHAN. Mr. Chairman, you have to sit back and ask yourself, why in the world would the Republican Party submit this kind of proposal. It has been condemned by every public interest group that has been fighting for campaign finance reform in America.

Condemned by Common Cause, condemned by Public Citizen, United We Stand, every group in America who is trying to change the way Congress does business through reforming the campaign finance laws is against this proposal. Why in the world would they come forward with such a proposal that they may not even get the votes for?

Well, it comes right from the top. That is where it comes from. Because
Mr. Chairman, I rise today in support of the Tobacco Bill, a bill that represents a good—and long overdue—first step in giving our elections back to the voters. The bill we are considering on the House floor today takes some very important steps toward reducing the advantages enjoyed by incumbents and the influence of special interests.

This bill bans leadership PAC’s; eliminates bundling by PAC’s and lobbyists; requires candidates to raise a majority of their campaign funds from their own district; and bans non-Federal money from Federal elections. These are all positive steps. I am also pleased that the Solomon amendment codifies the worker right-to-know provisions that were set forth in the recent U.S. Supreme Court decision in Buck v. Bell. I also agree with the provisions of the new bill that would strengthen political parties. These measures will increase accountability to the voters and make elections a better representation of the people they serve.

Although this bill is a good first step, I am disappointed that it does not ban PAC’s. The new bill keeps the individual limit a $1,000 and reduces the PAC limit to $2,500. Adjusting the contribution limits, in my view, is mere tinkering at the edges.

I believe that the only way to reduce both the advantages of incumbents and the undue influence of special interests is to ban Political Action Committees [PAC’s].

In my view, it is wrong for corporations, labor unions, or trade associations to use money that would be an illegal contribution if made directly to the candidates or administrative subsidies to their PAC’s. I believe banning those subsidies or PAC’s that receive those subsidies would clearly stand up to any constitutional test. At the very least, we should ban these so-called connected PAC’s, which constitute a majority of PAC contributions.

Some have said that a ban on PAC’s may be unconstitutional, citing the 1976 Supreme Court case Buckley versus Valeo, which upheld the Federal Election Campaign Act’s limits on contributions and expenditures. There needs to be more clarification. First, the Court has never directly considered the issue of whether a PAC ban would be unconstitutional. In fact, there is helpful language in the opinion that says that limits on contributions are reasonable if they do not create a form of corruption. Second, there are other forms of association that are recognized under the Federal Election Campaign Act—for example, partnerships. If an individual gives money to a partnership, and the partnership in turn donates the money to candidates, that individual’s contribution is attributed to the individual.

This is not the case with PAC contributions. Individuals can give to PAC’s and that amount...
is not attributed back to them for purposes of their own contribution limits. In essence, I do not believe there is a constitutional right to give an enhanced contribution merely because one affiliates.

For these reasons and the obvious fact that the makeup of the Supreme Court has changed in the 19 years since the Buckley decision, I think it is not at all clear that a total ban on PAC's would be found unconstitutional.

We are all aware of the tremendous growth of PAC's, both in number—from 608 in 1974 to almost 4,000 in 1995—and its influence on PAC contributions are now accounted for more than half of the money in the typical House race.

PAC's also contribute substantially to the advantages incumbents enjoy. According to the Federal Election Commission (FEC), in recent years more than 70 percent of PAC contributions have gone to incumbents. In my own State of Ohio, PAC's supported incumbents over challengers by a margin of 10 to 1 during the past election cycle.

Mr. Chairman, this is a good bill—and I commend Chairman Thomas on his leadership—but it is just the first step. I hope the next phase of campaign finance reform will ban PAC's altogether—an important step that will make elections more competitive, more fair, and a better reflection of the wishes of our citizens.

Mr. Fazio of California. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. Farr].

Mr. FARR of California. Mr. Chairman, I ask my colleagues here on the floor to think about what is going on today, ask themselves what exactly is reform. Less money is certainly reform. More power to small contributors is certainly reform. Preventing rich people from buying public office is certainly reform. Eliminating soft money is certainly reform. Leveling the playing field is certainly reform. Limiting special influence in campaigns is special reform.

Let me tell my colleagues what the President says about this: He says, "As President, I ask my colleagues here on the floor today, that was the outcome of congressional elections. In addition, HR 3505 would put a check on the out

t of control spending that plagues the current system. Although the Senate's recent failure to act on a bipartisan campaign finance reform bill was a terrible disappointment to the American people, the fight for reform did not end with the Senate's vote.

The House of Representatives now has the opportunity to enact real campaign finance reform.

Unfortunately, the Republican leadership in the House appears determined to block any legitimate reform. The Republican leadership's bill, unlike your own legislation, would drive campaign financing in the wrong direction. Your campaign spending; the Republican bill would encourage dramatic increases in spending. Your bill reforms the soft money system; the Republican bill would place a premium on soft money contributions from the very wealthy.

I remain committed to making true campaign finance reform a reality and look for this issue as there is to actually members of the House in a renewed effort to attain meaningful campaign finance reform.

Sincerely,  

BILL.

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

Mr. THOMAS. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. Ballenger], who has worked actively on that portion of the bill which eliminates rank-and-file in the labor union movement.

Mr. BALLENGER asked and was given permission to revise and extend his remarks.

Mr. BALLENGER. Mr. Chairman, I want to talk about the ultimate in special interest money and soft money. Much has been written in the press about the partisan politics surrounding the issue of mandatory union dues. And to be sure, there is a political aspect to this issue as there is to actually every issue we deal with here in Congress.

But, as the House considers the Worker Right to Know Act, which is included in this campaign finance reform bill, I believe it is important our colleagues understand this issue involves a real deal more than partisan politics. It is not just about Democrats versus Republicans or labor versus management. And, it is not about union-bashing. When we get right down to it, this is an issue about basic fairness.

For instance, is it fair that any union member should automatically have money deducted from his or her paycheck to pay for political candidates or causes with which they do not agree? Is it fair that a union member should have to battle his or her union in order to object to the union's spending of dues for political purposes? And, if he or she does object, is it fair that a union member be subjected to harassment from the union, or worse, the threat of losing his or her job? And, finally, is it fair that a union member should have to resign from his or her union and give up all rights to participate in its workplace matters, simply because he or she does not agree with union politics? I certainly do not think so, Mr. Chairman, and I would hope and expect that our colleagues on both sides of the aisle would feel the same way.

The fact is that many unions are spending their members' dues on social and political causes that are not supported by the rank and file. Moreover, there is a real threat of unfairness, and even retaliation, to place in front of employees who want to object to such expenditures. The Worker Right to Know Act would simply require unions ask their members for permission before spending their dues on social or partisan causes. Is this too much to ask?

So, as we debate this issue, Mr. Chairman, we must take care that it does not totally lose in the rancor of partisan politics. We must not lose sight of the fact that it is an issue affecting the wages of working men and women, and that more than anything else, it is an issue of basic fairness.

The Worker Right to Know Act would amend the American Political Reform Act in a way that would not only free American labor unions from any Constitutional challenge, but actually make them stronger, because they would no longer be required to spend money against the wishes of their members.

Mr. Fazio of California. Mr. Chairman, I yield 1 minute to the gentleman from California [Ms. Eshoo].

Ms. ESHOO. Mr. Chairman, I rise today in opposition to the campaign finance legislation being offered by the Republican leadership and in favor of the American Political Reform Act introduced by the gentleman from California [Mr. Farr].

Americans across the political spectrum have raised their voices in favor of real campaign finance reform, and I want to underscore that word, real campaign finance reform. And every major reform organization in America has spoken out against this Republican bill. Yet the Republican leadership is offering legislation that would actually turn the hands of the clock back on reform.

I urge my colleagues to vote for the best and the only campaign finance reform bill being offered today, the American Political Reform Act, and I hope any legislation reform will be bipartisan on the basis so we can prove to the American people that we can move along and reform the system.

Mr. Fazio of California. Mr. Chairman, I yield the balance of my time.

Mr. Chairman, the gentleman from Ohio [Mr. Portman] pointed out that the chairman of the Democratic National Committee had urged that there be no limit on what a campaign committee could give to a candidate, and that was originally the position of Mr. Barbour, and until the bill was amended here on the floor today, that was the position of the majority.
I think cooler heads on the Republican side have now prevailed and an amendment providing new limits is now in place as the American people would want them to be, and in case there is any confusion about where the gentleman from South Carolina, Mr. Fowler, is on this issue, I would not like to include for the Record a stinging critique of this legislation:


Hon. Vic Fazio, Ranking Minority Member, Committee on House Oversight, Longworth HOB, Washington, D.C.

Dear Congressman Fazio:

I am writing to protest in the strongest possible terms the misuse, by Congressman Bill Thomas, of excerpts from my testimony before the Committee on House Oversight last December. To suggest that I in any way endorse any element of the Gingrich/House Republicans’ campaign finance reform bill (H.R. 3760) is a false, deliberate attempt to mislead and confuse the debate.

As I stated in my testimony before the Committee, and again before the Senate Rules Committee (11/17/95), there are some principles that I believe should guide the Congress in formulating campaign finance reform legislation. As the President has acknowledged, campaign finance reform must limit campaign spending; restrict the role of special interests; open up the airwaves to qualifying candidates; and ban the use of soft money.

The Gingrich/Republican bill utterly fails to meet any of these requirements. To the contrary, it would clearly make the problem worse. The Gingrich/Republican bill would—

Do nothing whatsoever to cap or reduce total campaign spending.

Increase the role of special interests, by allowing wealthy individuals to contribute more than ten times the current limit to federal campaigns and the federal accounts of political parties in a single cycle. Indeed, under the Gingrich bill, a single individual could contribute more than $31 million to all campaigns and parties, in a single election cycle.

Do nothing whatsoever to increase access of candidates to the airways.

Allow political committees to continue to receive unlimited soft money.

In that connection, Congressman Thomas’s #4 “Dear Colleague” represents a particularly twisted distortion. I certainly support some expansion of the grassroots volunteer activities, but that has absolutely nothing to do with continuing to allow soft money—which we oppose and have consistently opposed.

Under current law, to the extent these grassroots activities benefit federal candidates, they are paid for with federal- permissible funds (hard money). It has been our consistent position, as I stated in my testimony both before the Committee on House Oversight and before the Senate Rules Committee, that real reform requires that both generic and mixed activity—in other words, any activity benefitting a federal candidate, whether entirely with federal-permissible funds (“hard money”). That would be the case both under the McCain-Feingold bill and the House Democratic bill.

By limiting the influence of special interest groups, the McCain-Feingold and House Democratic bills would increase the relative importance of the political parties in our system, and spending caps imposed on candidates, candidates would require less total contributions than they do now, and more federally permissible funds would be freed to be contributed to the parties. Party resources spent on candidates—both under the section 44(a)(d) limits and the volunteer grassroots—should represent a greater portion of the candidates’ total resources. Thus parties would become more significant players in our system.

By contrast, under the Gingrich/Republican bill, total contributions by wealthy individuals to campaigns would increase by enormous amounts, while the amounts parties could contribute to or expend on behalf of candidates would not increase by nearly the same proportion. Thus parties would play a less significant role, under the Gingrich/Republican bill.

Finally, Congressman Thomas has completely distorted the position of the DNC in its amicus brief filed with the U.S. Supreme Court in the Colorado Republican case. Under current law, a membership organization’s communication with the public is subject to the federal campaign finance law only when it “expressly advocates” the election or defeat of a candidate, and we believe that standard should apply in determining when expenditure limits apply to the communication of political messages.

In short, there should be no confusion about the fact that the Gingrich/Republican bill is a sham which would make the current system much worse. By no meaningful measure can this bill be called “reform.” It goes against the very first day of this Congress and look quickly point to the chart we have before us here showing that this truly is the reform Congress. Start with the very first day of this Congress and look at the many reforms that we have insti-
tuted. I simply do not have time to go through all of the bills that you go down the list of all the reforms that we have made during this session of Congress, and note it is a truly remarkable record.
Mr. Chairman, I think it is very important, to give the voters information that this Nation spends on advertising than one-third of the amount of money that this Nation spends on advertising and political campaigns in this Nation, State, local, and national, add it all together, it is millions of dollars; but I tell the Members, that is less than one-third of the amount of money that this Nation spends on advertising antacids.

I ask the Members, what is more important, to give the voters information about candidates and issues, or to give them information about antacids?

I believe in this bill we have put together a good package which allows us to get the information out to the American public about candidates and about issues. It does responsibly, it does it with full disclosure, and it does a much better job of governing campaign finance than the law we have right now.

A few interest groups oppose it, but they are themselves misleading the public on some of these issues. I think it is to their shame that they are doing this. I urge support of this bill, and I urge passage of this bill.

Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I hate to quibble with my friend, the gentleman from Michigan, but this bill does not adequately report on what third parties are putting into the political process. That is something we can improve in the motion to recommit.

Mr. Chairman, I yield the balance of my time to the gentleman from Connecticut [Mr. GEJDENSON], a member of our committee and a long-time advocate of campaign finance reform.

The CHAIRMAN. The gentleman from Connecticut [Mr. GEJDENSON] is recognized for 33 seconds.

Mr. GEJDENSON. Mr. Chairman, there are lots of things to debate about in campaign finance reform, but one of them is not the proposal put forth by the gentleman from California [Mr. THOMAS] today. It is clearly somewhat better than his original proposal, but it is still a bad bill; it is universally viewed as a bad bill, a bill that goes in the wrong direction, that deals with the wrong issues.

Many of those outside this political institution have described the Thomas bill as the wrong direction, a fraud, and a sham. Why? The answer is very simple: To believe that the Thomas bill is the solution to our problems in campaign financing, you would have to believe that wealthy people do not have enough influence, that poor people and working people have too much influence in this institution, and there just is not enough money in politics today.

Mr. Chairman, I am not sure where members could get that idea, but let me tell the Members something, it is a concept that the American people and most observers recognize is ridiculous. We have too much money in politics, we spend too much time raising that money, and use of government. Democrats, true to form, want to use government to control the political process.

But I can tell the Members something, this bill is dead wrong. It goes in the wrong direction, it gives rich people more power, it cuts off working people, it cuts off poor people. For God's sakes, if there is one thing a third-grader would know is we all spend too much time raising money, we spend too much money, and it does not help the political debate. We need to find a way to control spending. Is the Farr bill perfect? No. The Farr bill was not perfect, either. I am not sure we could come up with a perfect bill.

But I can tell the Members something, this bill is dead wrong. It goes in the wrong direction, it gives rich people more power, it cuts off working people, it cuts off poor people. For God's sakes, if there is one thing a third-grader would know is we all spend too much time raising money, we spend too much money, and it does not help the political debate. We need to find a way to control spending. Is the Farr bill perfect? No. The Farr bill was not perfect, either. I am not sure we could come up with a perfect bill.

But I can tell the Members something, this bill is dead wrong. It goes in the wrong direction, it gives rich people more power, it cuts off working people, it cuts off poor people. For God's sakes, if there is one thing a third-grader would know is we all spend too much time raising money, we spend too much money, and it does not help the political debate. We need to find a way to control spending. Is the Farr bill perfect? No. The Farr bill was not perfect, either. I am not sure we could come up with a perfect bill.

But I can tell the Members something, this bill is dead wrong. It goes in the wrong direction, it gives rich people more power, it cuts off working people, it cuts off poor people. For God's sakes, if there is one thing a third-grader would know is we all spend too much time raising money, we spend too much money, and it does not help the political debate. We need to find a way to control spending. Is the Farr bill perfect? No. The Farr bill was not perfect, either. I am not sure we could come up with a perfect bill.
let the people back home who are subjected to all of this determine how much should be spent in a campaign.

That is truly a frightening concept to the people across the aisle. They would have to go back home and justify what they are doing to the people in the district without their Washington power base, with little or no control over their Hollywood extravaganzas. Let us empower the people back home. That is what we do. That is what is really revolutionary about the approach that we are taking. I would ask for an “aye” vote on the basic bill.

Mrs. ROUKEMA. Mr. Chairman, when the final chapters of the history of this Congress are written, we will have achieved many significant accomplishments. First and foremost, we have finally turned the corner on our fiscal crisis by enacting record-breaking levels of deficit reduction. In addition, we have modernized our telecommunications laws, revolutionized agricultural subsidies, and implemented badly-needed reforms in our 40-year-old lobbying laws.

And, if we all do our jobs between now and October, we will fundamentally change our out-of-control welfare system, gain control of our borders through tough immigration reform, allow working American families greater access to health insurance, and modernized our financial services laws.

Mr. Chairman, I rise today to address what should be a centerpiece of this reform Congress: the bill won’t be—real reform of our campaign finance reform system. Clearly, it’s a system that is out of control. Campaign costs are skyrocketing. Candidates, incumbents, and challengers alike, find themselves devoting more time and more energy to fundraising. The reach and influence of political action committees continue to grow. As a result, the financial chasm between incumbent and challenger continues to widen.

Gone forever seem to be the days when a congressional challenger can run a campaign on a shoestring and defeat an entrenched incumbent, as I did through the 1978 and 1980 cycles.

All of this creates an impression in the public’s mind that Members of Congress are being bought and sold by special interests with little opportunity for the average taxpayer-citizen to have a real say in the process.

Let’s consider the costs. Twenty years ago, the combined costs of all elections in the United States of America stood at just over $500 million. In 1992, that total exceeded $3 billion. That’s three times the increase in the cost of living during that same period. In 1994, the average cost of winning a House campaign, including the many uncontested races, was more than $500,000.

The trend to these big money campaigns is terribly corrosive—and, I might add, self-perpetuating.

In the first place, candidates, including sitting Members of Congress, find themselves devoting increasing amounts of time and energy to raising money. Of course, this is time taken away from legislative or other important duties.

Which leads me directly to my second conclusion: that big money campaigns are self-perpetuating. It is a fact of political life that it is far easier for sitting Members to raise money than it is for their challengers.

I know. I’ve been there.

In 1978, I first ran against incumbent Representative Maguire. The money was very difficult to come by. In contrast, the Congressman was supported widely by major corporations, PAC’s, and other powerful concerns.

My case was by no means unique. Today’s incumbents typically have a 2-to-1 funding advantage over their challengers. A major factor in this ratio is that nearly three-quarters of PAC money goes to sitting Members—71 percent in 1994. Consider that an incumbent is typically well-known while the challenger has the difficulty of building name recognition—usually through expensive broadcast advertising—and the disparity is exaggerated. This makes a challenger’s uphill battle nearly impossible.

Ironically, PAC’s were once seen as a good government reform—a way for individuals who lacked power and money to band together and make their voices heard. Today, however, many PAC’s are nothing more than tools of special interests and organizations that always had power and money. PAC’s simply make it easier for these companies and groups to wield their considerable influence.

So the problem is well-known and, I submit, is the solution.

Mr. Chairman, today we should be debating the bipartisan Clean Congress Act, introduced by my colleagues LINDA SMITH, CHRIS SHAYS, and MARTY MEEHAN in the House and JOHN MCAIN and RUSS FEINGOLD in the Senate.

The bipartisan Clean Congress Act seeks to level the playing field between sitting Members and congressional challengers in a number of important areas. The bill would offer reduced rates for radio and TV commercials who agree to campaign spending limits. The bill would also prohibit PAC contributions to congressional candidates and requires that at least 60 percent of a PAC contributions come from the candidate’s home State. Limits on lobbyists’ campaign contributions would be lowered and a number of tougher important restrictions would be imposed.

Instead, we find ourselves debating two measures—neither of which is worthy of the title genuine reform.

Fundamentally, the Thomas bill will inject more money into the political system, not less, and perpetuates and expands all the corrosive effects of soft money.

The Democrat substitute also pales in comparison to our bipartisan bill. For example, it tinkers around the edges of PAC activity by trimming a mere $2,000 from the amount a PAC can contribute to a candidate.

Mr. Chairman, both of these bills are fundamentally flawed. In fact, enactment of either of these bills would do more to lock in some of the worst aspects of our campaign finance system.

Bad reform is worse than no reform. We should reject both the substitute and the base bill and start all over again. I recognize that this will not happen this year. I regret we will not be able to claim campaign finance reform on the list of accomplishments of this Congress.

If we cannot accomplish genuine reform then let’s make this an issue we take to the people this election year.

Mr. Poshard, Mr. Chairman, I rise in opposition to both the Republican campaign finance reform plan and the Farr substitute. These two proposals do not represent real reform—instead they mask the very problems that I and many of my colleagues on both sides of the aisle believe need to be addressed. Indeed, if we are to truly combat the influence of money in politics.

The Republican bill opens a new avenue for political parties to spend unlimited amounts of soft money on communications with their members. It is believed by many that this provision would simply codify unlimited privately funded campaigning. Additionally, both the Republican bill and the Farr substitute increase, instead of reduce, the annual aggregated contribution limit. This has the effect of giving additional buying power to the very wealthiest Americans.

Neither bill eliminates political action committee contributions, one of the biggest problems plaguing our national campaign system. Because I saw first-hand the influence of PAC money when first arrived in Washington, I have voluntarily refused PAC donations and rely instead on small, individual donors.

Because I believe drastic reforms are necessary to fix the current inequities, I am a co-sponsor of the Bipartisan Clean Congress Act, a bill which eliminates PAC contributions, bans franked—taxpayer financed—mass mailings in election years, and sets voluntary spending limits with benefits of TV, radio, and postage rate discounts for those who comply with the limits. Neither of the reform bills before us today begin to meet the goals of the Clean Congress Act.

While I understand there are also some concerns by an array of groups about the scope of the act, it is by far the best foundation in which to begin debating real campaign finance reform. Unfortunately, the Clean Congress Act was not allowed to come to the floor today.

We are not debating campaign finance reform today because of the House leadership’s commitment to passing an unnecessary campaign finance reform that will dramatically change the influence on money in politics. Instead, we are here today giving Americans a false impression that a majority of Congress supports true reforms—at least this is not the case.

If the House was truly serious about campaign finance reform, we should be considering many of the reforms contained in the Clean Congress Act.

Mr. Blumenauer, Mr. Chairman, I rise in favor of passage of the substitute measure. The gentleman from California has proposed a bill that takes an important step in the direction of limiting the amount of money in Federal election campaigns. In so doing, it replaces the candidate component of the opposite direction of H.R. 3820, which dramatically increases nearly every existing campaign contribution limit, and imposes no limit on spending.

Mr. Speaker, it is a mystery to me why the subject of campaign finance reform is one that continues to divide this House along partisan lines. There is a fundamental congruence of
interest on this issue between our constitu- ents, who want to reduce the influence of large amounts of money on elections, and the members of this body, who must raise these enormous sums. It is demanding difficult, and demeaning to spend so much time in the pur- suit of money instead of discussing and debat- ing the issues.

The substitute measure would, for the first time, place a spending limit on candidates for Congress, with rewards for those who honor the limits and penalties for those who do not. The limit is generous—I would favor a more restricted one, but it is a start, and in- cludes within it further limitations on expendi- tures of PAC contributions and large-donor contributions, ensuring that every candidate must turn to individuals of modest means for support.

I sincerely hope my colleagues on both sides of the aisle will join in adopting these limits. I hope, too, that we will view the sub- stitute bill as a good first step, and return to this subject again, soon.

Mr. KANJORSKI. Mr. Chairman, I first intro- duced legislation to overhaul our system of campaign financing 6 years ago, in 1990. I in- troduced my bill, because I believed then, as I believe today, that our current system of fi- nancing campaigns is broke and needs fixing. I introduced my bill, H.R. 296, the House of Representa- tives Election Campaign Reform Act of 1995, after lengthy consultation with Members on both sides of the aisle, with emi- nent academic experts on campaign finance reform, and with my constituents.

Although the campaign finance reform bills considered by the House in the 102d and 103d Congresses contained some of the provisions of my bill, I voted for the bills which came before the House in both the 102d and 103d Congresses because I believed they made significant steps in the right direction. Unfortunately, in the 102d Congress the bill was vetoed by President Bush, and in the 103d Congress Senate Republicans blocked efforts to go to conference on this important legisla- tion, and as a result neither bill became law.

Last year, in Claremont, NH, President Clin- ton announced Speaker Gingrich made a public commitment to embark on a bipartisan effort to pass campaign finance reform legislation. While President Clinton subsequently submit- ted campaign finance reform legislation to the Congress, Speaker Gingrich effectively reneged on his commitment and no bipartisan reform commission was ever established.

Instead, what we have today, is two separ- ate, partisan proposals, one developed by Speaker Gingrich and House Republicans, and the other by the House Democratic lead- ership. In both cases both bills were drawn up by partisans, they are both seriously flawed. Instead of trying to level the playing field for incumbents and challengers alike, for Democrats and Republicans, and for wealthy candidates and poor candidates, each bill seeks to achieve an advantage for one side or another. As a result, both bills are fatally flawed, and deserve to be rejected.

The Republican bill, H.R. 3820, which was previously, H.R. 3760, is fatally flawed be- cause it does nothing to control the overall cost of elections, because it substantially in- creases the amount that individuals can con- tribute to candidates and parties, because it creates an enormous loophole which allows rich individuals and corporate PAC’s to funnel tens of thousands, if not hundreds of thou- sands, of dollars to candidates through State and national parties, and because it severely restricts the ability of average working people to contribute a dollar or two every pay period to candidates.

The Democratic bill, H.R. 3505, is also fa- tally flawed because it restricts the rights of groups to communicate to their members how House and Senate Members voted on issues they are interested in. It also contains an inap- propriate loophole in the provision which oth- erwise prohibits the bundling of campaign con- tributions, and thereby allowing bundling by a few favored groups.

I deeply regret that the Republican leader- ship has brought these campaign finance pro- posals to the floor under a rule which prohibits Members from offering amendments to im- prove either of them. This is nothing more than an attempt to appear to be for reform, knowing full well that neither bill will become law. Instead, the existing status quo, which is fatally flawed, will be maintained.

We cannot restore the confidence of the American people in our government unless we enact campaign finance reform legislation, but we cannot achieve this goal in a partisan manner. In order to have a government in Abraham Lincoln’s words, “of the people, by the people, and for the people,” we must effectively eliminate the enormous sums of money on our political system. That is the premise of my proposal, H.R. 296, which I believe is fair and balanced to both parties, to incumbents and challengers, and to rich and poor candidates alike.

If neither the Democratic nor the Republican proposal before us is fair, what should we do to prevent the U.S. Congress from becoming the “Millionaires’ March on Washington”? There are two overriding concerns which should guide our actions in this area: First, public officials must be more concerned with the policy implications of legislation, than on their ability to raise campaign funds, and second, no individual or group should be able to buy an election.

Mr. Chairman, I come to this issue from a somewhat different perspective. I am one of a relatively small number of members who grew up in one party, and later became a member of the other party. I was raised as a Republi- can and served in the 83d Congress as a Republican, and worked on several Presidential, gubernatorial, congressional, and State and local Republican campaigns in the 1950’s and early 1960’s. As the Republican Party moved to the extreme right in the mid 1960’s and deserted those of us in the moder- ate Rockefeller-Scranton wing of the party, I became a Democrat, and elected to Congress as a Democrat in 1984.

My election in 1984 was also an unusual event. I defeated an incumbent Congressman in a primary, a rare occurrence, and I was one of a mere handful of new Democrats elected to the House during the 1984 Reagan land- slide.

Before I was even sworn-in for my first term in January 1985, my 1986 opponent was cam- paigning and raising hundreds of thousands of dollars in campaign contributions. In the 1986 campaign I was outspent nearly two-to-one by an opponent who raised and spent well over a million dollars in a district where media is relatively inexpensive and where no one had ever spent more than a couple of hundred thousand dollars in a campaign. My race turned out to be one of the two or three most expensive races in the country in 1986.

Despite being massively outspent, I still managed to win with more than 70 percent of the vote. In short, Mr. Chairman, I know what it is like to be an underdog, I know what it is like to be outspent, I know how hard it is for challengers to raise campaign funds, and I know how un- fair it is when one candidate has economic re- sources which are not available to his oppo- nent.

My bill, H.R. 296, the House of Representa- tives Election Campaign Reform Act of 1995, is an effort to bridge the gap between the par- ties over campaign finance reform, by enact- ing meaningful, but fair and balanced, reforms. It encourages honest competition and will help to further the goal of a government, “of the people, by the people, and for the people.”

This comprehensive campaign finance reform bill addresses all of the most pressing is- sues in campaign finance reform: from the growth of political action committees [PAC’s] and the declining influence of small contribu- tions from individuals, to independent expendi- tures, the unfair advantages of candidates who are personally wealthy, and PAC’s con- trolled by elected officials.

H.R. 296 also contains stiff criminal pen- alties for individuals who violate federal elec- tion laws.

Many of the provisions contained in this legis- lation are based on proposals originally rec- ommended by Dr. Norman J. Ornstein, of the American Enterprise Institute for Public Policy Research. Dr. Ornstein is a nationally known and respected scholar of the American po- litical and constitutional systems. He is held in high regard by members of both parties, which is why his ideas may help us move beyond our past partisan differences.

The cornerstone of H.R. 296 is the signifi- cant reduction in the amount of money political action committees [PAC’s] contribute to candidates and the strong new incentives pro- vided to encourage small contributions from instate contributors. The bill slashes the maxi- mum contribution a PAC can make to a can- didate from the current $5,000 to no more than $2,000 per election cycle. That is a 60 percent reduction.

The bill provides both a tax credit and a Federal matching payment for individual con- tributions of $200 or less to qualify candidates who are running for Congress in the contribu- tor’s home State.

In order to qualify for matching funds, a can- didate must agree not to spend more than $100,000 of his own money on the campaign, and must raise at least $25,000 in contribu- tions of $200 or less from persons who are not PAC donors. A voluntary income tax checkoff, similar to the one already used to finance Presidential elec- tions, is created to provide the Federal match- ing funds.

The bill also provides reduced broadcast rates for commercials which are less than 1 minute long, thus, the 30-second sound bite commercials. It provides disincentives to discourage so-called independent ex- penditures, and it penalizes candidates who spend large sums of their personal money on their campaigns.

Mr. Chairman, I know there may be a tend- ency on the part of some to blame all the ills of our current system on political action com- mittees. They are convenient scapegoats, but
SECTION 1. SHORT TITLE

The Act may be cited as the "House of Representatives Election Campaign Reform Act of 1995".

SECTION 2. LIMITATION ON CONTRIBUTING TO HOUSE OF REPRESENTATIVES CANDIDATES BY POLITICAL ACTION COMMITTEES

Reduces from $5,000 to $2,000 the maximum contribution a political action committee may make to a candidate per election.

SECTION 3. CREDIT FOR CONTRIBUTIONS TO CONGRESSIONAL CAMPAIGNS

Provides a 100% tax credit for the first $200 (or $400 in the case of a joint tax return) in personal contributions an individual makes to a House candidate running from the same state.

SECTION 4. DESIGNATION OF INCOME TAX PAYMENTS TO THE HOUSE OF REPRESENTATIVES CAMPAIGN TRUST FUND

Provides for a $2 tax credit check-off on individual federal tax returns to be paid to the "House of Representatives Campaign Trust Fund."

SECTION 5. ESTABLISHMENT OF THE HOUSE OF REPRESENTATIVES CAMPAIGN TRUST FUND

Creates a House of Representatives Campaign Trust Fund under the Secretary of the Treasury to receive funds derived from the $2 check-off and authorizes expenditures from the trust fund to certified candidates who have raised not less than $25,000 in contributions of $200 or less from individual contributors from their states.

SECTION 6. AMENDMENT TO THE FEDERAL ELECTION CAMPAIGN ACT OF 1971 RELATING TO REPORTING OF INDIVIDUAL RESIDENT CONTRIBUTIONS IN ELECTIONS FOR THE OFFICE OF REPRESENTATIVE

Requires House candidates to report to the FEC when they have raised more than $25,000 in contributions of $200 or less from individual residents in their state who violated a certification that they will not contribute more than $25,000 in contributions of $200 or less from individual residents in their state.

SECTION 7. AMENDMENTS TO SECTION 304 OF THE FEDERAL ELECTION CAMPAIGN ACT OF 1971 RELATING TO MATCHING PAYMENTS FROM THE HOUSE OF REPRESENTATIVES CAMPAIGN TRUST FUND

(a) Entitles House candidates to matching payments from the trust fund for the first $200 in contributions from individuals who reside in the state.
(b) Limits maximum total aggregate matching payments to $300,000.
(c) In order to receive the matching payments, House candidates are required to certify, under penalty of perjury, that neither they, nor their family, shall furnish more than $100,000 in personal funds or loans for the campaign.

Establishes penalties of up to $25,000 in fines and/or 5 years in prison for violations of any certifications that a candidate will not exceed $100,000 in personal funds.
(d) Provides that if a candidate for the House refuses to make a certification that he/she will not spend over $100,000 in personal funds, that candidate's opponents may receive matching funds for up to $1,000 in contributions from individuals regardless of their state of residence.
(e) Allows opponents of a House candidate, who violates a certification to limit personal spending to $100,000, to receive from the trust fund payments equal to the amount of personal funds contributed by the violating candidate in excess of $100,000.
(f) Permits certified House candidates who are the target of independent expenditures which exceed $10,000 to receive from the trust fund an amount equal to 300% of the amount of the independent expenditure. Persons found to have willfully or intentionally sought to subvert the intent of subsection may be fined up to $25,000 and/ or imprisoned for up to 5 years.
(g) Requires the repayment to the trust fund a portion of any excess campaign funds after the election in an amount equal to the pro rata share that trust fund payments amount to of the candidate's total aggregated receipts from all sources for the election. Repayments to the trust fund shall not exceed the total amount received from the trust fund.
(h) Requires the FEC to issue regulations to biennially index the provisions of subsection (a).
us from securing the best result for the American people and for the American political process. While I want to commend Bill Thomas for including in the House leadership bill several significant reforms, specifically the aggregate contribution limits on PACs and parties, the Thomas bill is far too timid of the choices available. I choose the Farr substitute. Though not perfect, the Farr substitute contains far more of the kinds of reforms that I think are necessary. The Farr substitute establishes an overall voluntary spending limit of $600,000 on congressional campaigns. In exchange for adhering to voluntary limits, it provides candidates with discounted broadcast and mail rates. The substitute limits contributions from PAC’s and eliminates leadership PAC’s altogether. It also limits the amount large donors can contribute. And, most important, it limits the amount individuals can contribute or loan to their own campaigns. In contrast, the Thomas bill only takes off restrictions if an individual self-fines above a certain dollar threshold. And, that reform which the Farr substitute makes is a clear definition of what constitutes an independent expenditure.

It is my hope that the Farr substitute will marshal majority support in this Chamber. If it does not, public cynicism about Congress and the electoral process is likely to increase. Mr. Chairman, we need reform. And if afforded the opportunity to consider in an open fashion the reform proposals made by some of our colleagues, including the proposal put forward by the gentleman from Washington [Mr. SMITH] and the gentleman from Massachusetts [Mr. MEEIHAN], I think we could have found a bipartisan consensus for a strong congressional campaign finance reform measure. Under this rule, we’ll never know for sure. And, as a result, campaign finance reform will continue to be used as a partisan sledgehammer instead of a tool to restore integrity to our current campaign finance system.

Mrs. COLLINS of Illinois. Mr. Chairman, I ask unanimous consent to revise and extend my remarks. I rise in support of campaign finance reform, I have always been, but this Gingrich Republican bill is not reform, it is revolting. So I oppose this bill, H.R. 3820. The 104th Congress, with a Republican leadership that was bought and paid for by special interest money, is a clear demonstration of what can and did happen when money talked and elephants walked into the leadership of this Congress. The GOP—guardians of the privileged—honored their obligations to their wealthy supporters: obligations to try to pass legislation to slash health, education, social services, environmental, and other programs that provide for and lift up the vulnerable among us.

In all my 23 1/2 years in this Congress, I have never seen such flagrant special interest legislating. How can we control this buying and selling of the Congress? Easily, by cutting out the Republicans’ special interest campaign finance preferential treatment bill. We must achieve meaningful reform of the Federal campaign financing system. That doesn’t mean raise the amounts of money wealthy supporters can contribute, that doesn’t mean that we should raise the amounts of money that can be funneled into a candidate’s campaign by hiding it in political party bank accounts, and it certainly doesn’t mean that we should raise the limit on how much the very wealthy can spend to influence elections every year. Until and unless we fix this boondoggle, campaigns for the U.S. Congress and the President will be in danger of being sold to the highest bidding special interests. So, what are the Republicans proposing? Guess.

What would enhance their ability to raise more money? An answer: Raising the amount an individual can give to a Federal candidate from $1,000 to $2,500. How can the Republicans help their wealthy supporters have even more influence on policy and lawmaking? Answer: By raising the limit on the total amount an individual can contribute from $25,000 in an election cycle to $72,500. How can the Republicans help their candidates get more support from the always better funded Republican party committees? Answer: By raising the amount of funds a party committee can contribute to a candidate, or doing away with a limit altogether. Only if we defeat this Republican inspired bill will we be able to ensure that the Congress achieved significant reforms in the way in which the campaign finance system is structured and funded.

Comprehensive campaign finance reform is necessary to ensure the true revitalization of the American democratic process and I have been a strong supporter of legislative efforts designed to lessen the ever increasing costs of campaigning. Wealthy individuals will continue to provide for more competitive contests between incumbents and challengers. Understandably, the American public has become more and more disenchanted with big-money politics, and it is imperative that we renew the faith of our citizens in the ability of Congress to objectively represent the desires of our constituents. In the 103d Congress, the House of Representatives and the Senate considered campaign finance reform legislation which included major provisions: First, a voluntary spending limit on House candidates in an election cycle, second, a limitation on contributions from Political Action Committees (PAC’s) and large contributors of $200,000 per election cycle, third, the closing of several loopholes in current campaign law regarding independent expenditures and so-called soft money, fourth, restrictions on campaign contributions and fundraising by lobbyists, and fifth, the introduction of communications vouchers to provide greater access to television and radio time for all candidates.

In H.R. 3820, the one-sided special interest financing bill that the Republicans have designed clearly demonstrates that they never saw a special interest with too much money. Although the Republican leadership has publicly said that there needs to be more money spent in campaigns—not less, with this bill, they are trying to make sure they get the money that can.

I urge my colleagues to use some common sense and turn down this unlimited funding bill for the wealthy to elect more Republicans. Heaven forbid.

Mr. LIPINSKI. Mr. Chairman, today is a very important day in history. Today is the day when we can restore the American people’s faith in Congress. Recent polls show that the American people distrust Congress, and I can understand why. They feel that Congress is beholden to the rich and the elite. Clearly, Congress must take strong steps to restore public confidence.

However, H.R. 3820, the Campaign Finance Reform Act, is not the way. To paraphrase the New York Times, it is an unarmed campaign reform. It will open the floodgates for fat cats to give even more money to candidates and parties—from a maximum of $25,000 a year to more than $3 million a year. Only 1 percent of Americans contributed $200 or more during the last election. It is clear that H.R. 3820 will give this 1 percent of Americans, the elite, even more influence in the political process.

The GOP leadership has been crowing about campaign finance reform and the much touted “Reform Week,” but when it came time to put the product out, well, you see the result. Then again, proponents of this measure are the same people who say that we do not spend enough money on politics and that campaigns, relative to the cost of marketing liquid detergents, are severely underfunded. It is not this for the wealthy to elect more Republicans. As usual, Vote for meaningful reform during “Reform Week”—not empty symbolism.

Mr. REED. Mr. Chairman, I rise to address one of the most important issues facing our Nation: reforming the electoral process. Mr. Chairman, the time has come for real campaign finance reform. At present, too many Americans believe that our Government is for sale. Watching millions spent on political campaigns, our Nation’s citizens turn to a system that is reserved for the wealthy and dominated by special interests.

These perceptions promote cynicism about government and undermine public faith in Congress. To win back the American people’s trust, campaign spending must be brought...
under control and the influence that money wields in our Nation’s electoral process must be reduced.

Controlling runaway campaign costs will allow candidates to spend less time raising funds and more time discussing issues with voters. It will also level the playing field for our Nation’s citizens who may feel that unless they are wealthy, they cannot realistically compete for public office.

Unfortunately, these goals are nowhere to be found in this Republican bill, which is opposed by nearly every group committed to government reform. United We Stand America has denounced this bill. The League of Women Voters calls it a fraud. Common Cause calls it a total phony and states, “Any Member who votes for this bill can only be called a Protector of Corruption.”

Why has the Republican bill attracted uniform opposition? Because it ignores the American people’s desire for meaningful campaign finance reform that controls the cost of campaigns.

The Republican bill does nothing to limit campaign spending in congressional elections. It does nothing to limit the role of wealthy individuals or increase that of our Nation’s working families in elections. It does nothing to limit the excessive spending by political parties that the Supreme Court promoted in its Colorado Republican Party v. Federal Election Commission decision. It does nothing to close the soft money loophole, which lets special interests pour millions of dollars into campaigns with no accountability.

The American people deserve better than this sham. Today the House should have an open debate on campaign finance reform to find the best answer to this critical issue. However, the Republican majority opposes such full consideration and refuses to allow the Smith-Shays-Meehan bill to reach the House floor.

Since coming to Congress, I have worked for real campaign finance reform. I have supported legislation to place voluntary spending limits on congressional campaigns, cap contributions from special interests and wealthy individuals, and close the soft money loophole. This week I introduced a discharge petition to allow consideration of the Smith-Shays-Meehan bill, and I cosponsored House Joint Resolution 114, which would specifically allow Congress to place reasonable limits on campaign spending.

We need real campaign finance reform. I urge my colleagues to oppose the Republican bill and answer the American people’s call to reduce the role of money in our Nation’s elections.

Mr. SMITH of Michigan. Mr. Chairman, today, this Congress can pass much needed campaign finance reform. While this legislation doesn’t go as far as I think it should, it is a positive step in the right direction.

I have supported campaign finance reform for a long time. I’ve introduced legislation in both the 103rd and the last session of Congress that would have banned PAC contributions to congressional candidates. My proposals would also have required at least 50 percent of a candidate’s total contributions come from within the congressional district. I’m pleased this important part of my proposal was adopted by the committee and is part of this legislation.

Representatives shouldn’t be beholden to any interest other than the peoples’ interest. And for the past 15 years, since I first ran for the Michigan Senate, I haven’t accepted any special interest PAC contributions.

As a member of the Campaign Finance Reform task force, I am very concerned about the excessive amount of influence special interest political action committees (PAC’s) have in Washington. During the past 19 months, as we’ve worked to rein in big Government lobbyists, they have become more aggressive in protecting their special interests. We must not let special interest PAC’s with their huge political contributions decide legislation.

We’ve made progress in this bill, but I believe true campaign finance reform will only be achieved when we remove the undue influence of special interest PAC lobbyists and their millions of dollars in campaign contributions from the political process.

Some Members feel this bill goes too far, some think it does not go far enough. However, because of perception and because of the real undue influence of special interest lobbyists we must move ahead with campaign finance reform.

Ms. DUNN of Washington. Mr. Chairman, the electorate and those who participate in the political process are owed, at a very minimum, several fundamental protections to ensure fair and competitive elections. The House of Representatives has already passed the Campaign Finance Reform Act of 1996, H.R. 3820, legislation that addresses many of the injustices and shortcomings of the current campaign finance system. I want in my statement to underscore several points: the importance of guaranteeing integrity in the campaign process; the requirement that candidates be accountable to the voters they seek to represent, and the importance of guarding the competitive nature of campaigns. I also intend to point out areas where I believe the efforts of the legislation before us fail slightly short.

The Campaign Finance Reform Act takes a first step toward ensuring that the interests most special to Members of Congress are the interests of the citizens of their district, and not, for example, the representatives of multi-candidate political committees. One of my highest legislative priorities this Congress has been the formulation of a meaningful, bipartisan campaign finance proposal—the FAIR Elections Act of 1996, H.R. 3543—the essence of which is a requirement that candidates for Federal office be more accountable to the citizens they represent.

Whereas my legislation creates fairness in the treatment of contributions from multicandidate political committees and individuals by equalizing the maximum permissible limits, the amendment to the Campaign Finance Reform Act retains the current disequilibrium. Under present law, individual limits are set at $1,000 and PAC limits at $5,000 per election. This legislation proposes to retain individual limits at $1,000, and lower PAC limits by half to $2,500 to elections including both prospectively for inflation. While this amendment is the original provision—which proposed to equalize the limits, but then retroactively adjusted them for inflation, in essence more than doubling the contribution limits of individuals—is an improvement over the original bill language, it is of course only part of what I believe to be the correct approach.

I believe this difference is critical to effective and meaningful reform. The proposed contribution levels create the perception that if you ban together with a group of like-minded citizens in a constitutionally protected effort to exercise your free speech rights, your voice is still a little bit more valuable, more weighted so to speak, than if you are simply an individual acting on that right. I assert that everyone should have that right.

I would point out that last week, I asked the Rules Committee to make in order an amendment to the Campaign Finance Reform Act to change the original retroactive indexing to prospective indexing, thereby keeping the $1,000 personal funds limit to secure a primary victory. That is why I sought to lower it. I believe true campaign finance reform will only be achieved when we remove the undue influence of special interest PAC lobbyists and their millions of dollars in campaign contributions from the political process.

The American people deserve better than this sham. Today the House should have an open debate on campaign finance reform to find the best answer to this critical issue.

The Campaign Finance Reform Act as originally reported provides special rules for candidates in an election when one of those candidates injects large amounts of personal wealth into the campaign. In the primary election for example, if $150,000 in personal wealth is spent, the bill raises individual contribution limits and lifts in-district fundraising rules for all candidates up to the amount spent. In the general election, if between $2,500 and $150,000 in personal wealth is spent, the bill allows political parties to contribute up to the full amount. And if over $150,000 in personal wealth is spent, the bill allows political parties to contribute matching dollars and also raises the individual contribution limits and in-district fundraising requirements.

An amendment I proposed would have lowered the triggering threshold to $50,000 in both the primary and general elections; $150,000 in personal wealth could be enough to secure a primary victory. That is why I believe the triggering limit is too generous, and why I sought to lower it.

One aspect of my own proposal would have offered incentives for individuals to become personally involved in the political process. By restoring the $100 per person tax deduction—$200 for joint returns—we would encourage citizens to contribute local dollars to candidates for the State or Federal Senate, and thereby broaden the contribution base of a candidate.

After witnessing the political process from the perspective of a private citizen, a State party chairman, a candidate for public office, and a Federal representative, I have no doubt that reform of our current system of financing campaigns is appropriate and necessary. My certainty in this regard hovers around several tenets of reform.
The first is fairness. We should create fairness by equalizing the amount groups of like-minded individuals may contribute with what individuals may give to a candidate. We should ensure strictly voluntary participation in the political process, so that American workers are not unfairly forced to finance a political agenda with which they may adamantly disagree.

The second principle is accountability. We must encourage Members of Congress to be more accountable to their constituents, not political committees, by requiring candidates to raise the majority of their funds in-State and in-district.

Integrity is the third aspect, enhanced through the promotion of fair competition between incumbents and challengers by, for example, restricting the use of official mail—franking—allowances, and disallowing the bipartisan habit of fundraising while Congress is conducting legislative business. Finally, other reform is long overdue, such as the restoration of an $100 income tax deduction to taxpayers who participate in the political process.

Mr. Chairman, I rise to express my opposition to H.R. 3820, the Bipartisan Campaign Finance Reform Act of 1996, as amended, and for the trust people need to have in their representatives in elections that are free of corruption, and fail to provide reasonable compensating information voters need to cast ballots with complete confidence, thereby increasing the belief of, or the appearance of, corruption.

Pursuant to House Resolution 481, the bill is considered read for amendment under the 5-minute rule and amendment No. 1 printed in the appropriate place in the Congressional Record by the gentleman from California [Mr. FARR].

Although neither of the two proposals do enough to address the amount of special-interest money in congressional campaigns, the Farr substitute, with its aggregate limit on PAC contributions and on large donations from individuals, represents an enormous improvement over the existing system in that regard. The Republican proposal, in contrast, would actually increase the influence of wealthy individuals and special-interest groups in our electoral process.

But regardless of which proposal—if either—is passed by the House today, we won’t matter because the Senate is not going to re-vote the same this year, and therefore a reform bill will not be signed into law.

Campaign finance reform is, without a doubt, the most important reform we could possibly make here in Congress. A campaign finance system that would lessen the role of special interests in our political and legislative process would make a bigger difference in the way Congress operates—and would more to restore public trust in Congress—than any other change we could possibly make to this institution.

However, the dismal record on campaign finance reform from the years when Democrats controlled Congress, and the all-but-certain failure of the Republicans’ effort this year, demonstrate that much more groundwork must be done to pass a reform bill and get it signed into law.

The experience of recent years has convinced many of us that we will not succeed with this issue unless we develop a campaign finance system that has bipartisan support. It is not impossible, in my view. But it is going to require the majority leadership to reach out to and work with the minority leadership in good faith.

I am also convinced that, unpopular as it may seem, part of the solution has to be the inclusion of a significant amount of public financing. That could take the form of direct Federal payments to candidates, vouchers for media and mail, requirements for free air time for candidates as part of broadcast licensing, or other means. There is simply no way congressional candidates will ever have adequate resources to run a viable campaign, and also be less influenced by campaign contributors, unless we have a system that includes public financing.

Providing some kind of public financing is our best hope for reducing the influence of special interests in our legislative process, promoting more competitive campaigns, and ensuring that people who do not have a large amount of personal wealth will have the opportunity to run for Congress.

Mr. Speaker, it is too late to enact campaign finance reform legislation this year. But I strongly urge the leadership of both parties to come together and begin working, now, on a bipartisan plan for reforming our campaign finance system that could be considered early in the next Congress. This issue is too important for the integrity of the legislative process, and for the trust people need to have in their elected officials for democracy to work, for either party to continue to pursue partisan campaign finance proposals that are only destined for failure.

The CHAIRMAN. All time for debate has expired.

Pursuant to House Resolution 481, the bill is considered read for amendment under the 5-minute rule and amendment No. 1 printed in the appropriate place in the Congressional Record by the gentleman from California [Mr. THOMAS] is adopted.

The text of H.R. 3820, as amended, is as follows:

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Campaign Finance Reform Act of 1996".

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

Sec. 1. Short title; table of contents.
Sec. 2. Findings.

TITLE I—RESTORING CONTROL OF ELECTIONS TO INDIVIDUALS

Sec. 101. Requiring majority of House of Representatives candidate funds to come from individuals residing in district.
Sec. 102. Reduction in allowable contribution amounts for political action committees; revision of limitations on amounts of other contributions.
Sec. 103. Modification of limitations on contributions to political action committees; candidates to spend or contribute large amounts of personal funds.

Sec. 104. Indexing limits on contributions.
Sec. 105. Prohibition of leadership committees.
Sec. 106. Prohibiting bundling of contributions to candidates by political action committees and lobbyists.
Sec. 107. Definition of independent expenditure.
Sec. 108. Requirements for use of payroll deductions for contributions.

TITLE II—STRENGTHENING POLITICAL PARTIES

Sec. 201. Limitation amount for contributions to State political parties.
Sec. 202. Allowing political parties to offset funds carried over from previous elections.
Sec. 203. Prohibiting use of non-Federal funds in Federal elections.
Sec. 204. Permitting parties to have unlimited communication with members.
Sec. 205. Promoting State and local party volunteer and grassroots activity.

TITLE III—DISCLOSURE AND ENFORCEMENT

Sec. 301. Timely reporting and increased disclosure.

TITLE IV—WORKER RIGHT TO KNOW

Sec. 401. Findings.
Sec. 402. Purpose.
Sec. 403. Worker choice.
Sec. 404. Worker consent.
Sec. 405. Worker notice.
Sec. 406. Disclosure to workers.
Sec. 407. Construction.
Sec. 408. Effective date.

TITLE V—GENERAL PROVISIONS

Sec. 501. Effective date.
Sec. 502. Severability.
Sec. 503. Expedited court review.

SEC. 2. FINDINGS.

Congress finds the following:

(1) Our republican form of government is strengthened when voters choose their representatives in elections that are free of corruption or the appearance of corruption.

(2) Corruption or the appearance of corruption in elections may evidence itself in many ways:

(A) Voters who democratically elect representatives must believe they are fairly represented by those they elect. The current election laws have led many to believe that the interests of those who actually vote for their representatives are less important than those who cannot vote, but who can influence an election by their contributions to the candidates.

(B) Failure to disclose, or timely disclose, those who contribute and how much they contribute unnecessarily withholds information voters need to cast ballots with complete confidence, thereby increasing the belief of, or the appearance of, corruption.

(C) The diminishing role of political parties, despite parties’ long-standing role in advancing broad national agendas, in assisting the election of party candidates, and in organizing members, has relatively enhanced groups that pursue narrower interests. This relative shift of influence has been interpreted by some as corrupting the election process.

(D) Complicated and obsolete election laws and rules discourage citizens from becoming candidates, allow for coerced involuntary public service, and fail to provide reasonable compensating
contribution limits for candidates who run against candidates who wish to exercise their constitutional right of spending their own resources. The current state of laws and rules on this subject does not fully reflect the very least they unduly hinder fair, honest, and competitive elections.

Title I—Restoring Control of Elections to Individuals

103. Revision of Current Limitations—House of Representatives

(a) In General.—Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a) is amended by adding at the end the following new subsection:

`````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````````
to an election in an amount greater than $150,000 (as reported under section 304(a)(2)(A)), the following rules shall apply:

"(A) In the case of a general election, the limitations apply to contributions made by any opponent of the candidate, (a)(1), (a)(2), and (a)(3) (insofar as such limitations apply to political party committees and to individuals, and to other political committees to the extent that the aggregate amount contributed does not exceed 10 times the amount of the limitation otherwise applicable under such subsection) shall not apply to contributions to the candidate or any opponent of the candidate or to such committee, except that neither the candidate nor any opponent may accept aggregate contributions under this subparagraph and paragraphs (1) and (2) of section 315(j)(4), in the aggregate, in an amount greater than the greatest amount of personal funds (including contributions to the candidate's authorized campaign committee) expended by any House candidate with respect to the election (as reported in a notification submitted under section 304(a)(6)(B)).

"(B) In the case of an election other than a general election, the limitations under subsection (a)(1) and (a)(2) (insofar as such limitations apply to individuals and to political committees other than political party committees to which the aggregate amount contributed does not exceed 10 times the amount of the limitation otherwise applicable under such subsection) shall not apply to contributions to the candidate or any opponent of the candidate or to such committee, except that neither the candidate nor any opponent may accept aggregate contributions under this subparagraph and paragraphs (1) and (2) of section 315(j)(4), in the aggregate, in an amount greater than the greatest amount of personal funds (including contributions to the candidate's authorized campaign committee) expended by any House candidate with respect to the election (as reported in a notification submitted under section 304(a)(6)(B)).

"(3) In this subsection, the term `House candidate' means a candidate in an election for the office of Representative in, or Delegate or Resident Commissioner to, the Congress.

"(b) Notification of expenditures of personal funds.—Section 304(a)(6) of such Act (2 U.S.C. 441a(j)), as added by section 103(a), is amended—

"(1) by redesignating paragraph (3) as paragraph (4); and

"(2) by inserting after paragraph (A) the following new paragraph:

"(B)(i) The principal campaign committee of a House candidate (as defined in section 315(j)(3)) shall submit the following notifications to the Federal Election Campaign Commission of the expenditures of personal funds by such candidate (including contributions by the candidate to such committee):

"(1) A notification of the first such expenditure (or contribution) by which the aggregate amount of personal funds expended (or contributed) with respect to an election exceeds the amount of the limitation established under section 315(a)(1)(A) for elections in the year involved.

"(2) A notification of each such expenditure (or contribution) subsequently made with all such expenditures (and contributions) in any amount not included in the most recent report under this subparagraph, totaling $5,000 or more.

"(3) A notification of the first such expenditure (or contribution) by which the aggregate amount of personal funds expended with respect to an election exceeds the level applicable under section 315(j)(2) for elections in the year involved.

"(4) Each of the notifications submitted under this subparagraph shall be submitted not later than 24 hours after the expenditure or contribution which is the subject of the notification is made.

"(B)(ii) shall include the name of the candidate, the office sought by the candidate, and the date of the expenditure or contribution and amount of the expenditure or contribution involved; and

"(III) shall include the total amount of all such expenditures made with respect to the same election as of the date of expenditure or contribution which is the subject of the notification.

"SEC. 104. LIMITING CONTRIBUTIONS ON EXPENDITURES TO CANDIDATES BY POLITICAL ACTION COMMITTEES AND LOBBYISTS RELATING TO PERSONAL FUNDS.—Section 304(a)(6)(B) of such Act (2 U.S.C. 441a(j)), as added by section 103(a), is amended by—

"(B) inserting after paragraph (B) the following new paragraph:

"(C)(i) For calendar year 1999, each such amount shall be equal to the amount described in such subsection, increased (in a compounded manner) by the percentage increase in the price index for the previous year and the second previous year.

"(ii) For calendar year 2001 and each second subsequent year, each such amount shall be equal to the amount for the second previous year (as adjusted under this subparagraph), increased (in a compounded manner) by the percentage increase in the price index for the previous year and the second previous year.

"(B) In the case of any amount adjusted under this subparagraph which is not a multiple of $500, the amount shall be increased to the nearest highest multiple of $500.

"(2) A PPLICATION OF INDEXING TO SUPPORT OF CANDIDATE'S COMMITTEES.—Section 304(a)(6)(B) of such Act (2 U.S.C. 441a(j)), as added by section 103(a), is amended by amending at the end the following new sentence: "The amount described in the previous sentence shall be adjusted (for years beginning with 1997) in the same manner as the amounts of limitations on contributions under section 315(a) are adjusted under section 315(c)(3)."

"(c) A PPLICATION OF INDEXING TO PROVISIONS RELATING TO PERSONAL FUNDS.—

"(1) In general.—Section 315(j)(5) of such Act (2 U.S.C. 441a(j)), as added by section 103(a), is amended—

"(A) by redesigning paragraph (3) as paragraph (4); and

"(B) by inserting after paragraph (2) the following new paragraph:

"(3) Each of the amounts provided under paragraph (1) or (2) shall be adjusted for each biennial period beginning after the 1998 general election by the same percentage increase in the price index as for each biennial period beginning after the 1997 general election.

"(II) shall include the name of the candidate or any opponent described as for or against a position on an issue.

"(c) Effective date.—The amendments made by this section shall apply with respect to elections occurring in years beginning with 1997.

"(2) Transition rule.—In general.—Notwithstanding section 302(j) of the Federal Election Campaign Act of 1971 (as added by subsection (a), if a political committee established, maintained, financed, or controlled by a candidate or individual holding Federal office or an individual holding Federal office (other than a principal campaign committee, a joint fund-raising committee, or other committee of the candidate or individual with respect to an election occurring in the year 1996 has funds remaining unexpended after the general election, the committee may make contributions or expenditures of such funds with respect to elections occurring during 1997 or 1998.

"(D) DISBANDING COMMITTEES; TREATMENT OF REMAINING FUNDS.—Any political committee described in subparagraph (A) shall be disbanded after filing any post-election reports required under section 304 of the Federal Election Campaign Act of 1971 with respect to the 1998 general election. Any funds of such a committee which remain unexpended after the 1998 general election and before the date on which the committee is disbanded shall be returned to contributors or available for any lawful purpose other than use by the candidate or individual involved with respect to an election for Federal office.

"SEC. 106. PROHIBITING BUNDLING OF CONTRIBUTIONS TO CANDIDATES BY POLITICAL ACTION COMMITTEES AND LOBBYISTS.—

"Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding at the end the following new subsection:

" `(c)(1) No political action committee or person required to register under the Lobbying Disclosure Act of 1995 (2 U.S.C. 1601 et seq.) may act as an intermediary or conduit with respect to a contribution to a candidate for Federal office.

" `(2) In this subsection, the term `political action committee' means any political committee which is not—

"(A) the principal campaign committee of a candidate for Federal office;

"(B) a political party committee.

"SEC. 107. DEFINITION OF INDEPENDENT EXPENDITURES.—

"Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by—

"(17)inserting paragraph (17) and inserting the following:

" `(17)(A) The term `independent expenditure' means an expenditure by a person for the election or defeat of a clearly identified candidate which is not made with the cooperation or with the prior consent of, or in consultation with, or at the request or suggestion of, a candidate or any agent or authorized committee of such candidate.

"(B) For purposes of this paragraph—

"(i) `Expressly advocating the election or defeat of a clearly identified candidate' means the use of any communication of one or more clearly identified candidates, or words such as `vote for,' `reelect,' `support,' `cast your ballot for,' `vote against,' `defeat' means the use in the communication of explicit words such as `vote for', `reelect', `support', `cast your ballot for', `vote against,' `defeat,' or `reject,' accompanied by a reference in the communication to one or more clearly identified candidates, or words such as `vote for' or against a position on an issue, accompanied by a listing in the communication of one or more clearly identified candidates described as for or against a position on that issue;
Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following new section:

"USE OF PAYROLL DEDUCTIONS FOR CONTRIBUTIONS

SEC. 323. (a) REQUIREMENTS FOR AUTHORIZATION OF DEDUCTION.

(1) In general. Amounts withheld from an individual’s wages or salary during a calendar year occurring during the period in which an individual’s authorization is in effect shall be deductible under section 101 and subdivision (a) of section 103 of such Act (2 U.S.C. 431(9)(B)) is amended—

(iii) which is not made with the cooperation or with the prior consent of, or in consultation with, or at the request or suggestion of, a candidate or any agent or authorized committee of such candidate; and

(2) Purpose. Amounts withheld from an individual’s wages or salary during a calendar year occurring during the period in which the individual’s authorization is in effect under paragraph (1) shall be deductible under section 103 of such Act (2 U.S.C. 431(9)(B)) if—

(i) the individual attests in writing that the amounts were withheld for the purpose of influencing an election for Federal office and for any other purpose not subject to the limitations and prohibitions of this Act of which the individual has actual oral or written authority, either express or implied, to make or authorize the making of expenditures on behalf of a candidate;

(ii) the term ‘agent’ means any person who has actual oral or written authority, either express or implied, to make or authorize the making of expenditures on behalf of a candidate.

(c) Authorizations for Political Parties. An expenditure by a person for a communication which does not contain explicit or other express or implied, to make or authorize the expenditure in question for the communication of, a candidate or any agent or authorized committee of such candidate, shall be considered to have been authorized in effect under section 101 and subdivision (a) of section 103 of such Act (2 U.S.C. 431(9)(B)) if—

(i) an authorization in effect under such title is in effect in an election for Federal office and for any other purpose not subject to the limitations and prohibitions of such Act of which the individual has actual oral or written authority, either express or implied, to make or authorize the making of expenditures on behalf of a candidate;

(ii) the purpose of the communication is for the purpose of influencing an election for Federal office and for any other purpose not subject to the limitations and prohibitions of such Act of which the individual has actual oral or written authority, either express or implied, to make or authorize the making of expenditures on behalf of a candidate.

Title II—STRENGTHENING POLITICAL PARTIES

SEC. 201. LIMITATION AMOUNT FOR CONTRIBUTIONS TO STATE POLITICAL PARTIES.

Paragraphs (2)(A) and (2)(B) of section 315(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441(a)(4)) are each amended by adding at the end the following new subsection:

"DEDUCTION OF NON-FEDERAL FUNDS IN FEDERAL ELECTIONS.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by adding at the end the following new section:

"RESTRICTIONS ON USE OF NON-FEDERAL FUNDS

SEC. 324. (a) PROHIBITING USE OF FUNDS IN FEDERAL ELECTIONS.—No funds may be expended for mixed activities defined in the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by adding at the end the following new subsection:

"ACTIVITY.

VOLUNTEER AND GRASSROOTS ACTIVITIES.

SEC. 202. PERMITTING PARTIES TO HAVE UNLIMITED COMMUNICATION WITH MEMBERS.

Title IV of the Federal Election Campaign Act of 1971 (2 U.S.C. 441(d)) is amended by adding at the end the following new subsection:

"(a) IN GENERAL.—Section 315(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441(d)) is amended by adding at the end the following new subsection:

"(c) BY STRIKING ‘‘and’’ at the end of clause (xiii); and

"(d) by striking the period at the end of clause (xvi) and inserting ‘‘; and’’; and

"(e) by adding at the end the following new clause:

"The mailing of materials for or on behalf of specific candidates by volunteers (including labeling envelopes or affixing postage or other indica to particular pieces of mail), other than the mailing of materials to a commercial list.

"(iii) Conducting a telephone bank for or on behalf of specific candidates staffed by volunteers.

"(iv) The distribution of collateral materials (such as pens, bumper stickers, handbills, brochures, posters, party tabloids, and yard signs) for or on behalf of specific candidates (whether by volunteers or otherwise)."

"(2) EXPENDITURES.—Section 310(b)(8) of such Act (2 U.S.C. 433(b)(8)) is amended—

"(A) by striking ‘‘and’’ at the end of clause (ix); and

"(B) by adding at the end the following new clauses:

"(C) An expenditure by a person for a communication which does not contain explicit or other express or implied, to make or authorize the expenditure in question for the communication of, a candidate or any agent or authorized committee of such candidate, shall be considered to have been authorized in effect under section 101 and subdivision (a) of section 103 of such Act (2 U.S.C. 431(9)(B)) if—

(i) the individual is registered to vote as a member of the party;

(ii) the individual has made a contribution to the party during the most recent primary election;

(iii) the individual has indicated in writing that the individual is a member of the party; and

(iv) the individual has a public record that the individual voted in the primary of the party during the most recent primary election.

"Title II—STRENGTHENING POLITICAL PARTIES

SEC. 203. PROHIBITING USE OF NON-FEDERAL FUNDS IN FEDERAL ELECTIONS.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by adding at the end the following new subsection:

"RESTRICTIONS ON USE OF NON-FEDERAL FUNDS

SEC. 324. (a) PROHIBITING USE OF FUNDS IN FEDERAL ELECTIONS.—No funds may be expended for mixed activities defined in the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by adding at the end the following new subsection:

"USE OF PAYROLL DEDUCTIONS FOR CONTRIBUTIONS

SEC. 323. (a) REQUIREMENTS FOR AUTHORIZATION OF DEDUCTION.

(1) In general. Amounts withheld from an individual’s wages or salary during a calendar year occurring during the period in which the individual’s authorization is in effect shall be deductible under section 101 and subdivision (a) of section 103 of such Act (2 U.S.C. 431(9)(B)) if—

(i) the individual is registered to vote as a member of the party;

(ii) the individual has made a contribution to the party during the most recent primary election;

(iii) the individual has indicated in writing that the individual is a member of the party.

(b) FUNDS AVAILABLE FOR PARTY COMMUNICATIONS WITH MEMBERS.—Subsection (a) shall not apply with respect to funds expended by a political party for communications to the extent the communications are made to members of the party (as determined in accordance with section 315(d)(4)), except that any communications which are both for the purpose of expressly advocating the election or defeat of a specific candidate for election to Federal office and for any other purpose shall be subject to allocation in the same manner as funds expended for mixed candidate-specific activities under subsection (c).

"SEC. 205. PROMOTING STATE AND LOCAL PARTY VOLUNTEER AND GRASSROOTS ACTIVITY.

"(a) ENCOURAGING STATE- AND LOCAL PARTY ACTIVITIES.—

"(1) CONTRIBUTIONS.—Section 301(b)(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 433(b)(8)) is amended—

"(b) by striking ‘‘and’’ at the end of clause (xiii);

"(c) by striking the period at the end of clause (xvi) and inserting ‘‘; and’’; and

"(d) by adding at the end the following new clause:

"The mailing of materials for or on behalf of specific candidates by volunteers (including labeling envelopes or affixing postage or other indicia to particular pieces of mail), other than the mailing of materials to a commercial list.

"(v) Conducting a telephone bank for or on behalf of specific candidates staffed by volunteers.

"(iv) The distribution of collateral materials (such as pens, bumper stickers, handbills, brochures, posters, party tabloids, and yard signs) for or on behalf of specific candidates (whether by volunteers or otherwise)."

"(2) EXPENDITURES.—Section 310(b)(8) of such Act (2 U.S.C. 433(b)(8)) is amended—

"(A) by striking ‘‘and’’ at the end of clause (ix); and

"(B) by adding at the end the following new clauses:

"The mailing of materials for or on behalf of specific candidates by volunteers (including labeling envelopes or affixing postage or other indicia to particular pieces of mail), other than the mailing of materials to a commercial list.

"(iii) Conducting a telephone bank for or on behalf of specific candidates staffed by volunteers.

"(iv) The distribution of collateral materials (such as pens, bumper stickers, handbills, brochures, posters, party tabloids, and yard signs) for or on behalf of specific candidates (whether by volunteers or otherwise)."
ties, other than any payment described in behalf of nominees of such party.'' and inserting ``in connection with volunteer activities on behalf of nominees of such party'' and inserting ``in connection with volunteer activities on behalf of nominees of such party'' and inserting ``in connection with volunteer activities on behalf of nominees of such party'' and inserting

``(IV) The distribution of collateral mate-
rials (such as pins, bumper stickers, hand-
vols.)

(b) FUNDS AVAILABLE FOR ACTIVITIES.—Section 324 of such Act, as added by section 203, is amended—

(b) by inserting after paragraph (1) the fol-
lowing new paragraph:

``(2) USE BY STATE OR LOCAL PARTY COMMIT-
TEES.—A State, local, or district committee of a political party (including any subordinate committee thereof) may use funds which are not subject to the limitations and prohibitions of this Act for mixed activities if the funds are allocated in accordance with the process described in subsection (g).''.

(b) FUNDS AVAILABLE FOR STATE AND LOCAL PARTY VOLUNTEER AND GRASSROOTS ACTIVITIES.—Subsection (a) shall not apply with respect to payments described in section 301(b)(10) and subsection 301(b)(11), except that any payments which are both for the purpose of expressly advocating the election or defeat of a specific candidate for election to Federal office and for any other purpose shall be subject to allocation in the same manner as funds expended for mixed candidate-specific activities under subsection (b).

(c) TREATMENT OF INTRA-PARTY TRANSFERS.—Section 324 of such Act, as added by section 203 and as amended by section 204(b), is amended by adding at the end the following new subsection:

``(f) RULE OF CONSTRUCTION REGARDING INTRA-PARTY TRANSFERS.—Nothing in this section shall be construed to prohibit the transfer between and among national, State, or local party committees (including any subordinate committees thereof) of funds which are not subject to the limitations and prohibitions of this Act.''.

(d) ALLOCATION PROCEDURES DESCRIBED.—Section 324 of such Act, as added by section 203 and as amended by section 204(b), is amended by adding to the end of subsection (a) the following new paragraph:

``(k) STATE AND LOCAL PARTY COMMITTEES; METHOD FOR ALLOCATING EXPENSES FOR MIXED ACTIVITIES.—

(1) GENERAL RULE.—All State and local party committees except those covered by paragraph (2) shall allocate their expenses for mixed activities, as described in subsection (b)(2), according to the ballot composition and proportion following:

``(A) Under this method, expenses shall be allocated based on the ratio of Federal offices expected on the ballot to total Federal offices expected on the ballot in the next general election to be held in the committee's State or geographic area. This ratio shall be determined by the number of categories of Federal offices on the ballot and the number of categories of non-Federal offices on the ballot, as described in subparagraph (B).

``(B) In calculating a ballot composition ratio, a State or local party committee shall count the Federal offices of President, Unit-
ed States Senator, and United States Rep-
resentative, if expected on the ballot in the next general election, as one Federal office each. The committee shall count the non-
Federal offices of Governor, State Senator, and State Representatives, if expected on the ballot in the next general election, as one non-Federal office each. The committee shall count the total of all other partisan state-
local candidates who are expected on the ballot in the next general election, as a max-
imum of two non-Federal offices. State party committees shall also include in the ratio one additional non-Federal office if any part-
isan local candidates are expected on the ballot in any regularly scheduled election during the 2 year congressional election cycle. Local party committees shall also include in the ratio a maximum of 2 additional non-Federal offices if any partisan local candidates are expected on the ballot in any regularly scheduled election during the 2 year congressional election cycle.

``(2) EXCEPTION FOR STATES THAT DO NOT HOLD FEDERAL AND NON-FEDERAL ELECTIONS IN THE SAME YEAR.—State and local party committees in states that do not hold Federal elections in the same year shall allocate the costs of mixed activities according to the ballot composition method described in paragraph (A), based on a ratio calculated for the calendar year.''

TITLE III—DISCLOSURE AND ENFORCEMENT

SEC. 301. TIMELY REPORTING AND INCREASED EXPENDITURE LIMITS.

(a) DEADLINE FOR FILING.—

(1) REQUIRE REPORTS TO BE MADE WITHIN 24 HOURS.—Section 304(a)(6) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)(6)) is amended—

(A) by striking ``(after the 20th day, but no-
more than 48 hours before any election)'' and inserting ``(after the 20th day, but more than 48 hours before any election)'' and inserting "during the period which begins on the 20th day before an election and ends at the time the polls close for such election;" and

(B) by striking "48 hours" the second place it appears and inserting "24 hours (or, if earlier, by midnight on the day on which the contribution is deposited)."

(2) REQUIRE ACTUAL DELIVERY BY DEAD-
LINE.—

(A) IN GENERAL.—Section 303(a)(6) of such Act (2 U.S.C. 434(a)(6)), as amended by section 103(d), is further amended by adding at the end the following new subparagraph:

``(1) the time at which a notification or report under this paragraph is received by the Secretary, the Commission, or any other recipient to whom the notification is required to be sent shall be considered the time of filing of the notification or report with the recipient.''

(b) INCREASING ELECTRONIC DISCLOSURE.—

Section 304(a)(6) of such Act (2 U.S.C. 434(a)(6), as amended by section 103(b) and (c)(1)(A)), is further amended by adding at the end the following new subparagraph:

``(2) The Commission shall make the in-
formation contained in the reports sub-
tended under this paragraph available on the Internet and publicly available at the offices of the Commission in such practicable (but in no case later than 24 hours) after the information is received by the Commission.''

(c) CHANGE IN CERTAIN REPORTING FROM A CALENDAR YEAR BASIS TO AN ELECTION CYCLE BASIS.—Section 306(b) of such Act (2 U.S.C. 434(b)) is amended by inserting "(or election cycle in the case of any commit-
tee of a candidate for Federal office)" after "calendar year" each place it appears in paragraphs (2), (3), (4), and (5).

(d) CLARIFICATION OF PERMISSIBLE USE OF FACSIMILE MACHINES TO FILE REPORTS.—Section 304(a)(12)(A) of such Act (2 U.S.C. 434(a)(12)(A)) is amended by striking "and method," and inserting "method (including by fac-simile device in the case of any report re-
quired to be filed within 24 hours after the trac-
tion reported has occurred),".

(e) REQUIRE RECEIPT OF INDEPENDENT EXPENDI-TURE REPORTS WITHIN 24 HOURS.—

(1) IN GENERAL.—Section 305(c)(2) of such Act (2 U.S.C. 436(c)(2)) is amended in the matter following subparagraph (C)—

(A) by striking "shall be reported" and in-
serting "shall be filed"; and

(B) by adding at the end of the following new sentence: "Notwithstanding subsection (a)(5), the time at which the statement under this subsection is received by the Secretary, the chairperson, or any other recipient to whom the notification is required to be sent shall be considered the time of filing of the statement with the recipient.''

(f) REQUIRE RECORD KEEPING AND REPORT OF SECONDARY PAYMENTS BY CAMPAIGN COMMIT-
TEES.—

(1) REPORTING.—Section 306(b)(5)(A) of such Act (2 U.S.C. 434(b)(5)(A)) is amended by striking the semicolon at the end and inserting a period; and the following:

``(ii) the amount of any expenditure in turn makes expenditures which aggregate $500 or more in an election cycle to other persons (not including employees) who pro-
vide goods or services to the candidate or the candidate's authorized committees, the name and address of such other persons, to-
gether with the date, amount, and purpose of such expenditures.''

(2) RECORD KEEPING.—Section 302 of such Act (2 U.S.C. 432), as amended by section 105(a), is further amended by adding at the end of the following new sentence:

``(k) A person described in section 304(b)(5)(A) who makes expenditures which aggregate $500 or more in an election cycle to other persons (not including employees) who pro-
vide goods or services to the candidate or a candidate's authorized committees shall
provide to a political committee the information necessary to enable the committee to report the information described in such section.

(3) EFFECT ON OTHER REPORTS.—Nothing in the amendments made by this subsection may be construed to affect the terms of any other recordkeeping or reporting requirements applicable to candidates or committees under title III of the Federal Election Campaign Act of 1971.

(g) INCLUDING REPORT ON CUMULATIVE CONTRIBUTIONS AND EXPENDITURES IN POST ELECTION REPORTS.—Section 304(a)(7) of such Act (2 U.S.C. 434(a)(7)) is amended—

(1) by striking "(7)" and inserting "(7)(A)"; and

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

"(8) In the case of any report required to be filed by this subsection which is the first report required to be filed after the date of an election, the report shall include a statement of the total contributions received and expenditures made as of the date of the election.".

(h) INCLUDING INFORMATION ON AGGREGATE CONTRIBUTIONS IN REPORT ON ITEMIZED CONTRIBUTIONS.—Section 304(b)(3) of such Act (2 U.S.C. 434(b)(3)) is amended—

(1) in subparagraph (A), by inserting after "such the following" and the total amount of all such contributions made by such person with respect to the election involved; and

(2) in subparagraph (B), by inserting after "such contribution" the following: "and the total amount of all such contributions made by such committee with respect to the election involved.

SEC. 302. STREAMLINING PROCEDURES AND RULES OF FEDERAL ELECTION COMMISSION

(a) STANDARDS FOR COMMISSION REGULATION AND JUDICIAL INTERPRETATION.—Section 307 of the Federal Election Campaign Act of 1971 (2 U.S.C. 437d) is amended by adding at the end the following new subsection:

"(f)(1) When developing prescribed forms and making, amending, or repealing rules pursuant to the authority granted to the Commission by subsection (a)(8), the Commission shall act in a manner that will have the least restrictive effect on the rights of free speech and association so protected by the First Amendment to the Constitution of the United States.

"(2) When the Commission's actions under paragraph (1) are challenged, a reviewing court—in determining whether the action of the Commission that do not conform with the principles set forth in paragraph (1) —

(b) WRITTEN RESPONSES TO QUESTIONS.—

(1) IN GENERAL.—Title III of such Act (2 U.S.C. 431 et seq.) is amended by inserting after section 308 the following new section:

"308a. Written Responses to Questions.

In addition to issuing advisory opinions under section 308, the Commission shall issue written responses pursuant to this section with respect to any request for a written opinion issued by the Commission under section 308, with respect to a specific transaction or activity by the person, if the Commission finds the application of the Act, a rule, regulation, or advisory opinion to the transaction or activity to be clear and unambiguous.

(2) PROCEDURE FOR RESPONSE.—

(a) The staff of the Commission shall analyze each request submitted under this section. If the staff believes that the standard described in subsection (a) is met with respect to the request, the staff shall circulate a statement to that effect together with a draft response to the request to the members of the Commission.

"(2) ISSUANCE OF RESPONSE.—Upon the expiration of the 3-day period beginning on the date the statement and draft response is circulated (excluding weekends and holidays), the Commission shall issue the response, unless during such period any member of the Commission objects to the issuance of the response.

"(3) EFFECT OF RESPONSE.—

(1) SAFE HARBOR.—Notwithstanding any other provision, a person who relies upon any provision or finding of a written response issued under this section and who acts in good faith in accordance with such provision or finding shall not, as a result of any such act, be subject to any sanction provided by this Act or by chapter 95 or chapter 96 of the Internal Revenue Code of 1986.

(2) NO RELIANCE BY OTHER PARTIES.—Any written response issued by the Commission under this section may not be relied upon by any person with respect to any transaction or activity with respect to which such response is issued, and may not be applied by the Commission with respect to any other person or transaction or activity for enforcement or regulatory purposes.

(3) PUBLICATION OF REQUESTS AND RESPONSES.—The Commission shall make public any request for a written response made, and the responses issued, under this section. In carrying out this subsection, the Commission may not identify any person submitting a request for a written response unless the person specifically authorizes the Commission to do so.

(4) COMPILATION.—The Commission shall compile, publish, and regularly update a complete and detailed index of the responses issued under this section through which responses may be found on the basis of the subjects included in the responses.

(5) CONFORMING AMENDMENT.—Section 303(a)(7) of such Act (2 U.S.C. 434(a)(7)) is amended by striking "of this Act" and inserting "other written responses under this section.".

(b) OPPORTUNITY FOR ORAL ARGUMENTS BEFORE COMMISSION.—Section 308a of such Act (2 U.S.C. 437a) is amended—

(1) by striking "(3)" and inserting "(3)(A)"; and

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

"(8) In the case of any request for a written response described in section (3)(A), the Commission shall make public any request for a written response made, and the responses issued, under this section. In carrying out this subsection, the Commission may not identify any person submitting a request for a written response unless the person specifically authorizes the Commission to do so.

(c) OPPORTUNITY FOR ORAL ARGUMENTS BEFORE COMMISSION.—Section 308a of such Act (2 U.S.C. 434(a)(3)) is amended—

(1) by striking "(3)" and inserting "(3)(A)"; and

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

"(8) In the case of any request for a written response described in section (3)(A), the Commission shall make public any request for a written response made, and the responses issued, under this section. In carrying out this subsection, the Commission may not identify any person submitting a request for a written response unless the person specifically authorizes the Commission to do so.

(3) ABOLITION OF EX OFFICIO MEMBERSHIP OF CLERK OF HOUSE OF REPRESENTATIVES ON COMMISSION.—Section 306(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437a(a)) is amended by—

(1) in paragraph (1), by striking "and the Clerk", and all that follows through "designees" and inserting "or the designee of the Secretary"; and

(2) in paragraphs (3), (4), and (5), by striking "and the Clerk of the House of Representatives" each place it appears.

(d) GRANTING COMMISSION AUTHORITY TO WAIVE REPORTING REQUIREMENTS.—Section 304 of such Act (2 U.S.C. 434), as amended by section 101(b), is further amended by adding at the end the following new subsection:

``(e) The Commission may by unanimous vote relieve any person or category of persons of the obligation to file any of the reports required by this section. The Commission may change the due dates of any of the reports required by this section, if it determines that such action is consistent with the purposes of this title. The Commission may waive or modify any requirement to file reports or change due dates in accordance with this subsection through a rule of general applicability or, in a specific case, by notifying all the political committees involved.

(f) PERMITTING CORPORATIONS TO COMMUNICATE WITH ALL EMPLOYEES.—Section 306 of the Federal Election Campaign Act of 1971 (2 U.S.C. 437b) is amended by striking "(3)(B)" and inserting "(3)(A), (B)".
(2) CONFORMING AMENDMENT.—Section 316(b) of such Act is amended by striking paragraph (7).

(1) PERMITTING UNLIMITED SOLICITATIONS BY CORPORATIONS OR LABOR ORGANIZATIONS; PROTECTING CONFIDENTIALITY OF CONTRIBUTIONS NOT GREATER THAN $100.—Section 316(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 442(b)(3)), as amended by subsection (k)(2), is amended—

(a) In paragraph (4)(A), by striking “(B), (C), (D), and (E);”;

(b) by adding at the end the following new subparagraph:

“(B) The written notice of a complaint provided by the Commission under subparagraph (A) to a person alleged to have committed a violation referred to in the complaint shall include a cover letter (in a form prescribed by the Commission) and the following statement: ‘The enclosed complaint has been filed against you with the Federal Election Commission. The Commission has no reason not to refer the complaint to you. The Commission will make no decision to pursue the complaint for a period of at least 15 days from your receipt of this complaint. If the Commission should decide to investigate, you will be notified and be given further opportunity to respond.’”.

(c) In paragraph (4), by striking subparagraph (B) and—

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

“(7)(A) Any corporation or labor organization (or separate segregated fund established by such a corporation or labor organization) making solicitations of contributions shall make such solicitations in a manner that ensures that the corporation, organization, or fund in which the solicitation is made will not exceed $100, if the funds are used for activities carried out by the individual or a member of the individual’s family.”.

(2) CONFORMING AMENDMENT.—Section 316(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 442(b)), as amended by sections 101, 103(a)(1), and 202, is further amended by adding at the end the following new clause:

“(l) No candidate or political committee may accept any contributions of currency of the United States or of a foreign country from any person which, in the aggregate, exceed $100.”.

(4) APPOINTMENT AND SERVICE OF STAFF DIRECTOR AND GENERAL COUNSEL OF COMMISSION.—

(1) APPOINTMENT; LENGTH OF TERM OF SERVICE.—

(A) IN GENERAL.—The first sentence of section 306(f)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437c(f)(1))(1) is amended by striking “by the Commission” and inserting “by an affirmative vote of not less than 4 members of the Commission and may not serve for a term of more than 4 consecutive years without reappointment in accordance with this paragraph”.

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall apply with respect to any individual serving as the staff director or general counsel of the Federal Election Commission on or after January 1, 1997, without regard to whether or not the individual served as a staff director or general counsel prior to such date.

(2) TREATMENT OF INDIVIDUALS FILLING VACANCIES.—Section 306(f)(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437c(f)(3)), as amended by inserting after the first sentence the following new sentences: “An individual appointed as a staff director or general counsel to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term of the individual he or she succeeds. An individual serving as staff director or general counsel may not serve in any capacity on behalf of the Commission after the expiration of such term unless reappointed in accordance with this paragraph.”.

(3) APPOINTMENT OF ADDITIONAL STAFF.—

(A) IN GENERAL.—The last sentence of section 306(f)(1) of such Act (2 U.S.C. 437c(f)(1)) is amended by inserting “not less than 4 members of” after “approval of”.

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall apply with respect to personnel appointed on or after January 1, 1997.

(2) PERMITTING PARTNERSHIPS TO SOLICIT CONTRIBUTIONS AND PAY ADMINISTRATIVE COSTS OF POLITICAL COMMITTEES IN SAME MANNER AS CORPORATIONS AND LABOR UNIONS.—

(1) TREATMENT OF CONTRIBUTIONS.—Section 301(8)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)(B)), as amended by section 205(b), is amended—

(A) by striking “and” at the end of clause (xv);

(B) by striking the period at the end of clause (xv) and inserting “; and”;

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

“(xviii) any payment made or obligation incurred by a partnership in the establishment and maintenance of a political committee, the administration of such a political committee, or the solicitation of contributions to such committee.”.

(2) TREATMENT OF EXPENDITURES.—Section 301(9)(B) of such Act (2 U.S.C. 431(9)(B)), as amended by section 205(b) and subsection (r)(1), is amended—

(A) by striking “and” at the end of clause (xv);

(B) by striking the period at the end of clause (xv) and inserting “; and”;

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

“(xviii) any payment made or obligation incurred by a partnership in the establishment and maintenance of a political committee, the administration of such a political committee, or the solicitation of contributions to such committee.”.

TITLE IV—WORKER RIGHT TO KNOW SEC. 401. FINDINGS.

The Congress finds the following:

(1) The United States Supreme Court annulled in the landmark case, Communications Workers of America v. Beck (487 U.S. 735), that employees who work under a union security agreement, and are required to pay union dues as a condition of employment, may not be forced to contribute through such dues to union-supported political, legislative, social, or charitable causes which they disagree with. The payment of cash dues is only required to pay dues related to collective bargaining, contract administration, and
ment necessary to performing the duties of exclusive representation.

(2) Little action has been taken by the National Labor Relations Board to facilitate the exercise of employees' rights to object to the use of their union dues for political, legislative, social, or charitable purposes, or other activities not necessary to performing the duties of exclusive representation or were related to other purposes.

(3) The evolution of the right enunciated in the Board's decision has diminished its value because employees are forced to forego critical workplace rights bearing on their economic well-being in order to object to the use of their dues for purposes unrelated to collective bargaining, contract administration, or grievance adjustment necessary to performing the duties of exclusive representation, or grievances or fees related to collective bargaining, contract administration, or grievance adjustment necessary to performing the duties of exclusive representation unless a written assignment authorizes such a deduction.

SEC. 404. WORKER NOTICE.

Section 8 of the National Labor Relations Act (29 U.S.C. 158), as amended by section 404(a), is amended by adding at the end the following:

"(ii) An employer shall be required to post a notice, of such size and in such form as the Board shall prescribe, in conspicuous places in and about its plants and offices, including all places where notices to employees are customarily posted, informing employees of their rights under section 7 of this Act and clarifying to employees that an agreement requiring the payment of dues or fees to a labor organization as a condition of employment has only to require that employees pay to such organization any dues or fees related to collective bargaining, contract administration, or grievance adjustment necessary to performing the duties of exclusive representation except as authorized in subsection (a)(3)."

SEC. 405. WORKER CONSENT.

(a) WRITTEN AGREEMENT.—Section 8 of the National Labor Relations Act (29 U.S.C. 158) is amended by striking "membership" and all that follows and inserting the following: "The payment to a labor organization of dues or fees related to collective bargaining, contract administration, or grievance adjustment necessary to performing the duties of exclusive representation as a condition of employment as authorized in section 8(a)(3).

(b) UNFAIR LABOR PRACTICES.—Section 8(a)(2) of the National Labor Relations Act (29 U.S.C. 158) is amended by striking "membership therein" and inserting "the payment to such labor organization of dues or fees related to collective bargaining, contract administration, or grievance adjustment necessary to performing the duties of exclusive representation".

SEC. 406. WORKER ADVISORY BOARD.

(a) EXPENSES REPORTING.—Section 201(b) of the Labor-Management Reporting and Disclosure Act of 1959 (29 U.S.C. 431(b)) is amended by adding at the end the following:

"(1) by inserting "and employees required to pay any dues or fees to such organization after "members"; and

(2) inserting "and employees required to pay any dues or fees to such organization" after "member" each place it appears.

(c) REGULATIONS.—The Secretary of Labor shall promulgate regulations as are necessary to carry out the amendments made by this section not later than 120 days after the date of enactment of this Act.

SEC. 407. INSTRUCTION.

Nothing in this title shall be construed to affect section 14(b) of the National Labor Relations Act or the concurrent jurisdiction of Federal district courts over claims that a labor organization has breached its duty of fair representation with regard to the collection or expenditure of dues or fees.

SEC. 408. EFFECTIVE DATE.

This title shall take effect on the date of enactment, except that the requirements contained in the amendments made by sections 404 and 405 shall take effect 90 days after the date of enactment of this Act.

TITLE V—GENERAL PROVISIONS

SEC. 501. EFFECTIVE DATE.

Except as otherwise specifically provided, this Act and the amendments made by this Act shall take effect January 1, 1997.

SEC. 502. Severability.

If any provision of this Act or any amendment made by this Act, or the application thereof to any person or circumstance, is held invalid, the validity of the remainder of the Act and the application of such provision to other persons and circumstances shall not be affected thereby.

SEC. 503. EXPEDITED COURT REVIEW.

(a) RIGHT TO BRING ACTION.—The Federal Election Commission, a political committee, the Bipartisan Campaign Fund, the National Right to Life Committee, and the Committee to Defend the Constitution, Inc., as well as any other person or group as may appear appropriate in an action described in subsection (a), may file a complaint in an appropriate District Court of the United States for a declaratory judgment as to whether an agreement, providing for the payment of dues or fees by employees to a labor organization, is in violation of any provision of the Act.

(b) HEARING BY THREE-JUDGE COURT.—Upon the institution of an action described in subsection (a), a district court of three judges shall be constituted immediately to decide the action pursuant to section 2284 of title 28, United States Code. Such action shall be advanced on the docket and expedited to the greatest extent possible.

AMENDMENT IN THE NATURE OF A SUBSTITUTE AS AMENDED BY THE RULE OFFERED BY MR. FAZIO OF CALIFORNIA

Mr. Fazio of California. Mr. Chairman, I offer an amendment in the nature of a substitute as the designee of the minority leader.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment in the nature of a substitute, as modified by the rule, is as follows:

An amendment in the nature of a substitute, as modified by the rule, offered by Mr. Faizio of California.

H.R. 3505

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "American Political Reform Act of 1996".

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

Sec. 1. Short title; table of contents;
Sec. 2. Spending limits and benefits;
Sec. 3. Election campaign spending limits and benefits;
Sec. 4. Election campaign spending limits and benefits;
Sec. 5. Election campaign spending limits and benefits."
"(2) with respect to any contribution or loan used for costs described in section 501(e) or (f).

(c) AGGREGATION.—For purposes of subsection (a), any contribution or loan to a candidate's campaign by a member of a candidate's immediate family shall be treated as made by the candidate.

SEC. 503. DEFINITION.

"As used in this title, the term 'benefits' means, with respect to an eligible House of Representatives candidate, reduced charges for use of a broadcasting station under section 315 of the Communications Act of 1934 (47 U.S.C. 315) and eligibility for nonprofit third-party advertising, reduced or blanking charges for use of a cable service under section 320(e) of title 39, United States Code.

Subtitle B—Administrative Provisions

SEC. 511. CERTIFICATIONS BY COMMISSION.

(a) GENERAL ELIGIBILITY.—The Commission shall certify whether a candidate is eligible to receive benefits under subtitle A. The initial determination shall be based on the candidate's filings under this title. Any subsequent determination shall be based on relevant additional information submitted in such form and manner as the Commission may provide.

"(b) CERTIFICATION OF BENEFITS.—

"(1) DEADLINE FOR RESPONSE TO REQUESTS.—The Commission shall respond to a request for certification of eligibility to receive benefits under this section not later than 5 business days after the candidate submits the request.

"(2) USES OF REQUEST FOR CERTIFICATION SUBMITTED BY A CANDIDATE SHALL CONTAIN—

"(A) such information and be made in accordance with such procedures as the Commission may provide by regulation; and

"(B) a verification signed by the candidate and the principal campaign committee of such candidate stating that the information furnished in support of the request, to the best of their knowledge, is correct and fully satisfies the requirement of this title.

"(3) PARTIAL CERTIFICATION.—If the Commission determines that any portion of a request does not meet the requirement for certification, the Commission shall withhold the certification for that portion only and inform the candidate as to how the request may be completed.

"(4) CERTIFICATION WITHHELD.—The Commission may withhold certification if it determines that a candidate who is certified as an eligible House of Representatives candidate pursuant to this section has made expenditures in excess of any limit under subtitle A. A candidate who meets the requirements for certification under this title, the Commission shall revoke certification.

SEC. 512. EXAMINATION AND AUDITS; REPAYMENTS AND CIVIL PENALTIES.

(a) EXAMINATIONS AND AUDITS.—(1) GENERAL ELECTIONS.—After each general election, the Commission shall conduct an examination and audit of the campaign accounts of all candidates who are eligible to receive benefits under this title, to determine whether the candidates have complied with the conditions of eligibility and other requirements of this title.

The Commission shall conduct an examination and audit of the accounts of all candidates in an office where any eligible candidate for the office is selected for examination and audit.

"(2) SPECIAL ELECTION.—After each special election involving an eligible candidate, the Commission shall conduct an examination and audit of the campaign accounts of all candidates who are eligible to receive benefits under this title, to determine whether the candidates have complied with the conditions of eligibility and other requirements of this Act.

"(3) APPEAL.—The Commission may conduct an examination and audit of the campaign accounts of any eligible House of Representatives candidate in a general election if the candidate requests the examination and audit because there exists reason to believe whether such candidate may have violated any provision of this title.

"(b) NOTIFICATION OF EXCESS EXPENDITURES.—If the Commission determines that any eligible candidate who has received benefits under this title has made expenditures in excess of any limit under subtitle A, the Commission shall notify the candidate.

"(c) CIVIL PENALTIES.—

"(1) EXCESS EXPENDITURES.—Any eligible House of Representatives candidate who makes expenditures that exceed a limitation under subtitle A by 2.5 percent or less shall pay to the Commission an amount equal to the amount of the excess expenditures.

"(2) MEDIUM AMOUNT OF EXCESS EXPENDITURES.—Any eligible House of Representatives candidate who makes expenditures that exceed a limitation under subtitle A by more than 2.5 percent and less than 5 percent shall pay to the Commission an amount equal to three times the amount of the excess expenditures.

"(3) LARGE AMOUNT OF EXCESS EXPENDITURES.—Any eligible House of Representatives candidate who makes expenditures that exceed a limitation under subtitle A by 5 percent or more shall pay to the Commission an amount equal to twice the amount of the excess expenditures plus, if the Commission determines such excess expenditures were knowing and willful, a civil penalty in an amount determined by the Commission.

"(2) MISUSED BENEFITS OF CANDIDATES.—If the Commission determines that an eligible House of Representatives candidate used any benefits certified under this title in a manner not provided for in this title, the Commission may assess a civil penalty against such candidate in an amount not greater than 200 percent of the amount involved.

"(d) LIMIT ON PERIOD FOR NOTIFICATION.—No notification shall be made by the Commission under this section with respect to an election more than 3 years after the date of such election.

SEC. 513. JUDICIAL REVIEW.

(a) JUDICIAL REVIEW.—Any agency action by the Commission made under the provisions of this title shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition for review filed within 30 days after the agency action by the Commission for which review is sought. It shall be the duty of the Court of Appeals, ahead of all matters in the order in which they are filed on the docket and expeditiously take action on all petitions filed pursuant to this title.

"(b) APPLICATION OF TITLE 9.—The provisions of chapter 7 of title 9, United States Code, shall apply to judicial review of any agency action by the Commission.

"(c) AGENCY ACTION.—For purposes of this section, the term "Agency" shall have the meaning given such term by section 551(13) of title 5, United States Code.

SEC. 514. REPORTS TO CONGRESS; CERTIFICATIONS BY COMMISSION.

(a) REPORTS.—The Commission shall, as soon as practicable after each election, submit a full report to the House of Representatives setting forth—

"(1) the expenditures (shown in such detail as the Commission determines appropriate) made in excess of any limit under subtitle A by each candidate who was a recipient of benefits, the authorized committees of such candidate;

"(2) the benefits certified by the Commission as available to each eligible candidate under this title;

"(3) the names of any candidates against whom penalties were imposed under section 512, together with the amount of each such penalty and the reasons for its imposition.

(b) DETERMINATIONS BY COMMISSION.—Subject to sections 512 and 513, all determinations made by the Commission under this title shall be final and conclusive.

"(c) RULES AND REGULATIONS.—The Commission shall prescribe to prescribe such rules and regulations, in accordance with the provisions of subsection (d), to conduct such audits, examinations and investigations, and to require the keeping and submission of such books, records, and information, as it deems necessary to carry out the functions and duties imposed on it by this title.

REPORT OF PROPOSED RULES.—The Commission shall submit to the House of Representatives a report containing a detailed explanation and justification of each rule and regulation of the Commission under this title. No such rule, regulation, or form may take effect until a period of 60 legislative days has elapsed after the report is required to be made and used in the terms 'rule' and 'regulation' mean a provision or series of interrelated provisions stating a single, separable rule of law.

SEC. 515. CLOSED CAPTIONING REQUIREMENT FOR TELEVISION COMMERCIALS OF ELIGIBLE CANDIDATES.

"(a) Eligible House of Representatives candidates may receive benefits under subtitle A unless such candidate has certified that any television commercial prepared or distributed by the candidate will be prepared in a manner that contains, is accompanied by, or otherwise readily permits closed captioning of the oral content of the commercial to be broadcast by way of line 21 of the vertical blanking interval, or by way of comparable successor technologies.

Subtitle B—Limitations on Contributions to House of Representatives Candidates

SEC. 516. LIMITATIONS ON POLITICAL COMMITTEES.

(a) MULTICANDIDATE POLITICAL COMMITTEES.—A federal election campaign committee that funds more than one House of Representatives candidate in a general election more than 3 years after the date of such election is amended by striking out "$5,000 with respect to an election for Federal office or" and inserting in lieu thereof: "which, in the aggregate, exceed $5,000 with respect to an election for Federal office or $8,000 with respect to an election cycle (not including a runoff election);''.

"(b) CANDIDATE'S COMMITTEES.—(1) Section 315(a)(2) of such Act (2 U.S.C. 441a(a)(2)(A)) is amended by striking out "$5,000," and inserting in lieu thereof: "which, in the aggregate, exceed $5,000 with respect to an election for Federal office or $8,000 with respect to an election cycle (not including a runoff election);''.

"(2) Section 304(c) of such Act (2 U.S.C. 432(c)) is amended to read as follows:

"(3) No political committee that supports or opposes a candidate for Federal office may be designated as an authorized committee, except that—

H 8494

CONGRESSIONAL RECORD — HOUSE

Jule 25, 1996

"SEC. 516. LIMITATIONS ON POLITICAL COMMITTEES.

"(a) MULTICANDIDATE POLITICAL COMMITTEES.—(1) Section 315(a)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(2)(A)) is amended by striking out "$5,000," and inserting in lieu thereof: "which, in the aggregate, exceed $5,000 with respect to an election for Federal office or $8,000 with respect to an election cycle (not including a runoff election);''.

"(b) CANDIDATE'S COMMITTEES.—(1) Section 315(a)(2) of such Act (2 U.S.C. 441a(a)) is amended by adding at the end the following new paragraph:

"(2) For the purposes of the limitations provided by paragraphs (1) and (2), any political committee which is established or financed or maintained or controlled by any candidate or Federal officeholder shall be deemed to be an authorized committee of such candidate or Federal officeholder.

"(3) Nothing in this paragraph shall be construed to permit the establishment, financing, maintenance, or control of any committee which is prohibited by paragraphs (1) or (2).".

"(2) Section 304(c) of such Act (2 U.S.C. 432(c)) is amended to read as follows:

"(3) No political committee that supports or opposes a candidate for Federal office may be designated as an authorized committee, except that—
"(A) a candidate for the office of President nominated by a political party may designate a national committee of such political party as the candidate's principal campaign committee on or before the last day of December in any year if that national committee maintains separate books of account with respect to its functions as a principal campaign committee; and

"(B) a candidate may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee."

(c) LIMITATION ON CONTRIBUTIONS.—(1) Except as provided in paragraph (2), the amendments made by this section shall apply to elections (and to any committee or political committee relating thereto) occurring after December 31, 1996.

(2) In applying the amendments made by this section, there shall not be taken into account—

(A) contributions made or received before January 1, 1997; or

(B) contributions made, on or after January 1, 1997, to a candidate on or after January 1, 1997, to a candidate's legitimate campaign committees; and

(3) LIMITATION ON CONTRIBUTIONS PAYABLE BY HOUSE OF REPRESENTATIVES CANDIDATES. Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(e)) is amended by adding at the end the following new section:

"(i) LIMITATIONS ON CONTRIBUTIONS ACCEPTED BY HOUSE OF REPRESENTATIVES CANDIDATE.—

"(1) POLITICAL COMMITTEES. A candidate for the office of Representative in, or Delegate to, or Resident Commissioner to, the Congress may, with respect to an election cycle, accept contributions from political committees aggregating in excess of $200,000.

"(2) NATIONAL COMMITTEES. A candidate for the office of Representative in, or Delegate to, or Resident Commissioner to, the Congress may, with respect to an election cycle, accept contributions from political committees aggregating in excess of $50,000 from personal funds of the candidate to the authorized committee of the candidate; and

"(3) CONTESTED PRIMARY. In addition to the contributions under paragraph (1) and (2), if a House of Representatives candidate in a contested primary election wins that primary on the occasion of 20 percent or less, the candidate may accept contributions of—

"(a) not more than $66,600 from political committees; and

"(b) not more than $66,600 from personal funds of the candidate;

"(4) RUNOFF ELECTIONS. In addition to the contributions under paragraphs (1) and (2), a House of Representatives candidate who is a candidate in a runoff election, accepts contributions of—

"(a) not more than $100,000 from political committees; and

"(b) not more than $100,000 from personal funds of the candidate;

"(5) EXEMPTION FOR CERTAIN COSTS.—Any amount—

"(A) accepted by a House of Representatives candidate; and

"(B) used for costs incurred under section 501(e) and (f),

shall not be considered in the computation of amounts subject to limitation under this subsection.

(6) TRANSFER PROVISION. The limitations imposed by this subsection shall apply without regard to amounts transferred from previous election cycle of other authorized committees of the same candidate. Candidates shall not be required to seek the redesignation of contributions in order to transfer such contributions to a later election cycle.

(7) INDEXATION OF AMOUNTS. The dollar amounts specified in this subsection shall be increased, as of the date of the first election following the end of each calendar year based on the increase in the price index determined under subsection (c), except that, for purposes of such adjustment, the base period shall be the period ending on the date of the last general election.

Subtitle C—Related Provisions

SEC. 131. REPORTING REQUIREMENTS. Title III of the Federal Election Campaign Act of 1971 is amended by adding after section 304 the following new section:

"REPORTING REQUIREMENTS FOR HOUSE CANDIDATES.

"SEC. 304A. A candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress who—

"(1) makes contributions in excess of $50,000 of personal funds of the candidate to the authorized committee of the candidate; or

"(2) makes expenditures in excess of 50 percent and 100 percent of the limitation under section 501(a); shall report that the threshold has been reached to the Commission not later than 48 hours after reaching the threshold. The Commission shall transmit a copy to each other candidate for the same office within 48 hours of receipt.

SEC. 132. REGISTRATION AS ELIGIBLE HOUSE OF REPRESENTATIVES CANDIDATE. Section 302(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(e)) is amended by adding at the end the following new paragraph:

"(6) A declaration of candidacy to be effective shall be registered with the Federal Election Commission and is prescribed by applicable State law as the date of the last primary election for the specific office the candidate seeks and ending on the date of the last general election for that office.

SEC. 133. DEFINITIONS. (a) IN GENERAL.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by adding at the end the following new paragraphs:

"(19) The term 'election cycle' means—

"(A) in the case of a candidate or the authorized committee of a candidate, the term beginning on the date of the last regular general election for the general office held by reason of a vacancy occurring on or after January 1, 1997, and ending on the date of the next general election.

"(B) the period beginning on the date of the first primary election for the specific office the candidate seeks and ending on the date of the next general election.

"(20) The term 'general election' means any election which will directly result in the election of a person to a Federal office.

"(21) The term 'general election period' means, with respect to any candidate, the period beginning on the day after the primary election for the specific office the candidate is seeking, whichever is later, and ending on the earlier of—

"(A) the date of such general election; or

"(B) the date on which the candidate withdraws from the campaign or otherwise ceases actively to seek election.

"(22) The term 'immediate family' means—

"(A) a candidate's spouse;

"(B) a child, stepchild, parent, grandparent, brother, half-brother, sister or half-sister of the candidate or the candidate's spouse; and

"(C) the spouse of any person described in subparagraph (B).

"(23) The term 'early primary election' means any election which may result in the selection of a candidate for the ballot in a general election for a Federal office.

"(24) The term 'primary election period' means, with respect to any candidate, the period beginning on the day following the date of the last election for the specific office the candidate is seeking and ending on the earlier of—

"(A) the date of the first primary election for that office following the last general election for that office; or

"(B) the date on which the candidate withdraws from the election or otherwise ceases actively to seek election.

"(25) The term 'runoff election period' means an election held after a primary election which is prescribed by applicable State law as the date of the last runoff election and which candidate will be on the ballot in the general election for a Federal office.

"(26) The term 'runoff election period' means, with respect to any candidate, the period beginning on the day following the date of the last primary election for the specific office the candidate seeks and ending on the date of the runoff election for such office.

"(27) The term 'special election' means any election (whether primary, runoff, or general) for Federal office held by reason of a vacancy in the office arising before the end of the term of the office.

"(28) The term 'House of Representatives candidate' means a candidate for election to the same office as another candidate for election to the same office.

"(29) The term 'eligibility requirements' means, with respect to any candidate for any Federal office, the period beginning on the date of the last primary election for the specific office the candidate seeks and ending on the date of the next general election for such office.

"(30) The term 'special election period' means, with respect to any candidate for any Federal office, the period beginning on the date of the last primary election for the specific office the candidate seeks and ending on the date of the next general election for such office.

"(31) The term 'transfer provision' means any election (whether primary, runoff, or general) for Federal office held by reason of a vacancy in the office arising before the end of the term of the office.

"(B) a child, stepchild, parent, grandparent, brother, half-brother, sister or half-sister of the candidate; or

"(C) the spouse of any person described in subparagraph (B).

Subtitle D—Tax on Excess Political Expenditures of Certain Congressional Campaign Funds

SEC. 134. TAX TREATMENT OF CERTAIN CAMPAIGN FUNDS. (a) GENERAL RULE. Chapter 41 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subchapter:

"Subchapter B—Excess Political Expenditures of Certain Congressional Campaign Funds

"Sec. 4915. Tax on excess political expenditures of certain congressional campaign funds.

"Sec. 4915. Tax on excess political expenditures of certain congressional campaign funds.
imposed on such excess political expenditures a tax equal to the amount of such excess political expenditures multiplied by the highest rate of tax specified in section 11(b). Such tax shall be imposed for the taxable year of such fund in which such election cycle ends.

"(b) APPLICABLE CAMPAIGN FUND.—For purposes of this section, the term ‘applicable campaign fund’ means any political organization if:

(i) such organization is designated by a candidate for election or nomination to the House of Representatives as such candidate’s principal campaign committee for purposes of section 301(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(e)), and

(ii) such candidate has made contributions to such political organization during the election cycle in excess of the contribution limitation which would have been applicable under section 501(a) or 512(a) of such Act, whichever is applicable, if an election under such section had been made.

"(c) EXCESS POLITICAL EXPENSES.—

(i) IN GENERAL.—For purposes of this section, the term ‘excess political expenditures’ means, with respect to any election cycle, the excess (if any) of the political expenditures incurred by the applicable campaign fund during such cycle over, in the case of a House of Representatives candidate, the expenditure ceiling which would have been applicable under subtitle B of title V of such Act if an election under such subtitle had been made.

(ii) SPECIFIC RULES FOR DETERMINING AMOUNT OF EXPENDITURES.—For purposes of paragraph (1), in determining the amount of political expenditures incurred by an applicable campaign fund, there shall be excluded any such expenditure which would not have been subject to the expenditure limitations of title V of the Federal Election Campaign Act of 1971 had such limitations been applicable, or any such expenditure which would have been exempt from such limitations under section 501(e) or 501(f) of such Act.

"(d) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

(i) ELECTION CYCLE.—The term ‘election cycle’ has the meaning given such term by section 301 of the Federal Election Campaign Act of 1971.

(ii) POLITICAL ORGANIZATION.—The term ‘political organization’ has the meaning given such term under section 521(f)(2).

(iii) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of section 4011(e)(4) shall apply.

(i) AMENDMENTS.—

(1) Chapter 41 of such Code is amended by striking the chapter heading and inserting the following:

"CHAPTER 41—LOBBYING AND POLITICAL EXPENDITURES OF CERTAIN ORGANIZATIONS

Subchapter A—Public charities.

Subchapter B—Political expenditures of certain campaign funds.

Subchapter A—Public Charities.

(2) The table of sections for subtitle D of such Code is amended by striking the item relating to chapter 41 and inserting the following:

"Chapter 41. Lobbying and political expenditures of certain organizations."

"(2a) Effective Date.—The amendments made by this section shall apply to taxable years ending after December 31, 1998.

TITLE II—INDEPENDENT EXPENDITURES

SEC. 201. CLARIFICATION OF DEFINITIONS RELATING TO INDEPENDENT EXPENDITURES

(a) INDEPENDENT EXPENDITURE DEFINITION AMENDMENT.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by striking paragraphs (17) and (18) and inserting the following:

"(17)(A) The term ‘independent expenditure’ means—

(i) contains express advocacy; and

(ii) is made without the participation or cooperation of and without consultation with a candidate or a candidate’s representative.

(B) The following shall not be considered an independent expenditure:

(i) An expenditure made by an authorized committee of a candidate for Federal office;

(ii) An expenditure if there is any arrangement, coordination, or direction with respect to the making of the expenditure by the candidate or the candidate’s agent and the person making the expenditure;

(iii) An expenditure if, in the same election cycle, the person making the expenditure is or has been—

(I) authorized to raise or expend funds on behalf of the candidate or the candidate’s authorized committees;

(II) serving as a member, employee, or agent of the candidate’s authorized committees in an executive or policymaking position;

(iv) An expenditure if the person making the expenditure retains the professional services of any individual or other person also providing services in the same election cycle to the candidate in connection with the candidate’s pursuance of nomination for election, or election, to Federal office, including any services relating to the candidate’s decision to seek Federal office.

For purposes of this clause, the term ‘professional services’ shall include any services (other than legal and accounting services solely for purposes of ensuring compliance with any Federal law) in support of any candidate’s or candidates’ pursuance of nomination for election or election to Federal office.

For purposes of this subparagraph, the person making the expenditure shall include any officer, director, employee, or agent of such person.

"(18)(A) The term ‘express advocacy’ means, when a communication is taken as a whole and with limited reference to external events, an express or implied advocacy of or opposition to a specific candidate, to a specific group of candidates, or to candidates of a particular political party.

(B) The term ‘support for or opposition to’ includes a suggestion to take action with respect to an election, such as to vote for or against, make contributions to, or participate in, or refrain from, so that the action is actually intended to support or to oppose.

(i) Any determination made at the time of reservation shall constitute an independent expenditure;

(ii) Any determination made after the latest report filed under this paragraph shall constitute an independent expenditure.

(C) A report under subparagraph (A) or (B) shall be filed with the Commission and the Secretary of State of the State involved, and shall identify each candidate whom the expenditure is actually intended to support or to oppose. Not later than 48 hours after the determination required by paragraph (2)(C) is made, the Commission shall transmit a copy of the report to each candidate seeking nomination or election to that office.

"(3) IN GENERAL.—For purposes of this section, an independent expenditure shall be considered to have been made upon the making of any payment or the taking of any action to incur an obligation for payment of a tax, or by reason of an election to which section 315(a) of the Communications Act of 1947 (47 U.S.C. 315(a)) applies, the payment for which would constitute an independent expenditure, shall be at the time of reservation—

(i) the time of reservation;

(ii) the time of such publication; or

(iii) at any time the expenditure is made.
which the proposed broadcast relates and state whether the message to be broadcast is intended to be made in support of or in opposition to each such candidate.

``(iii) to all candidates and their authorized political committees which, in the aggregate, exceed $15,000; or''.

``(ii) to any other political committee established and maintained by a State committee of a political party as a means of contributing to the State Party Grassroots Fund and all committees of a State committee of a political party in any State in any calendar year shall not exceed $20,000; or''.

(b) MULTICANDIDATE COMMITTEE CONTRIBUTIONS TO STATE PARTY.—Section 315(a)(2) of such Act (2 U.S.C. 441a(a)(2)) is amended—

``(ii) that the amounts transferred by the candidate, and the authorized committees of the candidate to the national committee of the candidate's political party for distribution to State Party Grassroots Funds. In no event shall the amount under subparagraph (B) exceed $20,000.

``(i) $20,000,000, plus

``(ii) the amounts transferred by the candidate and the authorized committees of the candidate to the national committee of the candidate's political party for distribution to State Party Grassroots Funds.

``(iii) the amounts transferred by the candidate and the authorized committees of the candidate to the national committee of the candidate's political party for distribution to State Party Grassroots Funds.

``(i) $20,000,000, plus
(S) the costs of any unsold inventory of goods are ultimately borne by the political committee in accordance with rules to be prescribed by the Commission; and

(6) except that a political party or commission permitted to be paid by this subsection, no goods, services, or anything else of value is provided by such corporation to the political committee, except that such corporation may advance or finance costs or extend credit in connection with the manufacture and distribution of goods, provision of services, or issuance of credit cards pursuant to this subsection if and to the extent such advance, financing, or extension is undertaken in the ordinary course of the corporation’s business and is made on similar terms by such corporation in its transactions with non-political entities in like circumstances.”

SEC. 305. PROVISIONS RELATING TO NATIONAL, STATE, AND LOCAL PARTY COMMITTEES.

(a) SOFT MONEY OF COMMITTEES OF POLITICAL PARTIES.—Title III of the Federal Election Campaign Act of 1971 is amended by inserting after section 323 the following new section:

“POLITICAL PARTY COMMITTEES.

“Sec. 324. (a) LIMITATIONS ON NATIONAL COMMITTEE.—(1) A national committee of a political party and the congressional campaign committees of such party shall not solicit or accept contributions or transfers not subject to the limitations, prohibitions, and reporting requirements of this Act.

(2) Paragraph (1) shall not apply to contributions—

(A) that

(i) are to be transferred to a State committee of a political party and are used solely for activities described in clauses (xi) through (xvii) of paragraph (9)(B) of section 303; or

(ii) are described in section 303(b)(8)(ii); and

(B) with respect to which contributors have been notified that the funds will be used solely for the purposes described in subparagraph (A).

(3) ACTIVITIES SUBJECT TO THIS ACT.—Any amount solicited, received, expended, or disbursed directly or indirectly by a national, State, district, or local committee of a political party which is not solicited or accepted contributions or transfers not subject to the limitations, prohibitions, and reporting requirements of this Act.

(4) Voter registration.

(5) Development and maintenance of voter files during an even-numbered calendar year.

(6) Any amount contributed to a candidate for other than Federal office; and

(b) CONTRIBUTIONS AND EXPENDITURES.—

(1) CONTRIBUTIONS.—Section 301(b)(8) of such Act (2 U.S.C. 431(8)(B)) is amended—

(A) by striking the period at the end of subsection (B) and inserting—

``(B) the committee must be able to demonstrate that its cash on hand contains sufficient funds meeting such requirements as are necessary to cover the transferred funds."

``(3) Notwithstanding paragraph (1), any State Party Grassroots Fund receiving any transfer described in paragraph (1) from a State or local candidate committee shall be required to meet the reporting requirements of this subsection, and shall be required to submit to the Commission all certifications received, with respect to receipt of the transfer from such candidate committee.

(4) For purposes of this subsection, a State or local candidate committee is a committee established, financed, maintained, or controlled by a candidate for other than Federal office.

(c) STATE PARTY GRASSROOTS FUNDS.—(1) Except as provided by such Act (2 U.S.C. 431(9)(B)), any amount contributed to a State committee of a political party that is transferred to a State or local candidate committee for expenditures described in paragraphs (1) through (xvii) of paragraph (9)(B) of such Act (2 U.S.C. 431(9)(B)) is amended—

``(B) any portion of the funds disbursed and expenditures from its State Party Grassroots Fund only for—

(A) any generic campaign activity;

(B) paying for any of the activities specified in clauses (i) through (xvii) of paragraph (8)(B) and clauses (i), (ii), (iv), (vi), and (xi) of paragraph (9)(B) of section 303;

(C) subject to the limitations of section 315(d), payments described in clause (xii) of paragraph (8)(B); and

(D) voter registration;

(2) Notwithstanding section 315(a), no funds may be transferred by a State committee of a political party from its State Party Grassroots Fund to any other State Party Grassroots Fund or to any other political committee, except a transfer may be made to a district or local committee of the same political party in the same State if such district or local committee—

(A) has established a separate segregated fund with such committee for purposes of any get-out-the-vote activity which the State committee of a political party certifies is an activity which—

(i) is conducted during a calendar year other than a year in which an election for the office of President is held;

(ii) is exclusively on behalf of (and specifically identifies only) one or more State or local candidates or ballot measures, and

(iii) does not include any effort or means used to identify or turn out those identified to be supporters of any Federal candidate (including any activity that is undertaken in coordination with, or on behalf of, a candidate for Federal office).

(3) A State committee of a political party may make disbursements and expenditures from its State Party Grassroots Fund only for—

(A) a Federal candidate, regardless of whether such candidate committee or State or local candidate committee is a committee established, financed, maintained, or controlled by a candidate for other than Federal office.

(b) GET-OUT-THE-VOTE ACTIVITIES BY STATE, DISTRICT, AND LOCAL COMMITTEES OF POLITICAL PARTIES.—(1) Except as provided in paragraph (2), any get-out-the-vote activity for a State or local candidate committee, which is conducted by a State, district, or local committee of a political party shall be subject to the limitations, prohibitions, and reporting requirements of this Act.

(2) Paragraph (1) shall not apply to any activity which the State committee of a political party certifies is an activity which—

(A) is conducted during a calendar year other than a year in which an election for the office of President is held;

(B) is exclusively on behalf of (and specifically identifies only) one or more State or local candidates or ballot measures, and

(C) does not include any effort or means used to identify or turn out those identified to be supporters of any Federal candidate (including any activity that is undertaken in coordination with, or on behalf of, a candidate for Federal office).

(c) AMOUNTS RECEIVED BY GRASSROOTS FUND FROM STATE AND LOCAL CANDIDATE COMMITTEES.—(1) Any amount received by a State Party Grassroots Fund from a State or local candidate committee for expenditures described in subsection (b) that are for the benefit of that candidate shall be treated as meeting the requirements of subsection (b) and section 304(e) if—

(A) such amount is derived from funds which meet the requirements of this subsection; and

(B) the State or local candidate committee—

(i) maintains, in the account from which payment is made, records of the sources and amounts of funds for purposes of determining whether such requirements are met; and

(ii) certifies that such requirements were met.

(2) For purposes of paragraph (1)(A), in determining whether the funds transferred meet the requirements of this Act described in such paragraph—

(A) a State or local candidate committee’s expenditures as consisting of the funds most recently received by the committee, and

(3) NOTWITHSTANDING THE PROVISIONS OF THIS ACT, THE COMMITTEE MUST BE ABLE TO DEMONSTRATE THAT ITS CASH ON HAND CONTAINS SUFFICIENT FUNDS MEETING SUCH REQUIREMENTS AS ARE NECESSARY TO COVER THE TRANSFERRED FUNDS.
end the following new subsection:

```
(8)(A) No person, either directly or indirectly, shall contribute, or receive contributions from, any person, unless such contributions result from activities conducted by a committee of a political party, any principal campaign committee, or any authorized campaign committee which are described in section 501(c) of the Internal Revenue Code of 1986 if
(B) the organization is established, maintained, controlled, or used to influence elections, or
(C) a significant portion of the activities of such organization include voter registration or get-out-the-vote campaigns.
```

(9) For purposes of this subsection, an individual shall be treated as holding Federal office if such individual—

```
(2) holds a position described in level I of the Executive Schedule under section 5312 of title 5, United States Code.
```

SEC. 401. RESTRICTIONS ON BUNDLING.

(a) Reporting Requirements.—Section 304(b)(4) of such Act (2 U.S.C. 434(b)(4)) is amended—

```
(A) by striking "and" at the end of subparagraph (H); and
(B) by adding "and" at the end of subparagraph (I); and
```

(b) NAMES AND ADDRESSES.—Section 304(b)(5)(A) of such Act (2 U.S.C. 434(b)(5)(A)) is amended—

```
(A) by striking "within the calendar year", and
(B) by inserting "and the election to which the operating expenditure relates", after "operating expenditure".
```

TITLE IV—CONTRIBUTIONS

SEC. 303. RESTRICTIONS ON BUNDLING.

(a) Reporting Requirements.—Section 304(b)(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)(8)) is amended to read as follows:

```
(8)(A) No person, either directly or indirectly, may act as a conduit or intermediary for contributions in connection with elections to Federal office, or a political party, whether or not in connection with an election for Federal office.
```

(a) Reporting Requirements.—Section 304 of such Act (2 U.S.C. 434) is amended by adding at the end the following new subsection:

```
(1) By inserting the following new subparagraph:
(A) a significant portion of the activities of such organization include voter registration or get-out-the-vote campaigns.
```

(h) Nothing in this section shall prohibit—
"(1) joint fundraising conducted in accordance with rules prescribed by the Commission by 2 or more candidates; or

"(2) fundraising for the benefit of a candidate that is conducted by another candidate.

"(ii) No other person may conduct or otherwise participate in joint fundraising activities on behalf of any candidate.

(C) The term 'conduit' or 'intermediary' means a person who transmits a contribution to a candidate or candidate's committee or representative from another person, except that—

"(i) a House of Representatives candidate or representative of a House of Representatives committee; or

"(ii) an individual who is not acting as an officer, employee, or paid agent of such a person.

For purposes of this section a conduit or intermediary transmits a contribution when receiving or otherwise taking possession of the contribution and forwarding it directly to the candidate or the candidate's committee or representative.

(D) For purposes of this section, the term 'representative'—

"(i) shall mean a person who is expressly authorized by the candidate to engage in fundraising, and who, in the case of an individual, is not acting as an officer, employee, or agent of any other person;

"(ii) shall not include—

"(i) a political committee with a connected organization;

"(ii) a political party;

"(iii) a partnership or sole proprietorship;

"(iv) an organization prohibited from making a contribution to a general campaign of a candidate or political party for election to Federal office or to a political party under this section."

SEC. 405. PROHIBITION OF FALSE REPRESENTATION TO SOLICIT CONTRIBUTIONS.

Section 322 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(b)(7)) is amended—

"(1) by inserting after "Sec. 322. the following:

"(2) No other person may conduct or otherwise participate in any person's election-related activities, such as the making of charitable contributions, pursuant to election to that office; and

"(3) by adding at the end the following:

"(b) No person shall solicit contributions by falsely representing himself or herself as a candidate or as a representative of a candidate, a political committee, or a political party."

SEC. 406. LIMITED EXCLUSION OF ADVANCES BY CANDIDATE COMMITTEES FROM THE DEFINITION OF THE TERM "CONTRIBUTION".

Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(b)(2)) is amended—

"(1) by striking "(2)" and inserting "(2); and

"(b) No other person may conduct or otherwise participate in any person's election-related activities, such as the making of charitable contributions, pursuant to election to that office; and

"(c) No other person may conduct or otherwise participate in any person's election-related activities, such as the making of charitable contributions, pursuant to election to that office; and

"(2) by redesigning subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively;

"(3) by adding at the end the following:

"(d) No other person may conduct or otherwise participate in any person's election-related activities, such as the making of charitable contributions, pursuant to election to that office; and

"(e) No other person may conduct or otherwise participate in any person's election-related activities, such as the making of charitable contributions, pursuant to election to that office; and

"(f) No other person may conduct or otherwise participate in any person's election-related activities, such as the making of charitable contributions, pursuant to election to that office; and

"(g) No other person may conduct or otherwise participate in any person's election-related activities, such as the making of charitable contributions, pursuant to election to that office; and

"(h) No other person may conduct or otherwise participate in any person's election-related activities, such as the making of charitable contributions, pursuant to election to that office; and

 SEC. 506. CHANGE IN CERTAIN REPORTING FROM CALENDAR YEAR BASIS TO AN ELECTION CYCLE BASIS.

Paragraphs (2) and (3) of section 306 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(2)) is amended by inserting "calendar year, in the case of an authorized committee of a candidate for Federal office" after "calendar year" each place it appears.
through.—Section 302(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)) is amended by adding at the end the following new subsection:

"(i) The person described in section 304(b) is acting as a representative of the candidate and the committee is making disbursements in excess of $5,000 in any period specified in subsection (b)(1)(A) for which disbursements in excess of $10,000 are made; and

SEC. 504. USE OF CANDIDATES' NAMES.

Section 302(a)(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)(4)) is amended by adding at the end the following new subsection:

"(A) The names and addresses of officers (includ- edÐ

SEC. 505. REPORTING REQUIREMENTS.

(a) Filing on the 20th Day of a Month.—Section 304(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)) is amended by adding a period at the end of paragraph (2)(A)(iii), by striking "15th" and inserting "20th"; and by inserting the following new subparagraph at the end:

"(B) A political committee that is not an authorized committee shall not—

"(i) include the name of any candidate in its name, or

"(ii) except in the case of a national, State, or local party committee, use the name of any candidate in any activity on behalf of such committee in such a context as to sug- gest that the committee is an authorized committee of the candidate or that the use of the candidate's name has been authorized by the candidate.

SEC. 506. SIMULTANEOUS REGISTRATION OF CANDIDATE AND CANDIDATE'S PRINCIPAL COMMITTEE.

Section 303(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 433(a)) is amended by adding at the end the following new subsection:

"(A) shall be filed in the case of—

"(B) the treasurer makes at least 1 additional report of contributions aggregating $5,000 or more with respect to a contributor of the committee's obligation to re- port information required by this Act; and

"(C) the treasurer reports all information in the committee's possession regarding con- tributor identifications.

(e) Waiver.—Section 304 of such Act (2 U.S.C. 434), as amended by section 307, is further amended by adding at the end the following new subsection:

"(f) Waiver of Election.—Section 301(9)(B) of such Act (2 U.S.C. 431(9)(B)) is amended by adding "and shall, if such spending exceeds the applicable election period at the end of which such spending is first received" after "section 301(9)(B)" before the semicolon at the end of such section.

TITLE VI—BROADCAST RATES AND CAMPAIGN ADVERTISING

SEC. 601. BROADCAST RATES AND CAMPAIGN ADVERTISING.

(a) Broadcast Rates.—Section 315 of the Communications Act of 1934 (47 U.S.C. 315) is amended—

"(1) by amending subsection (b) to read as follows:

"(b)(1) Except as provided in paragraph (2), the charges made for the use of a broadcast-

"(ii) any other disbursements, with the

SEC. 507. REPORTING ON GENERAL CAMPAIGN ACTIVITIES OF PERSONS OTHER THAN POLITICAL PARTIES.

(a) Reporting Requirement.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434), as amended, is further amended by adding at the end the following new subsection:

"(g) Certain Communications by Corpora- tions and Labor Organizations.—(1) Any person making disbursements to pay the cost of applicable communication activities ag- gregating $5,000 or more with respect to a contributor of the committee's obligation to re- port information required by this Act; and

"(2) An additional report shall be filed each period at the end of which such disbursements are made.

"(2) Any person making disbursements to pay the cost of applicable communication activities aggregating $5,000 or more with respect to a contributor of the committee's obligation to re- port information required by this Act; and

"(2) An additional report shall be filed each period at the end of which such disbursements are made.

"(3) Any person required to file a report under paragraph (1) or (2) which also makes disbursements to pay the cost directly attrib- utable to a get-out-the-vote campaign described in section 316(b)(2)(B) aggregating $25,000 or more with respect to an election shall file a report within 48 hours after such disbursements are made.

"(4) An additional report shall be filed each period at the end of which such disbursements are made.

"(5) For purposes of this subsection, the term 'applicable communication activities' means activities which are covered by the election to section 304(g)."
eligible House of Representatives candidate (regardless of whether such opponent is an eligible candidate), the licensee, as applicable, shall, not later than 5 business days after the date on which the communication is made (or not later than 24 hours after the communication is made if the communication occurs not more than 2 weeks before the date of the election), transmit to the candidate:

1. A statement of the date and time of the communication if a script or tape recording is not available; and

2. A script or tape recording of the communication, or an accurate summary of the communication if a script or tape recording is not available; and

3. An offer of an equal opportunity for the candidate to use the broadcasting station to respond to the communication without having to pay for the response.

(e) A licensee that endorses a candidate for Federal office in an editorial shall, within the time period stated in subsection (d), provide to all other candidates for election to the same office:

1. A statement of the date and time of the communication; and

2. A script or tape recording of the communication, or an accurate summary of the communication if a script or tape recording is not available; and

3. An offer of an equal opportunity for the candidate or spokesperson for the candidate to use the broadcasting station to respond to the communication.

(f) In subsection (a)(1) or (a)(2) that is provided to and distributed by any broadcasting station or cable system (as such terms are defined in sections 315 and 602, respectively, of the Federal Communications Act of 1934) shall include, in addition to the requirements of subsection (a)(1) or (a)(2) of sections 315 and 602, respectively, of the Federal Communications Act of 1934, the following:

1. The terms 'eligible House of Representatives candidate' and 'independent expenditure' shall be defined in accordance with section 301 of the Federal Election Campaign Act of 1971.

2. A candidate may designate a political committee, and a qualified campaign committee, and:

a. The authority granted under subparagraph (a) shall be exercised in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement.

b. The authority granted under subparagraph (a) shall be accompanied by a clearly identifiable photographic or similar image of the candidate.

c. Any printed communication described in subsection (a)(1) or (a)(2) that is provided to and distributed by any broadcasting station or cable system described in subsection (b)(1) shall include, in addition to the requirements of subsection (a), a clearly readable statement that includes the following information:

- "(A) appears at the end of the communication in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds; and

- "(B) is accompanied by a clearly identifiable photographic or similar image of the candidate."
and petition the Supreme Court for certio-
ra to review, judgments or decrees entered
with respect to actions in which the Com-
mission appears pursuant to the authority
provided in this section.

SEC. 703. PROHIBITING SOLICITATION OF CON-
TRIBUTIONS BY MEMBERS IN HALL OF THE HOUSE OF REPRESENTA-
TIVES.

(a) IN GENERAL.—A Member of the House of Represen-
tatives may not solicit or accept campaign contributions in the Hall of the House.

(b) EXCEPTIONS.—If any provision of sub-
title A of title V of the Federal Election
Act (including any amendment made by this
Act) to be unconstitutional, all provisions of such sub-
title are held to be invalid, unless the con-
stitutional issue is settled by an appeal to
the Supreme Court or an earlier court
finding any provision of this Act or
judgment, decree, or order issued by any
Court of the United States from any final
appeal may be taken directly to the Supreme
Court shall, if it has not previously
taken such an appeal and if the
provisions are not unconstitutional,
take effect.

(c) EXERCISE OF RULEMAKING AUTHORITY.—
This section is enacted by Congress.

SEC. 704. REGULATIONS.

The Federal Election Commission shall
prescribe all rules required to carry out
the provisions of this Act within 12
months after the effective date of this Act.

The CHAIRMAN. Pursuant to House
Resolution 481, the gentleman from Cali-
ifornia [Mr. FAZIO] and the Column
Mr. F. FAZIO of California, Mr. Chair-
man, I yield 4 minutes to the gen-
tleman from California [Mr. FARR] who
has led the effort on our side of the
aisle to propose an alternative to this
very unfortunate bill.

Mr. F. FARR of California, Mr. Chair-
man, I thank the gentleman for yielding
time to me.

Mr. Chairman, I rise urging my col-
lleagues to support the bill that is
under consideration, H.R. 3506. Mr.
Chairman, the bill lets the people tell the Members why. This bill im-
poses spending limits on political can-
idates. It reduces the influence on spe-
cial interest money. It eliminates soft
money. It corrals unregulated advoca-
dying spending. It is a good bill because
this is what the American people have
asked for, and it is what they deserve: campaigns that are free of big money,
free of powerful interests, and unregu-
lated third party spending. It is a good
bill because it brings sanity to an in-
consolable waste of campaign finance.
It is a good bill because it lets us say goodbye to the high-roller politics.
Let us take a look at what is happen-
ing in America. Right now there are no spending limits, and certainly under
the bill that the gentleman from Califor-
nia [Mr. THOMAS], there are no limits.
Candidates can spend whatever and howev-
er they want to spend. There is a
$500,000 spending limit in a 2-year cycle
under our bill. The American people
want to see limits on what people spend in campaigns. They think there
is too much money being spent in cam-
paigns.
Earlier this year the League of
Women Voters ran a series of citizen
assemblies focused on the issues of
campaign finance reform and found
overwhelmingly: 'The citizens feel it is
obscene to spend so much money on
elections in this time of scarce public
resources.'
In the last election cycle we in this
Chamber, the Members who got elected
in this Chamber, spent a total of $230.8
million to get elected, $230.8 million,
and that does not even count our oppo-
nents, the people who ran against us.
Those who ran against us spent $300
million or so trying to defeat us. On
the average, together, those who got
elected and those who did not, we spent
over $500,000 each to get here. That is
a lot of money. The trend is for more
money to be spent, not less.
Over the last 10 years, the total
amount spent by winning House can-
ididates has just about doubled. Where
are we going to be under the Thomas
legislation 10 years from now? In the
last 20 years, the total amount spent
by winning House candidates has in-
creased by more than 14 times. It is
runaway. Not only is a lot of money
being spent, it takes a lot of time to
raise it.
If we end the money chase, our elec-
tions will focus more on issues and on
policy debates and less on the issue of
collecting dollars. That is what my bill
seeks to do, to end the money chase.
We debate here daily about tightening
our belts and reducing Government
spending. How many votes in the last
few days or weeks have been cast on
the floor where we were cutting appro-
priations, limiting Government ex-
penditures? Why can we not do that for
campaigns?

Why can we not cut, squeeze, and trim? The spending limits in the bill
that I am offering are voluntary. They
show a commitment on the part of the
candidate to spend money wisely and
responsibly. They put limits on the
amount we can raise from PACs. They
put limits on the amount we can raise
from wealthy people, on the amount of
money a wealthy person can put into
his or her own campaign. The opposi-
tion bill has no limits.
Mr. HOKE. I urge an "aye" vote on my bill.
Mr. THOMAS. Mr. Chairman, I yield 2
minutes to the gentleman from Ohio
[Mr. HOKE].
Mr. HOKE. I thank the gentleman for
yielding me this time.
Mr. Chairman, I want to talk about
two things about this bill that actually
are good and go in the right direction
and that are good enough to at least
encourage me to reluctantly vote for
the bill. First of all, we reduce from
$5,000 to $2,500 per election the amount
we can raise from PACs. They put
limits on the amount we can raise from
PACs. They are volunteer limits.
The previous speaker from Connecticut
suggests that this means that working
people and less affluent people will not
have the same opportunities for politi-
cal expression as a result of that and it
is absolutely false.
The fact is that there is a tremen-
dous difference between the character
of a political action committee and the
character of individual contributions.
Individuals are infinitely complex.
They are subtle. They are varied. They
have a very wide spectrum of causes
and concerns and issues that matter to
them, whereas political action commit-
tees representing special interests that
are based for the most part in Washing-
ton, DC, are, they are narrow. They
have a very crude view of the poli-
tical process, and it is fundamentally
transactional. The first transactional
is access; the second is influence; and,
finally, the transaction is to get a vote.
They have a very complex view of the
former, but a very crude view of the
latter. How many PACs have PACs in
a 2-year cycle; maybe one, maybe
five, certainly not many more than
that. The idea, the game, is to get a
specific result. That is not how individ-
uals are. That is not how individuals
cut. PACs, political action committees,
representing special interests, are an
undermining influence on this U.S.
Congress. The public knows that.
Going from $5,000 to $2,500 is the right
direction. It ought to be from $2,500 to
zero.
The second thing that is good about
this bill is that it requires a majority
finally, the transaction is to get a vote.
of the contributions must come from individuals who live inside the district which is electing that particular person to the Congress.

Mr. FAZIO of California. Mr. Chairman, I yield 2½ minutes to the gentleman from Georgia [Mr. Lewis] who hails from the Olympic capital, Atlanta.

Mr. LEWIS of Georgia. Mr. Chairman, I rise today to urge my colleagues to oppose this so-called Thomas campaign finance reform bill. The Thomas bill is a shame, a sham, a scam. It is a farce, it is a joke, because it is not reform at all. This is a special interest bill designed to allow the superwealthy to funnel hundreds of thousands of dollars into the Republican campaign coffers.

The American people are in agreement. Our political process is sick. It is corrupt. There is too much money, too much special interest influence on our elections. But that is Dr. GINGRICH’s prescription for this problem? Well, testifying before the Committee on House Oversight, GINGRICH said there was not too much money in our political process, there was too little. Far more money is needed, he contended.

We say to Dr. GINGRICH’s solution. It would increase the ability of superwealthy to influence our election. In fact, in its original form this bill would have allowed an individual to donate more than $3 million to Republican coffers. Only when the Democrats in the House exposed this scandal did the Republicans change this bill overnight.

Mr. Chairman, NEWT GINGRICH has succeeded in funneling between $10 and $20 million into campaigns through his personal political slush fund, GOPAC, without ever reporting a single dime. It is alleged that he used nonprofit groups to further channel funds to his pet political projects.

Mr. Chairman, our bill will open the floodgates of special interest funds. This bill is the Republican way to do under the law what must now be done by going around the law.

This bill, not Medicare, Mr. Chairman, deserves to wither on the vine. Let me say it again, Mr. Chairman: This bill, not Medicare, deserves to wither on the vine.

Mr. THOMAS. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, the gentleman is from the Olympic city and just as the IBM computers are garbling the various statistics and data going on at the Olympics, I think we are beginning to see that in terms of the dollar amounts involved in these various bills, so I think it is time to reframe the issue.

We have a $1,000 amount for individuals, indexed prospectively. The Democrats have the same amount. For PAC’s we have $2,500. They have $8,000 in an election cycle, $5,000 in an election, twice as much as we do. On the aggregate amount that an individual can give a party, they have $100,000, we have $100,000.

So when you get wound up in your rhetoric about what our bill does versus the Farr bill, please, it’s the same amount on individuals, half as much on PAC’s, and the same amount on aggregate amount to parties.

When Dr. GINCH was listening to Dr. Don Fowler, the chairman of the Democratic National Committee, who said they should be unlimited to parties and that the amount that individuals could give should be $2,500. We put that in the bill. When we examined it were we decided he was a bit too extravagant. So when you look at the numbers, please keep in mind facts and reality.

Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. FAWELL], the chairman of an extremely important subcommittee of the Committee on Economic and Educational Opportunities which has given us a very valuable addition to the bill known as the Worker’s Right to Know Act. It is a bill for yielding me this time, Mr. Chairman, and I rise in opposition to the substitute and in support of the Thomas bill.

Mr. Chairman, I would like to, as the gentleman from California [Mr. THOMAS] has indicated, center my comments in regard to title IV. But I do want to laud the gentleman from California [Mr. Thomas]. I know of no man in this Congress who more avidly pursues campaign reform and whatever topic he goes after, he does it, I think, in a very fine, workmanlike manner. I commend him. I think that nothing is perfect, but I think this gentleman has done a service for the Congress.

Mr. Chairman, the Worker Right to Know Act, I think, can be, understandably, easily misunderstood; and there is a proclivity, I think, to misunderstand it. I would summarize it as being a procedural Bill of Rights, constitutional rights for workers in America, and something that can give them some empowerment.

It implements the Beck decision, which was passed by the Supreme Court back in 1988 and never really has had any implementation from the National Labor Relations Board. Basically, what it states is this: A union cannot accept noncollective-bargaining dues from workers without having their written consent.

There are a lot of workers in America who are going to object to something like that as being terrible. In addition, it also puts an obligation of disclosure upon unions, and it states that at the time that you wish to collect these noncollective-bargaining dues from union members, at the same time you have to disclose the ratio between noncollective-bargaining dues and collective-bargaining dues. And that is only reasonable because it is not the union workers who understand these ratios.

Obviously, the union has all this knowledge. So why do they not easily share it with their membership? There is nothing wrong with that. So what we have here is notice and consent and disclosure. I just cannot see where many people can get too uptight about something like that.

There is also a provision that the unions are required to report its expenses should do so by functional classification so as to be able to better serve their membership so the membership can better ascertain how the money is being spent in terms of, again, collective bargaining versus noncollective.

What is the world is wrong with that? Compare it to the current procedure that exists today. The Supreme Court indeed has said that a worker has the right to object to paying noncollective-bargaining dues. But if you are a worker, you should have come to our hearings and listened to what the workers of America had to say about what they have to go through in order to try and exercise these rights.

They really do not know what procedures; it varies from union to union. In fact, a poll showed that 78 percent of all the union workers, at least some, think 2,000 or 3,000 of union workers that were polled, more than that, 78 percent did not even know they had the right to object to paying noncollective-bargaining dues. They were not even aware of that.

The stories they told us to our subcommittee, oftentimes they face great intimidation, they have to resign from the union. So here is this poor guy who comes along or this gal, and she wants to object to the fact that her dues might be being used for political purposes that she does not agree with. Forty percent of the workers are voting Republican, by the way. They tell her, “You’ve got to resign.” They kick her out of the union because she brings this up.

We are not even changing that, by the way. After they have to resign from the union, which is customarily what happens, we know they still have to continue to pay collective-bargaining dues. But we do not have a law which states they have nothing to say, they have to give up all their rights of membership which means they have no right to vote on a strike or not to strike, or any of the other crucial decisions. They have to give all that up. We are not even altering that law.

We are just basically saying, do you not think it would be a good idea if the worker has the right to opt in rather than have the burden of opting out? Is that not fair?

In my district, there are groups of labor union workers who are endorsing this concept. They look upon it as a nice piece of democracy that will stimulate unions. But when the unions see the mem-bers will look at it that way, too. This is minority rights, and it is something that we all ought to endorse as a good, decent part of this Thomas legislation.

Mr. FAZIO of California. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. MILLER], a strong advocate of working men and women in this country.
(Mr. MILLER of California asked and was given permission to revise and extend his remarks.)

Mr. MILLER of California. Mr. Chairman, campaign money at its current levels in the Congress of the United States is dangerous to our democracy. But ultimately the legislation brought forth by the Republicans does not do that. It does not do that because in fact, as the gentleman just explained, it makes it more difficult for working men and women to participate in campaigns while making it easier for the wealthy of this country to participate. It still allows soft money, which has become the sewer of campaign money, to run unregulated and has nothing to do about that.

Soft money. I bet a lot of Americans wish they had soft money. They only have hard money, money that they work hard for every day. But some people say they have soft money. It is given out in $20,000 and $30,000 and $50,000 and $100,000 bundles to parties, to unregulated activities, to influence campaigns.

What has been the result? Well, we saw what the results were with Republicans when in the first 100 days during the Contract on America, they were raising money in unprecedented levels. They threw open the doors of the offices around here to lobbyists to write legislation. They created the Thursday Club so lobbyists could come in and consult with them; but you could not get in the room unless you gave them campaign money. Campaign money bought you access to that room. Mr. and Mrs. America could not get in that room, but if you gave them enough campaign money, Congressman DeLAY made it clear, if you are not on the list, if you were not contributing, you do not get to participate.

What happens to the rest of the American citizenry that cannot come to Washington and have access to soft money, that cannot give thousands of dollars? Under the Thom- as bill, they are out of luck, but so is money, that cannot give hundreds of the list, if you were not contributing, could rewrite the regulations, the En- didates, then you could get in that and Mrs. America could not get in that and Mr. Chairman, I yield 2 1/2 minutes to the gentlewoman from California [Mrs. SEASTRAND, an in-the-flesh working woman.]

Mrs. SEASTRAND. Mr. Chairman, I rise in opposition to the substitute bill and support the Thom. As we consider the Worker Right to Know Act included in the campaign fi-nance reform bill, some have suggested that this is a solution in search of a problem, that unions today rarely, if ever, bring pressure to bear on workers to join the union. Unfortunately, such assertions ignore the reality of what is really taking place in many American workplaces.

As evidence of this fact, I would like to draw Members' attention to the fol-low ing excerpt from a newsletter published by the International Brother-hood of Electrical Workers in their Oc-tober 1995 newsletter. I quote: "Emp- loyees who elect to become agency fee payers—those that is, who choose not to be come full-fledged IBEW members—forfeit the right to enjoy a number of ben-efts available only to members. Among the benefits available only to full union members are the right to at-tend and participate in union meetings; to negotiate and be represented for union office; the right to participate in contract ratification and strike votes; the right to participate in the formulation of IBEW collective bargaining de-mands; and the right to serve as dele-gates to the international convention." Now, if this were not subtle enough, I would point out the letter Mr. Gary Bloom of Medina, MN, received from local 12 of the Office of Professional Employees Union. In their correspond-ent with Mr. Bloom, the union was very direct when they informed Mr. Bloom: "If you choose not to be a member of local 12, I shall have no alter-native but to request GHI that your employment be terminated."

The fact of the matter is that every day unions are bringing extreme pres- sure to bear on American workers to join their ranks, including threats of reprisal and termination of employ-ment. Moreover, once they have pres-sured these workers to join the union, they then often take dues from those workers and spend them on political or social causes which the worker may not support.

As contentions of organized labor notwithstanding, the fact is that there is a problem out there today in the American workplace with respect to mandatory assessment of union dues, and it is the one that affects the wages of working men and women across this country.

The Worker Right to Know Act will address that problem by simply requiring that the union tell workers how
their dues are spent and then ask permission to spend those dues on non-collective bargaining purposes. When you get right down to it, it is really an issue of basic fairness, and I urge my colleagues to support the Worker Right to Know Act and oppose this substitute bill.

Mr. FAZIO of California. Mr. Chairman, I include for the RECORD at this point letters condemning this legislation offered by the majority from Common Cause and Public Citizen.

The letters referred to follow:

COMMON CAUSE,

DEAR REPRESENTATIVE: The repackaged Thomas bill—H.R. 3820—is phony reform that locks in the corrupt status quo, leaves open the floodgates for special-interest PAC money and increases the amount that wealthy individuals can contribute to influence federal elections.

Any Member of Congress who votes for the Thomas bill is voting to protect the corrupt way of life in Washington, DC. H.R. 3820 codifies and expands the soft money system—the most flagrant and corrupt abuse in politics today. This system allows unlimited corporate, union and huge individual contributions to be laundered through the political parties to affect federal elections.

Any Member of Congress who votes for H.R. 3820 is giving a personal blessing and a personal stamp of approval to the corrupt soft money system. H.R. 3820 fails to make any real reductions in the PAC system of funding House races. If the Thomas bill had been in effect during the last election, it would have cut less than nine percent of PAC contributions and would have continued the PAC incumbent protection system where 72 percent of PAC funds go to incumbents (and 10 percent go to challengers) and where 90 percent of incumbents are reelected.

Any Member of Congress who votes for H.R. 3820 is personally endorsing the status quo PAC system and the incumbent protection it provides. H.R. 3820 doubles the amount that wealthy individuals can give in hard money to candidates and parties. Under H.R. 3820, an individual could give $100,000 per election cycle—an amount that is more than three times the annual income of the average American wage earner.

Any Member of Congress who votes for H.R. 3820 is speaking out for more access and influence in the political system for the wealthiest people in America and less for average American wage earners.

The Thomas bill is a fraud. Any Member of Congress who wants real reform will simply refuse to go along with this charade and will vote no on H.R. 3820.

Sincerely,

ANN MCBRIDE,
President.

PUBLIC CITIZEN,

DEAR REPRESENTATIVE: Late in the day on Wednesday, Rep. Bill Thomas (R-CA) released amendments to his campaign finance bill, H.R. 3820. The amendments do away with the extraordinary increases in contribution limits, but they do not make H.R. 3820 real reform. It is still a big step in the wrong direction on campaign finance and should be defeated. We urge you to vote NO on H.R. 3820.

Despite the changes, the underlying philosophy of the H.R. 3820 bill remains the same—that there is not enough money in politics. That premise is fundamentally wrong, and therefore, H.R. 3820 still is not worthy of the title of “Reform.” In particular, we oppose this bill because it:

1. Gives congressional approval to the disgraceful soft money system, under which corporations, labor unions, and wealthy individuals contributed nearly $3 billion to the national political party committees last year.
2. Opens a huge new avenue for the parties to spend that soft money, (which would be illegal if contributed to federal candidates) by allowing them to spend unlimited amounts of soft money on “communications” with their members, instead of unlimited corporate funded newsletters, bulletins, and ads from the opposing party attacking Members of Congress starting on the very first day of the Congress.
3. Doubles the annual total amount that wealthy individuals can contribute to PACs, parties, and candidates. Only 167,000 individual contributions of $1,000 were made to federal candidates in the 1994 cycle—less than 7,000 of a percent of the American public. There is simply no justification for giving additional “buying power” to the very rich in our country. (The Democratic alternative contains a similar increase in the annual aggregate contribution limit. But unlike H.R. 3820, that alternative bans soft money. The new aggregate limit in the Democratic bill allows individuals to make additional contributions to state party “Grassroots Funds” to pay for activities that heretofore were generally financed with soft money; it maintains the aggregate limit in existing law for contributions to candidates. H.R. 3820 preserves soft money and allows wealthy individuals to make additional hard money contributions to candidates, PACs, and parties. That is not reform.)
4. Fails to significantly reduce PAC funding of campaigns because it has no aggregate limit on PAC money. A limit in the Democratic bill to $2,500 per election will have only a slight effect on PAC giving, and that limit will in any event be raised to $3,000 per election in 1999 because of the indexing provisions of the bill.
5. Provides for a 50% increase in the individual contribution limit in 1999 under the new indexing provision. This provision will magnify the influence of the tiny portion of the public able to make the maximum contribution, further alienating people of average means from political process. This provision will lead to the floodgates for special-interest PAC's to assist a candidate against the opposition, further alienating people of average means.
6. Perpetuates incumbent campaign spending advantages through in-district fundraising requirements that impose de facto spending limits, soft money reforms and PAC restrictions, effectively leveling the playing field for all candidates. The American people deserve the effective spending limits, soft money reforms and PAC reforms included in the Farr substitute.
7. As we have seen in recent elections, a well-financed candidate can practically buy his or her way to victory. The Thomas bill only maintains the flawed system of unlimited corporate, union and huge individual contributions. The American people deserve campaign finance reform. This timely legislation will place voluntary limits on campaign spending and most importantly will limit candidates' personal expenditures, effectively leveling the playing field for all candidates. The American people deserve the effective spending limits, soft money reforms and PAC reforms included in the Farr substitute.

Mr. Chairman, I am saddened to see the American public becoming more and more disillusioned with the political process. The American democracy was built on equal opportunity. Right now I am not so sure the ordinary Americans have a place and a voice in the political arena. The average American candidate would not only have the opportunity to run for an elected office, but to run and win.

I remember a time when political campaigns were determined by the moral character and message of the candidate, not the money in their pocket. Let us turn back the clock for the American people. Vote for real campaign reform. Vote yes on the Farr substitute.

We have talked about campaign finance reform for a long time around here, but somehow, some way, we have got to put an aggregate number, a ceiling on campaign spending. Let us support the Farr substitute.

Mr. THOMAS. Mr. Chairman, I yield myself 30 seconds, and I am going to try it one more time.

Their limit is voluntary. If someone wants to spend as much money as they want, all the rules are out; they do not control spending. What we do is change the rules. If a wealthy candidate wishes to exercise their rights, we allow parties, we allow individuals, we allow PAC's to assist a candidate against the person who exercises their constitutional rights. They do not have a solution, they have an answer.

Mr. Chairman, I yield 2½ minutes to the gentleman from Florida [Mr. WELDON].

Mr. WELDON of Florida. Mr. Chairman, I thank the gentleman from California for yielding me the time.

Mr. Chairman, I rise in support of the Worker Right to Know Act, which is title IV of the campaign finance bill we are now considering. In doing so, Mr. Chairman, I must take issue with the suggestion from my colleague that the other side of the aisle that it is Republicans who have politicized the issue of compulsory union dues. After all, it was at a special convention of the
AFFL-CIO that the union announced that it would impose a special assessment on every union member to fund the union’s election-year political campaign, a campaign in which the union made its intentions clear, to attack Republican Members of Congress.

Also at the convention, the leadership announced its endorsement of the Clinton-Gore re-election campaign. So here you have the Washington union bosses taking more money out of the pockets of union members without any input in a scheme that would then be banked and filed for the explicit purpose of funding the President’s re-election campaign and attacking House Republicans, all of this when recent polling shows that nearly half of union members vote Republican.

It has also been suggested by my colleagues on the other side that Republican interest in compulsory union dues is nothing more than a recent political response to the AFFL-CIO’s transparent attempt to buy the November elections. Unfortunately, such assertions ignore the facts. The fact of the matter is that since 1985, congressional Republicans have introduced more than 20 separate pieces of legislation aimed at providing workers with greater control over their union dues.

So let us be clear on this point, it is Washington union bosses and their supporters in the Democrat Party that have recently politicized the issue of compulsory union dues and Republican Members of Congress have been working for years to give employees a greater say in how their dues are spent.

We may disagree on the policy, but American workers deserve our honesty with regard to politics. I urge my colleagues to support the Worker Right to Know Act.

Mr. FAZIO of California. Mr. Chairman, I yield 1 minute to the gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Mr. Chairman, I want to thank the ranking member for yielding me the time.

Mr. Chairman, I have listened to the gentleman from California [Mr. THOMAS] trying to justify a similarity between the substitute in the Republican bill on limits. Good try, just not accurate. You have not explained the fact that with soft money under the Republican bill, millions of dollars can be funneled into local elections. The substitute bans soft money.

Yes, it is true that we have a voluntary $500,000 limit. The Republicans have no limit in their bill. But let me explain that voluntary limits have worked, it worked in our Presidential campaign. It is consistent with the Constitution. If we do not try to limit the amount of money being spent, with recent trends we are going to find the average campaign over $1 million.

We have independent expenditures. The Republican bill does nothing about that. We have limits on large contributors. The Republican bill does nothing but encourage more money from large contributors. The substitute will reduce the amount of money being spent in campaigns, the Republican bill will increase it.

Mr. Chairman, I urge my colleagues to support the substitute.

Mr. FAZIO of California. Mr. Chairman, I yield 1 minute to the gentlewoman from Washington [Mrs. SMITH].

Mrs. SMITH of Washington. Mr. Chairman, both sides agree good points are there are some I agree with. If they were just standing here on the floor with a provision that would say union members get to know, I would be voting for it because my husband is union and we need to know and be asked before they spend our money, but that is not what we are talking about.

What we are talking about today is a bill that does not change anything, anything with what happens here in Washington, DC. Every night Members of Congress can still hold their fundraisers, they can still raise, listen to this, 50 percent of their money at these fundraisers because there is no aggregate cap. If they raise $1 million, they can raise $500,000 at these PACs’ fundraisers. This does not change anything.

But worse yet, tobacco money still can be funneled through the parties, made legitimate by the Republican bill; funneled through in hundreds of thousands and millions of dollars, to be then redirected through to candidates.

Mr. Chairman, what is worse, wealthy people now prevail. I go home to blue-collar America, folks, and we cannot afford $25 a month, much less $25,000 to $50,000 and more. Mr. THOMAS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would suggest to the gentlewoman from Washington that if she is able to raise $500,000 from individuals back home, she does not have to be concerned because the whole concept is she would have already won the election because every one of those people she talked to back home has a vote.

When you have a majority required from your district, you are not only raising money, you are raising votes. That is the concept of the underlying bill.

Let me take just a minute, because I think it is time to exercise the “gotchta rule,” solicitations of Democrats and the gentleman from Maryland go through and extol the virtues of their bill versus ours. What they will never do is talk about the fine print. That is our job, so I will do it: Gotcha.

Take a look at section 304 of the Democrat campaign reform bill. Currently, corporate contributions cannot be admitted in Federal political campaigns. What they are not telling us is that they have a provision in their bill, section 304, which says corporate funds from a credit card are to be converted into Federal PAC contributions. If you take out a credit card, and we have all seen these schemes with various organizations, and it says “Democratic Party” on it, the royalties that come from the corporation that sold the credit card and carried on the processing of the papers are magically converted into Federal funds.

□ 1500

They will not tell us that. They will criticize our bill on the time they are supposed to be explaining their bill, so I thought I would. Gotcha.

Mr. Chairman, I yield 3½ minutes to the gentleman from Pennsylvania [Mr. GREENWOOD], one of the more thoughtful Members of the House.

Mr. GREENWOOD. Mr. Chairman, I think the gentleman for yielding me this time.

Mr. Chairman, I rise today in opposition to the Farr substitute and in support of H.R. 3820.

As many Members of this body are aware, I have had serious reservations about some provisions of the Republican campaign reform bill. When we opened debate on this key reform proposal, I envisioned a new day in American politics: A crisp November morning when the stars and stripes that fly over our city and our county, our local schools and in our parks would honor an electoral process free from the corruption of special interests; an election day morning when Americans could go to the polls and cast their vote without realizing that their potential involvement was again valued in our campaign system.

Over the last 16 years I have been a candidate in 15 elections. During my career in the State legislature, in the State senate, I accepted PAC contributions; but since my election to the Congress 4 years ago, I have not accepted PAC checks, and I love the difference. In 1992 I defeated a 14-year incumbent who received the vast majority of his contributions from outside our Philadelphia suburban district.

These experiences, as well as my long-time commitment to reforming our Nation’s electoral process, led me to take an active role in this debate.

Indeed, during the Committee on Rules consideration of this bill, I offered amendments. My provisions would have banned connected PAC’s, which are corporate or labor union PAC’s that use union or corporate treasuries to subsidize their administration and solicitations.

In addition, my amendments would have eliminated the retroactive indexing originally in this bill and brought both individual and PAC contribution levels down to $1,000. Unfortunately, I was not offered the opportunity to offer my amendments before this body.

The Republican campaign finance reform bill, even with the manager’s amendment, has a number of weaknesses, in my view. It does fail to adequately address PAC reform and to provide special interests from our electoral system. This legislation also maintains a disparity between the individual and PAC contribution limits,
and injects more money into the electoral system through increases in the aggregate contribution limit.

I do not believe this is a comprehensive campaign finance reform package, yet acknowledging these weaknesses, this legislation is a step forward and a step toward the bill that I want to pass. The gentleman from California [Mr. THOMAS] should be commended, and I will vote for the bill as amended.

By cutting the PAC contribution limit in half and requiring that 50 percent of the candidate’s campaign funds come from individual donors, this bill does work to return elections to individual Americans. Furthermore, this reform package includes provisions to reduce the influence of wealthy candidates, to eliminate leadership PACs and bundling, and to encourage grassroots volunteers and increased FEC disclosure.

In conclusion, Mr. Chairman, I see the passage of this legislation not as the conclusion of our campaign finance debate but rather as a beginning, the beginning of a true commitment by the Republicans in this Congress to craft real campaign finance reform. I am confident and hopeful that we can and will use this legislation as a starting point from which to launch our debate on this difficult and crucial issue in the next Congress.

Mr. FAZIO of California. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin [Mr. BARRETT], a strong advocate of reform.

Mr. BARRETT of Wisconsin. Mr. Chairman, I thank the gentleman from California for yielding me this time.

Mr. Chairman, this is a disappointing day for Congress, but more than that, it is a disappointing day for the people of this country, because they were promised that we would have campaign finance reform in this Congress.

Instead of getting campaign finance reform, we are getting campaign finance reform, because what this bill that has been presented by the Republicans does, it allows wealthier Americans to have more influence in the political system. I would venture to guess if we put a poll to the American people and asked them if they want wealthy Americans to have more influence in this system, overwhelmingly the people would say no.

For as long as there is going to be politics, Democrats will complain about Republican money and Republicans are going to complain about Democratic money. The only way to resolve this problem is to take some of the money out of the system, to lower the amount that candidates can spend, and that is what the Farr alternative attempts to do.

The Republican bill does not do that. In fact, the Republican bill is based on the premise that we are saturated in the system. That is ludicrous. The problem is there is too much money. Vote down the Republican alternative. Support the Farr alternative.
the interests that the union movement has always held historic, the protection of working people, the promotion of civil rights, the safety of the workplace, and to tilt it in favor of the corporations that have been their historic and traditional financiers.

I do not think this is the place for that kind of a provision.

Mr. FAZIO of California. Mr. Chairman, how much time is reminding for each side?

Mr. CHAIRMAN. The gentleman from California [Mr. Fazio] has 12½ minutes remaining, and the gentleman from California [Mr. THOMAS] has 10 minutes remaining.

Mr. FAZIO of California. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Chairman, I rise today to urge my colleagues to vote against the Republican campaign finance bill and support the common-sense Farr substitute.

The Republican bill is basically a sham. The Republicans received so much criticism from their own parties and groups, such as Common Cause and Unitarian Universalist, that they are now seeking to amend their own bill. It is clear the Republican bill is changing campaign spending to allow more money into the political process, not less, completely contrary to the will of the American people.

Now, let me tell my colleagues why I like the Farr substitute. Every source of private funds for a campaign, in my opinion, is basically bad. I would like to see public financing of campaigns, but we are not voting on that today. But the nice thing, the good thing about the Farr substitute is it caps the amount of money that is spent on a campaign and then mixes up the sources of those funds, $600,000 maximum, and then it says only $200,000 from any one individual donor, which is defined as $200 or more, only $50,000 of a Member's own individual money, and I guess the rest probably small donors.

That is what we need, a mixture of various sources of funding so no funding source, not wealthy individuals, not PAC's or individual contributions, is the primary source of money for a campaign. It is only through mixing the sources and capping the amount of money that can spend on a campaign that I think we have a way of financing a campaign that basically makes sense and does not allow for special interests or any particular interests to influence too much what happens to American people.

In the same way the Farr bill also allows for lower postal rates, it reduces rates for broadcasting, and so it allows the message to get out better. That is what campaigns should be all about: Who is the best financier? Who has the best message? Not who has the wealthiest contributor or who has the most PAC money or who has the most money overall.

The reason why this Republican bill is terrible and is a sham is because it is trying to put more money into campaigns and not limit the amount and the sources of the financing.

Mr. THOMAS. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, the gentleman correctly described the Democratic bill. What it does is coerce people to provide subsidies so that government can attempt to convince people they should not exercise their free speech rights. That is the typical approach that the Democrats use in the use of government; that is, coercion, control, and limits.

But really would like to focus on the bill itself. If anyone is interested, section 304 says, merchandising and affinity cards. We have heard the term “true reform.” We have heard common sense in terms of the way the Democrats are approaching this.

Take a look at section 304. It says, Notwithstanding the provisions of this section or any other provision of this Act to the contrary, an amount received from a corporation or other entity shall not be counted as a contribution.

True reform or a scam?

Mr. FAZIO of California. Mr. Chairman, I yield 2 minutes to the gentleman from Delaware [Mr. PALLONE].

Mr. PALLONE. Mr. Chairman, I rise today to urge my colleagues to vote against the Republican campaign finance bill and support the common-sense Farr substitute.

The Republican bill is basically a sham. The Republicans received so much criticism from their own parties and groups, such as Common Cause and Unitarian Universalist, that they are now seeking to amend their own bill. It is clear the Republican bill is changing campaign spending to allow more money into the political process, not less, completely contrary to the will of the American people.

Now, let me tell my colleagues why I like the Farr substitute. Every source of private funds for a campaign, in my opinion, is basically bad. I would like to see public financing of campaigns, but we are not voting on that today. But the nice thing, the good thing about the Farr substitute is it caps the amount of money that is spent on a campaign and then mixes up the sources of those funds, $600,000 maximum, and then it says only $200,000 from any one individual donor, which is defined as $200 or more, only $50,000 of a Member's own individual money, and I guess the rest probably small donors.

That is what we need, a mixture of various sources of funding so no funding source, not wealthy individuals, not PAC's or individual contributions, is the primary source of money for a campaign. It is only through mixing the sources and capping the amount of money that can spend on a campaign that I think we have a way of financing a campaign that basically makes sense and does not allow for special interests or any particular interests to influence too much what happens to American people.

In the same way the Farr bill also allows for lower postal rates, it reduces rates for broadcasting, and so it allows the message to get out better. That is what campaigns should be all about: Who is the best financier? Who has the best message? Not who has the wealthiest contributor or who has the most PAC money or who has the most money overall.

The reason why this Republican bill is terrible and is a sham is because it is trying to put more money into campaigns and not limit the amount and the sources of the financing.

Mr. THOMAS. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, the gentleman correctly described the Democratic bill. What it does is coerce people to provide subsidies so that government can attempt to convince people they should not exercise their free speech rights. That is the typical approach that the Democrats use in the use of government; that is, coercion, control, and limits.

But really would like to focus on the bill itself. If anyone is interested, section 304 says, merchandising and affinity cards. We have heard the term “true reform.” We have heard common sense in terms of the way the Democrats are approaching this.

Take a look at section 304. It says, Notwithstanding the provisions of this section or any other provision of this Act to the contrary, an amount received from a corporation or other entity shall not be counted as a contribution.

True reform or a scam?

Mr. FAZIO of California. Mr. Chairman, I yield 2 minutes to the gentleman from Delaware [Mr. PALLONE].
I rise today in strong support of genuine campaign finance reform, and urge my colleagues to vote for the Farr substitute. I am glad my Republican friends have significantly changed their original proposal to embrace the Farr bill. This bill is a call for voluntary spending limits. Until we have limits on revenues and expenditures in campaigns there will continue to be huge amounts of money spent on politics.

In an attempt to further alienate citizens who are thoroughly sick of negative advertising the House Leadership bill actually invites independent expenditures on these activities, as well as the potential for nondisclosure of these contributions.

The Farr bill makes important strides towards encouraging participation by average Americans by limiting the amount of money in campaigns, limiting the extent to which a candidate rely upon large contributions, prohibiting them, and limiting contributions from PAC's. The Farr bill is the only plan to eliminate "soft money," the only plan to encourage candidates to rely on small contributions, and by observing spending limits, the only plan to reduce the costs of TV and mail. The demands of running a campaign today can distract public officials from their responsibility to citizens. Our commitment to improving the lives of American families ought to be our primary concern.

Real campaign finance reform is important and necessary. The Farr bill will provide that reform, the House Leadership plan will not. I urge my colleagues to support the Farr substitute. Mr. FAZIO of California. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Chairman, I yield to the gentleman from Georgia [Mr. HOEKSTRA].

Mr. HOEKSTRA. Mr. Chairman, I yield to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Chairman, like other Members of this Congress, I have been successful under the current system. I will keep doing the things necessary. If we want to serve in Congress, we have no choice but to be out trying to raise hundreds of thousands of dollars. But I do not like it because I know that too much to say that unless we fundamentally change this system, fundamentally campaign finance will consume the very essence of our democracy.

We are reaching the point wherever every Member of this Congress is going to have to spend more time out raising money than tending to the Nation's business. It is fundamentally a corrupting influence on the operation of this body.

What answer does Speaker GINGRICH provide? He tells us, contrary to what every authority has said that it is a myth it is not true, it is just one of the greatest myths of modern politics that campaigns are too expensive. The American people do not know what they see on TV. The political process is, in fact, underfunded. It is not overfunded.

Well, that is where we do not have enough special interests money, we do not have enough tobacco money, for example, in this Congress to make it healthy here makes about as much sense as we do not have enough tobacco smoking to make our physical health healthy, which seems to be something else. So here is a bit confused about. All this, of course, from the same man who pioneered tax-exempt campaign finance through GOPAC.

No, we have no opportunity for a bipartisan solution today. You have yet to hear throughout any part of this debate any of the 10 Republicans, 10 Republicans who condemn this proposal as fundamentally flawed, as freezing out ordinary Americans, to stand up and say, we don't want that. You have yet to hear one citizen organization that has worked over the years to try to see that we get fundamental campaign finance reform do anything but to condemn the speech of Mr. GINGRICH and the proposal before us.

This is, as they have said, a sham, a fraud. It is not reform. Mr. THOMAS. Mr. Chairman, I yield 30 seconds to the gentleman from Michigan [Mr. HOEKSTRA].

Mr. HOEKSTRA. Mr. Chairman, I would just like to tell my colleague from Texas that we, as Members, do have a choice. It is within our power to say how we are going to raise funds for our campaigns. We do have a choice about whether we are going to take political action committee money.

We do have a choice about who and what individuals are we going to accept and how much money we are going to spend in campaigns. Nobody tells us to go out and raise a million dollars. Nobody tells us to go out and raise a quarter of a million dollars from political action committees. We do have that choice.

There are many Members here who are taking perhaps what may be seen as a risk, but the American people are rewarding them because they are not swayed by that. Mr. FAZIO of California. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. DOGGETT].

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise in opposition to H.R. 3820 and say that the real campaign finance reform is the Farr bill.

First of all, it limits spending to $600,000. And then to the gentleman from Georgia let me say, he referred to the guys back home. This campaign finance reform refers to the ladies back home, individuals who have to have those who can represent their interests that is the special interests by the very high cost special interests.

And yes, what is wrong with having for challengers and others who are cash poor the television system willing to provide information to the constituencies so they, also know the issues and are not just around high priced receptions where you cannot get any information. The Farr bill allows for a third class bulk nonprofit rate on postage which, again, allows cash-poor challengers to have access to the U.S. Congress. Interestingly enough, the New York Times really called it well, on July 17, 1996. They say, the Republican bill is campaign reform deformed. But what they really mean is, there is a bill that allows you to go from a $25,000 donation in Federal campaigns to $3 million. That is not reform.

Mr. Chairman, I rise in support of the Democratic substitute offered by my colleague, Congresswoman Sari Farr. This substitute represent our best hope during this session of Congress of reducing the influence of special interests over the political process. As you know, the Senate has failed to act on campaign finance reform. The simple truth of the matter is that without action by the current Congress, we have no reform at all.

This substitute contains a voluntary spending limit of $600,000 for the 2-year election cycle. It indexes the limit for future inflation. Furthermore, the substitute would limit the contributions of large individual donors to $200,000 in an election cycle and limits a candidate to spend no more than $50,000 of their own money, including loans. The bill, however, would allow an individual to give up to $10,000 per election cycle including funding to candidates and political parties.

In exchange for candidates agreeing to the voluntary measures set forth in the substitute, they would receive a discount rate for broadcasting and a third class bulk nonprofit rate on postage. Candidates who do not agree to the voluntary limits would have to pay the regular commercial rate for broadcast time and the regular third class postage bulk rate.

Additionally, this substitute eliminates bundling of campaign contributions except for genuine political action committees that do not lobby such as Emily's List. Leadership PAC's are eliminated at the end of this year. Contributions from PAC's to individual candidates are limited to a maximum of $8,000 during each election cycle. Candidates are also limited to receiving no more than $200,000 from PAC's per election cycle unless there is a run-off election, which would enable PAC's to give additional funds.

This substitute is a stronger statement for reform. It strikes a good balance between protecting the First Amendment rights of individuals and fostering a positive role for Government in reducing the influence of special interests.

The bill, however, really goes too far in requiring candidates to raise half of their campaign funds from individuals who reside in their congressional districts. This provision would hurt candidates who are running in poorer congressional districts and favor candidates with significant personal wealth.

I urge my colleagues to support real campaign finance reform by voting in favor of this substitute. Mr. Chairman, I yield to the gentleman from Washington. One significant difference in the House Leadership bill is a call for voluntary spending limits. Until we have limits on revenues and expenditures in campaigns there will continue to be huge amounts of money spent on politics.
Mr. THOMAS. Mr. Chairman, I yield myself 15 seconds. The last statement of the gentlewoman from Texas is simply not true.

Mr. FAZIO of California. Mr. Chairman, I yield 2 minutes to the gentleman from Tennessee [Mr. MALONEY].

Mrs. MALONEY. Mr. Chairman, I want to thank the gentleman for his hard work on campaign finance reform. Mr. Chairman, I rise in support of Democracy Fair Share Act, which voluntarily limits expenditures, contributions, and soft money. We have before us today two bills that are dramatically different in philosophy and direction. One allows more money in politics; one limits money in politics. But in reality, both bills are dead because the Senate has already acted. Congress has tried to reform campaign finance by itself since 1974. Unless we change course dramatically, all we will have is the same old shell game that Congress continues to play with campaign finance reform. Now you see a bill; now you do not. Now you pass one in the House but not in the Senate. Now you pass them in the House and the Senate but it does not get signed. Really, Mr. Chairman, the only way, the only way to enact meaningful campaign finance reform in the 104th Congress is to enact an independent commission that will come forth with a principled plan that will be voted up or down similar to the Army suggestion on base closing.

I have introduced such a bill, H.R. 1100, which has bipartisan support, including the gentleman from California [Mr. DREIER] and many others.

Mr. Chairman, the Speaker is the only one who could make it happen. I hope he will move to pass a campaign finance reform independent commission.

Mr. THOMAS. Mr. Chairman, I yield myself 15 seconds. The last statement of the gentlewoman from Tennessee, Mr. WAMP.

Mr. WAMP. Mr. Chairman, cutting PAC’s, political action committees, contributions from $5,000 to $4,000 simply is not enough. Let us cut them in half to $2,500. That is one basic difference.

We have seen an exhibition on partisanship and demagoguery. For the gentleman from Texas or New Jersey to tell me that this proposal is a sham, I wish we would have addressed this bill last year. We tried to push it. It took too long. The bill is late, but it is not a dollar short. This is what I call reform. It moves us in the right direction.

This bill is late. I wish we would have been addressing this bill last year. We tried to push it. It took too long. The bill is late, but it is not a dollar short. This is what I call reform. It moves us in the right direction.

We have got to cut PAC’s in half and listen to the folks who have the guts not to accept the PAC money, not the people with a million bucks in the bank that take all the PAC money they can get. Listen to us, the people who make the phone calls to individuals in our district to raise our money. The pure people say, pass this bill.

Mr. FAZIO of California. Mr. Chairman, I yield myself 15 seconds. A dollar short, as he may consume to the gentleman from Michigan [Mr. KILDEE].

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

Mr. KILDEE. Mr. Chairman, I rise in opposition to this bill.

Mr. Chairman, I rise today in opposition to this Republican campaign finance reform bill.

Instead of stopping the tidal wave of special interest money into congressional campaigns, the Republican bill opens the flood gates for wealthy individuals to influence the outcome of congressional elections.

Mr. Chairman, I also want to set the record straight on the issue of donations by union members to political action committees. And I want to use the American Federation of State, County, and Municipal Employees as an example of how unions are responsive to those union members who do not wish to contribute to the PAC.

Since 1974, AFSCME members have had the right to refuse a rebate for that portion of their union dues that goes for political activities.

All an AFSCME member must do is send a letter to the union’s Washington office requesting the refund. This year alone, about 15,000 AFSCME members will take advantage of that right and receive such a rebate.

In contrast, Mr. Chairman, corporate shareholders, the real owners of American corporations, currently have no right to object to the use of their corporation’s funds for political purposes. Shareholders do not have the ability to get a rebate on their corporation’s funds used to support candidates and parties that they themselves do not support.

Retirees, who own stock through their pensions, or workers who own stock in their companies—these individuals cannot demand that the company they own give them a refund on the portion of the corporation’s funds used to support a political party that is hostile to their interests as retirees or workers.

Mr. FAZIO of California. Mr. Chairman, I yield 1 minute to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Chairman, the previous speaker from the other side of the aisle, the pure gentleman from Tennessee, says that this bill is not a dollar short, referring to the Republican alternative. Amen, brother. It is a dollar long. It is dollars long. It is hundreds of thousands of dollars long. It is millions of dollars long. It ain’t a dollar short. You said it like it is.

The American public wants less, not more money in campaigns. That is the message. That is what the Farr bill says, and is not what your bill says.

I tell my friend from Tennessee, it is not the Members from Tennessee, it is not the Members from California, it is not the Members from Maryland who are calling it a sham. It is the community, the citizens, the activists who have been working for reform who call it a sham.

July 25, 1996

CONGRESSIONAL RECORD – HOUSE

H8511

I say to my colleagues, you bet. It’s a dollar long, not a dollar short.

Mr. THOMAS. Mr. Chairman, I yield myself 30 seconds.

The gentleman from Maryland [Mr. HOYER] is correct. Those people who allow the corporation to use the PAC’s, political action committees, as is our chairman, that does not oppose the Republican bill are the people who believe that government should be used to impose controls on people and to limit and coerce them into giving up their free speech rights. What we do is empower individuals and oppose the Republican bill are the people who believe that government should be used to impose controls on people and to limit and coerce them into giving up their free speech rights.

Mr. FAZIO of California. Mr. Chairman, I yield myself the remaining time.

The CHAIRMAN. The gentleman from California is recognized for 2½ minutes.

Mr. FAZIO of California. Mr. Chairman, clearly we do not all agree on how best to reform our present campaign system. Democrats wish to limit spending. Republicans prefer a variety of solutions, and there seem to be on both sides of the aisle, very honestly, a thousand variations of what to do. But surely, surely, all of us can agree on the need for full and complete disclosure of the money spent in the campaign system. Surely, we can agree that the American people deserve to know where the money comes from and where it goes. As I indicated to the gentleman from Georgia [Mr. KINGSTON] a few minutes ago, we should give them nothing less.

Now in the newspaper locally here today, the Washington Post, the first paragraph of a headline story on the front page, an unnamed corporate donor has put up $1.3 million to help the Republican Party broadcast coverage on its convention next month on the Christian Coalition founder Pat Robertson’s family channel, unnamed corporate donor. My friends across the aisle have said in the past that they support disclosure. Now is their chance to practice what they preach for we must approach this issue in a bipartisan way if we are going to get anywhere.

Because the hidden money is a problem in our political system, in a few moments we will propose a motion to recommit which adopts a definition of independent expenditure which is virtually identical to that definition found in the Smith-Meehan bipartisan bill. This provision will allow a reasonable remedy for a problem which haunts our system. This is an area of concern for everyone, and we will ask for our colleagues’ support. We want it to be the beginning of a bipartisan effort that, with full disclosure, will allow us to operate perhaps on the same plane in the next Congress when perhaps the desire for real campaign reform may be reborn.

We think it is time for a consensus step forward, and we now need to begin by reaching a basis of understanding about just who it is that is part of the political process. Labor, management; left, right; we really do
Mr. GINGRICH. I want to thank the gentleman from California [Mr. THOMAS] for yielding this time to me, and I want to thank all of my colleagues on both sides of the aisle for today’s debate and for the effort to come to grips with the very real changes that we are witnessing in our political system. The fact is that every voter has the right to expect that our country that we ought to have a political system where on election day they have full knowledge of the facts and they have a real opportunity to make a real choice. The fact is, in a free society, one of the keys to that freedom is to be able to fire incumbents and hire new people, and the fact is that in an ideal setting no candidate would have a unique advantage, and the voter would have full information, and for at least a quarter of a century now we have been trying to wrestle with how, as we enter the information age, can we achieve that kind of reform.

We began on the Farr bill over 20 years ago of limiting expenditures, which frankly does not work. We see it clearly not working today in the Presidential campaign where in theory the taxpayer pays the full cost of the campaign and in fact that the candidates are spending millions on ads, the Democratic National Committee is spending millions on ads, and the fact is the Republican National Committee is trying to answer what the Democratic National Committee and the candidates are spending. So instead of having taxpayer-financed Presidential campaigns and no other spending, which was the theory of that reform, we now have tax-paid Presidential campaigns plus other spending, and in fact the non-tax-paid spending this year on the Presidential campaigns will probably be 2 to 3 times the size of the money spent by the Presidential campaign.

So we have seen Bob Woodward in his new book, “The Choice,” says President Clinton clearly, consciously and systematically is getting around the law and knows it and has designed his campaign to do it because the law does not work. In a free society it is very hard to establish limits, and I know that our good friends on the left are trying to do it, and I sympathize with the frustration that leads them toward trying to set limits, but they are not real. When we have labor unions announcing they are going to spend $600,000 in a district trying to beat Republican freshmen, to then suggest a $600,000 limit for the campaign so that the liberal candidate would have their own $600,000, plus the $500,000 from the union is clearly the kind of limits that in the real world make no sense.

Moreover, if a colleague happens to be in a media market where the media is biased against him or her, the candidate who is going to lose is the candidate who is not hiring a pollster. If he ends up being a talk show host, he gets to commentate for free. The talk show host gets to be a talk show host for free. The talk show host, is clearly the kind of limits that don’t work. And now I have to go back to the original Farr bill and then every year we have an effort to come to grips with the fact that we do not really know who they are or who is paying.

My friends across the aisle have said in the past that they support disclosure. Now is your chance to practice what you preach, for we must approach this issue in a bipartisan way. But surely—surely—all of us can agree on how best to reform our present campaign system. Democrats wish to limit spending; Republicans prefer other solutions; and there seems to be a thousand variations of what to do.

But all of us can agree on the need for full and complete disclosure of the money spent in the campaign system. Surely, all of us can agree that the American people deserve to know where the money comes from—and where it goes. We should give them that opportunity.

The CHAIRMAN. The Speaker of the House is recognized for 5 minutes.
a longer view and the party has the right vehicle to strengthen if we want stable politics.

In addition, it allows the parties to begin to offset some of the advantages of incumbency so that we do not have the far too great a share in favor of many incumbents, and I want to commend the gentleman from California [Mr. THOMAS] because now that we are the majority party he has continued the same tradition of trying to make it relatively easier for a challenger to have a fair chance to win even though as the majority party that is to our disadvantage. It was the right thing to do.

Finally, this bill establishes the principle that union members have the right to know how their money is spent. The union members have the right to know which of their dues are taken for representational purposes and which of their dues were taken for nonrepresentational purposes. This right was given to them in the back of the decision by the Supreme Court when Justice Brennan wrote a decision that said every union member has the right to know how their money is being spent, and this bill not only requires full disclosure, but it allows the union members to decide whether they want to give the additional nonrepresentational money, which is exactly what the Supreme Court said their rights should be 8 years ago.

So all we are doing in that section is putting into legislation the rights that the Supreme Court said were due to the working men and women of America and allowing them to know how their union spent their money and allowing them to decide voluntarily for the nonrepresentational part. It does not change at all the legitimate obligation to pay representational dues, but it does provide for worker information.

So, in closing, on the one side we have what I think is a failed effort to provide a system that will not work, which would actually strengthen the power of the biased media, would actually strengthen the power of outside indepedent expenditures, would actually strengthen the power of people other than the candidates and parties. On the other hand what we have done is we return power to the district, to the local district, we require 50 percent of the money to be raised at home, we actually lower the PAC's far more than do our other pro-Democratic friends, and weaken the PAC's ability to have impact far more. We actually strengthen middle-class candidates against millionaires. We actually strengthen the parties and thereby strengthen challengers against incumbents, and we allow union members to decide how their money is spent and decide whether or not they want to voluntarily give the money the Supreme Court said they could not be forced to give.

We move now to a good reform bill, it is a first step in the right direction. I commend the gentleman from California [Mr. HOEKSTRA], and others who worked very, very hard to make this possible. I believe my colleagues should vote “no” on the Democratic substitute, they should vote “yes” on final passage, and I urge our colleagues let us pass a good campaign finance bill in the right direction, as David Broder said, and let us then see if we cannot convince our colleagues in the Senate to work with us to pass a good campaign finance bill this year.

Mr. THOMAS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 177, noes 243, not voting 14, as follows:

RECORDED VOTE

AYES—177

Wilson

Woolsey

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilcock

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson

Wynn

Wilson
Mr. NADLER and Mr. FLAKE changed their vote from "no" to "aye." So the amendment in the nature of a substitute, as modified by the rule, was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. DEUTSCH. Mr. Chairman, I missed one rollcall vote earlier today because I was unavoidably detained. Had I been present, I would have voted "yes" on rollcall vote No. 363, the Fazio substitute for campaign finance reform.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. DREIER) having assumed the chair, Mr. INGLIS of South Carolina, 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. 3820) to amend the Federal Election Campaign Act of 1971 to require reporting of Federal election campaigns, and for other purposes, pursuant to House Resolution 481, he reported the bill, as amended pursuant to that rule, back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. FAZIO OF CALIFORNIA

Mr. FAZIO of California. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. The Clerk read as follows:

Mr. FAZIO of California moves to recommit the bill H.R. 3820 to the Committee on House Oversight with instructions to report the same back to the House forthwith with the following amendment:

Strike section 107 and insert the following (and conform the table of contents accordingly):

SEC. 107. CLARIFICATION OF DEFINITIONS RELATING TO INDEPENDENT EXPENDITURES.

(a) INDEPENDENT EXPENDITURE DEFINITION AMENDMENT.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by striking paragraphs (17) and (18) and inserting the following:

"(17)(A) The term 'independent expenditure' means an expenditure that—

(i) contains express advocacy; and

(ii) is made without the participation or cooperation of and without consultation with a candidate or a candidate's representative.

(B) The following shall not be considered an independent expenditure:

(i) An expenditure by an authorized committee of a candidate for Federal office.

(ii) An expenditure if there is any arrangement, coordination, or direction with respect to the expenditure between the candidate or the candidate's agent and the person making the expenditure.

"(iii) An expenditure if, in the same election cycle, the person making the expenditure is or has been—

(I) authorized to raise or expend funds on behalf of the candidate or the candidate's authorized committees; or

(II) serving as a member, employee, or agent of the candidate's authorized committees in an executive or policymaking position.

(iv) An expenditure if the person making the expenditure retains the professional services of an attorney or other person also providing services in the same election cycle to the candidate in connection with the candidate's pursuit of nomination for election, or election, to Federal office, including any services relating to the candidate's decision to seek Federal office. For purposes of this clause, the term 'professional services' shall include any services (other than legal and accounting services solely for purposes of ensuring compliance with any Federal law) in support of any candidate's or candidates' pursuit of nomination for election, or election, to Federal office.

For purposes of this subparagraph, the person making the expenditure shall include any officer, director, employee, or agent of such person.

"(18)(A) The term 'expression of support for or opposition to' includes a suggestion to take action with respect to an election, such as to vote for or against, make contributions to, or participate in campaign activity, or to refrain from taking action.

(B) The term 'expression of support for or opposition to' includes a suggestion to take action with respect to an election, such as to vote for or against, make contributions to, or participate in campaign activity, or to refrain from taking action.

(c) CONTRIBUTIONS DEFINITION AMENDMENT.—Section 301(8)(A) of such Act (2 U.S.C. 431(8)(A)) is amended—

(1) by adding at the end the following new clause:

"(i) any payment or other transaction referred to in paragraph (17)(A)(ii) that is not an independent expenditure under paragraph (17)."

Mr. FAZIO of California (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the Record.

The SPEAKER pro tempore. The motion to recommit is agreed to.

The SPEAKER pro tempore. There is no objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. The gentleman from California [Mr. FAZIO] is recognized for 5 minutes.

Mr. FAZIO of California. Mr. Speaker, I yield the remainder of my time to the gentleman from Massachusetts [Mr. MEEHAN].

Mr. MEEHAN. Mr. Speaker, when I came to the Congress of the United States, I looked to a senior Member to help me in my efforts to work on campaign finance reform. He taught me...
that we have to work in a bipartisan manner if we are to get real campaign finance reform passed.

That was Mike Synar, and he introduced a bill that I signed on to, that Republicans signed on to, to have real campaign finance reform in a bipartisan way. That is why I have worked so hard in this session in a bipartisan way to get real campaign finance reform, in the history and tradition of Mike Synar.

The gentleman from California has introduced a piece of that bipartisan bill. It involves disclosures and making sure when people make independent expenditures, like the independent expenditures that were made against Mike Synar and many other Members, that the American people have a right to know where their money comes from. The American people have a right to know who is funding this.

And guess what? Both Democrats and Republicans behind this bipartisan effort, interested, interest group in America supports this language: the League of Women Voters, Common Cause, Public Citizen, United We Stand. There is no one in the country who is fighting for campaign finance reform that does not support this language.

Let us have a tremendous opportunity to take a bad bill and make it a heck of a lot better. Let us send this bill back with this provision, in the history of bipartisan reform, in the tradition of Mike Synar, in the tradition of good Democratic politics.

The SPEAKER pro tempore (Mr. Dreier). Is there a Member who rises in opposition to the motion to recommit?

Mr. THOMAS. Mr. Speaker, there are some people who say how in the world can anyone stand up and oppose that? The fact of the matter is, Members really need to know the whole story. This is not about disclosure. If we were about disclosure, we can deal with that in any number of statutes.

The gentleman from California said this is sunlight. Let me tell the gentleman, if we pass this, what will happen. He will see it is sunlight. Someone else will think it is a grow light. Somebody else will think it is sunlight. Let me tell the gentleman from California, let me tell the member from California, you express support for someone, that is express advocacy. Advocacy is a fundamental right. If you express support for someone, that is express advocacy.

What the House has not told us is that their amendment contains this, on page 3 of the amendment: The term “express advocacy” means, they want to say, when taken as a whole.

The Court in Buckley said it means when you use the words expressly, vote for, elect, support, cast your ballot for, not when taken as a whole. They say when it is sunlight, it is sunlight and everybody knows it.

Do not give in to the urge to take the freedom of speech away from people. I justice Potter Stewart said, “I can’t define obscenity but I know it when I see it,” these people want to take the definition “I know it when I see it” and suppress free speech.

The Supreme Court in Buckley said no, it is not your judgment as to whether or not it is free speech. It is the words as they are stated. When they are stated, it is. When we think they are, it is not. If you believe in a free society, if you believe in the Constitution, you do not take the words taken as a whole, you take the words. Reject their motion to recommit.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The vote was taken and the Speaker pro tempore announced that the noes appeared to have it.

Mr. FAZIO of California. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

Mr. FAZIO of California. Mr. Speaker, some people will say, how in the world can anyone stand up and oppose that? The fact of the matter is, Members really need to know the whole story. This is not about disclosure. If we were about disclosure, we can deal with that in any number of statutes.

Mr. THOMAS. Mr. Speaker, I rise in opposition.

The SPEAKER pro tempore. The gentleman from California is recognized for 5 minutes.

Mr. THOMAS. Mr. Speaker, some people will say how in the world can anyone stand up and oppose that? The fact of the matter is, Members really need to know the whole story. This is not about disclosure. If we were about disclosure, we can deal with that in any number of statutes.

The gentleman from California said this is sunlight. Let me tell the gentleman, if we pass this, what will happen. He will see it is sunlight. Someone else will think it is a grow light. Somebody else will think it is a 100-watt bulb. Somebody else will think it is a 300-watt bulb. What is it?

The Supreme Court, not a lower court, not some district court, the Supreme Court said free speech is so fundamental to a free society that we have got to let people express themselves. Advocacy is a fundamental right. If you express support for someone, that is express advocacy.

What the House has not told us is that their amendment contains this, on page 3 of the amendment: The term “express advocacy” means, they want to say, when taken as a whole.
The Speaker pro tempore (Mr. Dreier). Is there objection to the request of the gentleman from California?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2023, INTERNATIONAL DOLPHIN CONSERVATION PROGRAM ACT

Mr. GOSS (before the vote on final passage of H.R. 2023) from the Committee on Rules, submitted a privileged report (Rept. No. 104-708) on the resolution (H. Res. 489) providing for consideration of the bill (H.R. 2023) to amend the Marine Mammal Protection Act of 1972 to support the International Dolphin Conservation Program in the eastern tropical Pacific Ocean, and for other purposes, which was referred to the House Calendar and ordered to be printed.

ANNOUNCEMENT REGARDING AMENDMENT PROCESS FOR H.R. 123, ENGLISH AS THE OFFICIAL LANGUAGE OF GOVERNMENT

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

Mr. GOSS. Mr. Speaker, the Rules Committee is planning to meet this Wednesday, July 31, to grant a rule which may limit the amendments which may be offered to H.R. 123, English as the Official Language of Government.

Subject to the approval of the Rules Committee, this rule may include a provision limiting amendments to those specified in the rule. Any Member who wishes to offer an amendment should submit 55 copies and a brief explanation of the amendment by 12 noon on Tuesday, July 30, to the Rules Committee, at room H–312 in the Capitol. Members should also have the amendment printed in the CONGRESSIONAL RECORD by Tuesday, July 30.

Amendments should be drafted to the text of the Goodling substitute, which will be printed in the CONGRESSIONAL RECORD of July 25, as an amendment in the nature of a substitute to H.R. 123. The rule is to require the Executive to address the House for 1 minute.)

Mr. GOSS. 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 material on the bill just considered. The SPEAKER pro tempore (Mr. Dreier). Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SMITH of New Jersey changed his vote from “aye” to “nay.”

So the bill was not passed.

A motion to reconsider was laid on the table.

NOT VOTING—13

Bevill  Hayes  Roth
Coaleman  Lincoln  Tanner
Collins (IL)  McCade  Young (FL)
Ford  Peterson (FL) 
Hastings (FL)  Brown (FL)

Hastings (FL)  Brown (CA)

Hastings (FL)  Ford

Hastings (FL)  Brown (FL)

Hastings (FL)  Brown (CA)
AUTHORIZING MINORS TO LOAD MATERIALS INTO BALERS AND COMPACTORS

Mr. BALLenger. Mr. Speaker, I ask unanimous consent to take from the Speaker’s table the bill (H.R. 1114) to authorize minors who are under the child labor provisions of the Fair Labor Standards Act of 1938 and who are under 18 years of age to load materials into balers and compactors that meet appropriate American National Standards Institute design safety standards, with a Senate amendment thereto, and to concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Senate amendment:

Strike out all after the enacting clause and insert:

SEC. 1. AUTHORITY FOR 16- AND 17-YEAR-OLD TO LOAD MATERIALS INTO SCRAP PAPER BALERS AND PAPER BOX COMPACTORS.

Section 13(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(c)) is amended by adding to the end thereof the following new paragraph:

``(5)(A) In the administration and enforcement of the child labor provisions of this Act, employees 16 and 17 years of age shall be permitted to load materials into, but not operate or unload materials from, scrap paper balers and paper box compactors:
``(i) that are safe for 16- and 17-year-old employees loading the scrap paper balers or paper box compactors; and
``(ii) that cannot be operated while being loaded.
``(B) For purposes of subparagraph (A), scrap paper balers and paper box compactors meet the American National Standards Institute’s Standard ANSI Z245.5-1990 for scrap paper balers and Standard ANSI Z245.2-1992 for paper box compactors; or
``(ii) the scrap paper balers and paper box compactors meet an applicable standard that is adopted by the American National Standards Institute in accordance with section 12(b).
``(ii) the name, telephone number, and address of the employer and the address of the place of employment where the incident occurred;
``(iii) the date of the incident;
``(iv) a description of the injury and a narrative describing how the incident occurred; and
``(V) the name of the manufacturer and the model number of the scrap paper baler or paper box compactor involved in the incident.
``(vi) The reports described in clause (i) shall be submitted to the Secretary promptly, but not later than 10 days after the date on which an incident relating to an injury or death occurred.
``(V) the Secretary may not rely solely on the reports described in clause (i) as the basis for making a determination that any of the employers described in clause (i) has violated a provision of section 12 relating to oppressive child labor or a regulation or order issued pursuant to section 12. The Secretary shall, prior to making such a determination, conduct an investigation and inspection in accordance with the procedures described in section 16(e) of the Fair Labor Standards Act of 1938 (29 U.S.C. 216(e)) is amended in the first sentence—
``(1) by striking ‘‘section 12,’’ and inserting ‘‘section 12 or section 12(c)(5),’’; and
``(2) by striking ‘‘that section’’ and inserting ‘‘section 12 or section 13(c)(5).’’
``SEC. 3. CONSTRUCTION.
``Section 1 shall not be construed as affecting the exemption for apprentices and students issued pursuant to section 507.63 of title 29, Code of Federal Regulations.

Mr. BALLenger (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the Record.

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

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from North Carolina?
Mr. ANDREWS. Mr. Speaker, continuing under my reservation of objection, I want to concur in the comments of my friend and say this is really the Youth Job Protection Act. This is going to help a lot of young people get jobs in grocery stores and supermarkets and protect their health and safety at the same time.

I want to thank the gentleman from North Carolina [Mr. BALLENGER] and the gentleman from Illinois [Mr. EWIN] for their excellent work on this bill, and the other members of the committee and also representatives from labor and management. I concur in his remarks to work with them.

Mr. EWIN. Mr. Speaker, I rise in strong support of the Senate amendments to H.R. 1114, and urge the House to once again pass this important legislation and send it to President Clinton's desk for his quick signature. Action by the House will encourage grocery stores to start hiring teenagers again this summer.

As my colleagues know from the previous consideration, the Labor Department has been vigorously enforcing Hazardous Occupation Order 12, a regulation which hasn't been updated in about 40 years and which prohibits teenage workers from in any way coming in contact with paper balers and compactors. My colleagues know that the modern machines are extremely safe, but the Labor Department has been handing out fines up to $10,000 for a single violation of H.O. 12. This final legislation will only allow 16- and 17-year-old workers to load modern machines, but retains the prohibition on teenagers operating or unloading any paper balers or compactors. Before teens could load a machine, it must meet modern safety standards set by the American National Standards Institute [ANSI] including an on-off switch with a key-lock system and which cannot be operated while being loaded, and requires the on-off switch to be in the off position when the equipment is not in operation. The legislation also requires the key to be kept by the operator not in operation. The legislation also requires the key to be maintained in the custody of adult employees and requires the employer to post notice that the machine meets safety standards and that 16 and 17 year olds may load only, but not operate on the machine. The Senate added two additional safety provisions allowing the Secretary of Labor to certify that future ANSI safety standards are at least as protective as the current standards, and requiring that for 2 years any injuries involving teenagers working with these machines be reported to the Labor Department.

Mr. Speaker, it is unfortunate that while this Congress clearly has determined that H.O. 12 is outdated, the Labor Department has continued its excessive and unreasonable enforcement while this legislation was being written. For example, the Department's Wage and Hour Division recently cited a grocery store in the Midwest for alleged violations involving six teenage employees. The store is facing fines in excess of $14,000.

The supermarket has a compactor which is not inside the store, but is located outside, on a back lot. It is connected by an 8 foot long chute from the building and is connected by an 8 foot long chute from the building and is loaded through the chute from inside the supermarket. Adequate notice and safety precautions were posted on the door of the chute, indicating that minors are not to load or operate the machine. The manager told the employees that they were not allowed to place cardboard down the chute. Despite these good-faith efforts, six young employees decided that there was no harm in throwing boxes down the chute.

Because the machine is outside the store, the teenagers still never came in contact with the compactor and there were never any injuries. However, the Labor Department still levied fines against this store of more than $14,000.

I am told that this supermarket, which is located in a small town, is not profitable and the owner is considering closing the store because of the huge fine he is being asked to pay. If this happens, the Labor Department will have put more than 50 people out of work.

Passage of this legislation is a clear statement of the intent of Congress. It is my hope that the Labor Department will heed this message and re-evaluate the pending enforcement proceedings in this case, withdraw the fines, and save 50 jobs.

This legislation is a good example of how labor and management and Republicans and Democrats can work in a spirit of compromise to solve a problem. Over the past several months we have negotiated with all interested parties to write this legislation. I would like to thank my partner, Congressmen LARRY COMBEST, who has helped lead this effort for over 2 years. I would also like to thank Chairmen GOODLING and BALLLENGER for their assistance, and Congressman ROB ANDREWS for playing a critical role in negotiating this compromise. In addition, I would like to thank Senators CRAIG, KASSEBAUM, KENNEDY, and HARKIN for their assistance in moving this legislation through the Senate. I would also like to recognize the cooperative spirit in which the Food Marketing Institute, the National Grocers' Association, and the United Food and Commercial Workers' Union worked to come to a compromise which will put an end to unnecessary regulation without jeopardizing the safety of workers.

Unfortunately, throughout this entire process the Labor Department played absolutely no useful role and showed zero interest in solving this problem.

Mr. ANDREWS. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BALLLENGER. 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 material on H.R. 1114 and the Senate amendment thereto.

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

There was no objection.

REFORM WEEK HAS BECOME WEAK REFORM

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

Ms. DELAURO. Mr. Speaker, for months the Republican leadership has been talking about reform week and promising to end the current money chase in Washington. Well, today the House held reform hour, and it was a disgrace. Instead of presenting legislation that could have passed the House with a bipartisan majority, the Republican leadership put up a bill that benefitted special interests only.

Ralph Nader's group Public Citizen called the Thomas bill a phony reform that locks in the corrupt status quo, leaves open the floodgates for special-interest PAC money and increases the amount wealthy individuals can contribute to influence special elections.

Now reform week has come and gone, and the Republican leadership has squandered any chance we had to keep our promise to reform the political money game in Washington. Reform week has truly become weak reform.

REQUEST FOR PERMISSION TO PRESENT SPECIAL ORDER

Mr. CLINGER. Mr. Speaker, I ask unanimous consent to present my special order at this time.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. Objection is heard.

TRIBUTE TO CAPT. JOHN WILLIAM (JACK) KENNEDY

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

Mr. WOLF. Mr. Speaker, CAPT. John William [Jack] Kennedy is coming home. Next Friday, August 2, a nearly 25-year saga surrounding the fate of Captain Kennedy, a missing-in-action Air Force pilot in Vietnam, will end at Arlington National Cemetery.

On August 16, 1971, Air Force Captain Kennedy was flying an O-2A aircraft, solo, on a visual reconnaissance mission over the Quangtin Province of South Vietnam when radio contact was lost. He was a forward air controller pilot for the 20th Tactical Air Support Squadron based in Chu Lai, Vietnam, in support of the 23d Infantry Division. The area in which he was flying was rugged mountainous terrain covered by thick jungle and a known location of enemy ground forces. When Captain Kennedy failed to respond to normal communications checks, a search effort was initiated. But no crash was found, no radio contacts made, and no witnesses were identified. He was listed as "Mission in Action," a status he carried until the Air Force moved to...
change it to “Presumed Killed in Action” in July 1978.

Mr. Speaker, I call Captain Kennedy to the attention of our colleagues because his is a case I became familiar with during the 1980s when I represented the town of Arlington, VA. It was then that I met his mother, Sally Kennedy, who was active in the National League of Families. She was stalwart in her determination to find out what happened to her son, and, in the larger context of working with the National League of Families, to help keep alive the effort to determine the fate of all those service personnel missing in action.

She was tenacious in making sure that a search was ongoing to find Jack’s crash site, and has been kept advised of all that went on with the various search teams that went in each year they were allowed into Vietnam as the National League of Families diligently sought to obtain permission throughout the years.

In 1982, after several visits and discussion with Vietnamese villagers, a possible crash site was identified. At that time no conclusive evidence was available to specifically identify the site as Jack’s. In 1993, several bone fragments, reportedly from the pilot of that aircraft, were provided by villagers. Also engines of the type used on Jack Kennedy’s aircraft were found in the area. It wasn’t until just recently that techniques were such that DNA could be extracted from these bone fragments and compared with those of his mother. Just this past May, the U.S. Air Force positively identified those bone fragments as belonging to Capt. John William Kennedy.

Jack’s remains arrived at Travis Air Force Base, CA, in late June and will be flown to Washington, DC, on August 1 with funeral services next Friday morning. August 2, at the Fort Myers Chapel with interment with full military honors including a flyover at Arlington National Cemetery.

John William Kennedy was born in Washington, DC, on May 1, 1947; raised in Arlington, VA; graduated from Wakefield High School in 1965 and Virginia Military Institute in 1969. At VMI he was the 1969 Southern Conference Wrestling Champion in the 160-pound class, was captain of the varsity wrestling and soccer teams, a member of the VMI Honor Court, was included in “Who’s Who in American Colleges and Universities” and Kappa Alpha after graduation. In 1980, he was also inducted into the VMI Sports Hall of Fame.

He began active duty in the U.S. Air Force in October 1969, and for his military service was awarded the Distinguished Flying Cross, Purple Heart, Air Medal with 2 oak leaf clusters National Defense Service Medal, Vietnam Service Medal, and Republic of Vietnam Campaign Medal.

In addition to his mother, Sally Kennedy, of Lake Ridge, VA, he is survived by his brother Daniel E. Kennedy, Jr., of Dumfries, VA, also a VMI, Class of 1966, graduated and retired lieutenant colonel in the U.S. Air Force with one combat tour in Southeast Asia from 1972 to 1973.

The waiting and hoping and wondering for the Kennedy family has not come to an end and as Sally Kennedy said in a recent letter, “time will bring a peace and finality to me.” She also reminded as a poet has written, “A man is never dead until he is forgotten.”

Mr. Speaker, we express not only our sympathies to the Kennedy family, but also our gratitude for the service to his country of Capt. John William Kennedy. And we offer a prayer that some day all the families whose loved ones served their Nation but remain missing in action can find peace.

**ROUT OF THE REVOLUTIONARIES**

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

Mr. DOGGETT. Well, Mr. Speaker, this is what it has come to. A year and a half is down, and a route of the revolutionaries. They promised us a revolution in the way this Congress was operated, and today they delivered, defeating the one hope for campaign finance reform.

Every citizens group that looked at this independently, not Democratic groups or Republican groups, every citizen group spoke out against this sham reform. Ten Republicans had the courage to condemn this Gingrich bill, and the Speaker, Speaker GINGRICH, came right here to the floor of the House to demand that this piece of legislative be approved. The House has rejected it.

Mr. Speaker, it is time for us to have bipartisan reform, not more of the same old business out of this so-called revolutionary Congress that once again has demonstrated that it is not revolutionary, just revolting.

**REAL CAMPAIGN FINANCE REFORM**

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

Mr. MEEHAN. Mr. Speaker, I want to thank the 20 Republicans who signed on to the bipartisan bill and thank all of the Democrats who signed on to the bipartisan bill, thank the thousands of people all over America who have been calling up for campaign finance reform; the League of Women Voters, Public Citizen, United We Stand, Common Cause. And let me just say we will not let this travesty that happened on the floor today hold us back from real campaign finance reform because the torch goes on and we will continue this fight.

What we saw on the floor of the House today will result in outrage all across America because Americans are committed to changing the way we finance our campaigns. And if there will be a response, we will be back, and we will have real campaign finance reform after the November elections.

**CAMPAIN FINANCE REFORM, CLEAR CHOICE: MORE MONEY IN THE PROCESS, OR LESS?**

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

Ms. KAPTUR. Mr. Speaker, the House voted down two campaign finance proposals today, neither of which solves the fundamental problem: the excessive influence of wealthy interests on our political process crowding out and even alienating average citizens from their own democracy. It is increasingly true that the real two-party system in our country consists not of Republicans and Democrats, but the party of donors and the party of voters.

I voted in favor of the Farr substitute today because voluntary spending limits are better than no limits at all, and I completely disagree with Speaker GINGRICH, who says that he would emphasize far more money in the political process.

That is absolutely ludicrous. In fact the New York Times in a recent story says money is not speech, it is raw power, and that is why the only answer to this problem, because of the Supreme Court decisions, is passage of H.J. Res. 114 to allow Congress and the States to set mandatory limits on campaign expenditures.

The choice is clear: More money in the process or less.

**25TH ANNIVERSARY OF YOUTH CONSERVATION CORPS**

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

Mr. DICKS. Mr. Speaker, today I had the pleasure of attending the 25th anniversary of the Youth Conservation
Corps, a program that was created in 1970 with the leadership of Congress- man Lloyd Meeds and a former Senator from the State of Washington who served in the other body, Senator Henry M. Jackson. This is a program that employs several thousand people each summer working on our national parks, our wildlife refuges in order to do work and maintenance in those areas. It is modeled on the very suc- cessful Civilian Conservation Corps of the Roosevelt administration, and I had a chance to see these young workers today working on the C&O Canal and to hear their stories about their invol- vement, and again I think it empha- sizes how important it is for us in this Congress to support programs like the YCC, and I believe that the taxpayers get a good return and young people get an opportunity to serve the country and work on important environmental projects.

**ORDER OF BUSINESS**

Mr. CLINGER. Mr. Speaker, I ask unanimous consent to present my spe- cial order of business.

The SPEAKER pro tempore. The SPEAKER pro tempore. Under a previous order of the House, the gent- leman from Pennsylvania [Mr. CLINGER] is recognized for 5 minutes.

Mr. CLINGER. Mr. Speaker, I rise today to correct an issue. For over 3 years I have tried to get to the bottom of the White House travel office firings and most recently the White House's acquisition of hundreds of FBI background files of former Re- publican officials.

Why has the White House resisted making public the information needed to conclude these investigations? One of the foremost questions in my mind as the committee sought to understand how and why the White House obtained these FBI background files was: Who is Craig Livingstone? Who recommended him? Who hired him? And why was he ever put in charge of such a sensitive job at the White House? Simple enough questions, one would think.

Even though Mr. Livingstone enjoyed an unusually long tenure in the White House Counsel's office—surviving four White House counsels and even though he enjoyed a 40-percent salary increase by being appointed and being labeled as a "team player" while keeping bankers' hours—now a month later, we still have no answers to the simple question of who brought Craig Livingstone into the Clinton inner circle as Security Chief. Does the White House ever hire an American who does not know who is hiring him or is he just not telling us? Who in the White House recommended that the counsel's office hire Craig Liv- ingstone?

Seeking answers elsewhere for Craig Livingstone's immaculate hiring as it was described by one observer, I di- rected my investigative staff to con- duct depositions of the FBI agents as- signed to the White House for back- ground investigations. FBI Director Louis Freeh personally suggested that I review Mr. Livingstone's FBI back- ground investigation file rather than question his agents directly on this subject.

Last Thursday, July 18, I went to the FBI headquarters where I reviewed Mr. Livingstone's FBI background file. During the course of an FBI back- ground investigation, it is customary to interview an individual's super- visors. Among those interviewed for Craig Livingstone's background check was then-White House Counsel Bernard W. Nussbaum. The interviews took place in early March.

In the interview conducted of 1993, an interview conducted by Agent Dennis Sculimbrenre, his recollection of this inter- view stated that Mr. Nussbaum ad- vised, and I am quoting, "that he is not only an appointee of Craig Livingstone for the period of time that he has been employed in the new administration, Mr. Livingstone had come highly rec- ommended to him by Hillary Clinton, who has known his mother for a longer period of time." The agent reported that Mr. Nussbaum said that, quoting, "he was confident that the appointee lives a circumspect life and was not aware of any drug or alcohol prob- lems."

This 1993 statement calls into ques- tion Mr. Nussbaum's June 26, 1996 statements made under oath before the Government Reform and Oversight Committee. When Congressman STEVE HORN asked former Associate White House Counsel William Kennedy whether Mrs. Clinton wanted Mr. Liv- ingstone there at the White House, Mr. Horn testified I am quoting: "I can state that I have never discussed Mr. Livingstone with Mrs. Clinton in any way, shape or form."

Mr. Nussbaum immediately responded: "Nor did I." When I directly asked Mr. Nussbaum, "Do you know who hired Craig Livingstone?" Mr. Nussbaum re- sponded: "I don't know who brought Mr. Livingstone into the White House."

Just as disturbing, is the fact that the FBI provided a heads up about this investigation to the counsel's office. I learned this week that prior to my re- view of Craig Livingstone's FBI back- ground file, the FBI called White House Deputy Counsel to the President Kath- erine Wallman to provide information contained in Craig Livingstone's file—information that previously had not been provided to the White House. Did the White House tell anyone about this information?

What possible legitimate purpose could the FBI have had to call the White House about this information? Why did the FBI not contact the inde- pendent counsel if they really were concerned about the information discovered in Livingston's background file?

The day after the FBI contacted the White House, on Wednesday, July 17, two headquarters agents went to Agent Dennis Sculimbrenre's home at 10:00 in the morning and interviewed him about the taking of the Nussbaum statement. The FBI conducting the interview told Mr. Sculimbrenre that the White House was unhappy and concerned about this particular inter- view and about what had been said about Bernie Nussbaum.

Why, after the Attorney General her- self said that it would be a conflict of interest for FBI or the Justice De- partment to investigate anything re- lated to this matter, would FBI agents go to the home of such a critical wit- ness? Who directed these agents? Who approved and knew about these actions and when did they know? Was the inde- pendent counsel informed and why was Agent Sculimbrenre told that the White House was unhappy?
July 25, 1996

CONGRESSIONAL RECORD – HOUSE

H8521

White House and FBI actions and contacts on FBI file matter—Prepared by Staff of Government Reform and Oversight Committee

JUNE 14, 1996

FBI issues report on White House obtaining FBI files saying the FBI was “victimized” by the White House’s gathering of FBI background files.

Craig Livingstone is deposed by the Committee on Government Reform and Oversight and reveals problems in his background.

JUNE 15, 1996

Craig Livingstone is deposed by the Committee on Government Reform and Oversight.

White House Counsel Jack Quinn announces that Livingstone has asked to be put on administrative leave.

JUNE 18, 1996

After an initial inquiry, Independent Counsel Starr advised Attorney General Reno that he does not believe he has jurisdiction to investigate the FBI file matter further.

Attorney General Reno ordered the FBI to conduct a thorough investigation into un-justified White House requests for background files.

JUNE 20, 1996

Attorney General Reno turned the investigation of White House requests for FBI background files over to Whitewater Independent Counsel Starr in order to avoid a conflict of interest. Reno wrote: “I have concluded it would constitute a conflict of interest for the Department of Justice to investigate the matter involving an interaction between the White House and the FBI, a component of the Department of Justice.”

JUNE 26, 1996

Craig Livingstone announces his resignation in his opening statement before a Committee on Government Reform and Oversight hearing on the Security of the FBI Files.

JUNE – JULY 1996

Independent Counsel investigation proceeds without White House witnesses appearing before the Grand Jury.

JULY 15, 1996

Dennis Scullimbrene is deposed by the Committee on Government Reform and Oversight.

JULY 16, 1996

Chief Investigative Counsel Barbara Olson of the Committee reviews the FBI background file of Craig Livingstone and Anthony Marceca.

According to FBI Counsel Shapiro, he contacted Deputy White House Counsel Kathleen Wallman regarding the Nussbaum interview in Livingstone’s FBI background file.

JULY 17, 1996

Two FBI agents from FBI Headquarters appear at the Haymarket, Virginia home of Dennis Scullimbrene to talk with him about

his interview of Bernard Nussbaum and show him the document. They also ask him for his notes of the interview.

Committee holding hearing with Secret Service witnesses on the Security of FBI Background Files. Secret Service Agent Arnold Cole reveals that he spoke with Bill Kennedy about the interview of Craig Livingstone when the Secret Service reviewed his file for security concerns.

JULY 18, 1996

Chairman Clinger and Chief Investigative Counsel Bararba Olson review Craig Livingstone’s FBI background file at the FBI. Chairman Clinger requests information regarding any communication of information in the Craig Livingstone FBI Background file to the White House.

JULY 19, 1996

FBI General Counsel Shapiro writes letter to Chairman Clinger informing him that the FBI did indeed provide the White House with information on the Nussbaum interview: “because issues raised in Mr. Nussbaum’s interview [in Livingstone’s FBI background file] has been discussed in connection with…Therefore, after arrangements were made for your staff to review the files, the Department of Justice, and then the White House, were advised of the results of this review.”

A PARTISAN SMEAR

The SPEAKER: a protomorph (Mr. Hobson). Under a previous order of the House, the gentleman from California [Mr. Waxman] is recognized for 5 minutes.

Mr. WAXMAN. Mr. Speaker, I want to point out how outrageous it is that the gentleman from Pennsylvania [Mr. Clinger], the chairman of the committee, that has been investigating whether there has been an invasion of privacy by the gathering of FBI files would come to the floor and disclose information that he has from FBI files. It seems to me that, if we are talking about protecting people’s privacy, it is out of line to come to the floor and disclose information that has not been verified, that has not been reviewed, that has not been in any way protected. I want to point out that, when a Member of Congress speaks from the House floor, he is protected. We can say anything we want, can file a lawsuit against us. But that does not give us the right to come here and disclose information that ought not to be disclosed.

If there is an accusation about people in the White House having gathered FBI files improperly, that accusation appears to be accurate, but there has been no showing that any of that information was ever made public or used for political purposes. But what we have here really is political information from the FBI.

I include for the RECORD these statements that contradict what has been

alleged on the House floor and to point out to the Members that this kind of activity, it seems to me, is outrageous and is really uncalled for.

The material referred to is as follows:

U.S. DEPARTMENT OF JUSTICE, FEDERAL BUREAU OF INVESTIGATION, WASHINGTON, D.C.

DEAR MR. CHAIRMAN: I have been advised that you and Committee Counsel Barbara Olson reviewed the FBI’s FBI’s investigation of the purpose of reviewing the background investigation files of Craig Livingstone and Anthony Marceca. As you know, the FBI’s investigation of Mr. Livingstone and Mr. Marceca were undertaken at the request of the White House and the results of the investigations were previously provided to the White House. After your review of these files, I understand that you noted that neither of the summary memoranda reflecting the results of the FBI’s investigation of Mr. Livingstone reflected certain information that was recorded as a result of the FBI’s interview of Bernard Nussbaum, but counsel to the President. You asked if the response would be if the White House requested any additional information from the file beyond the summary memoranda furnished.

As you know, the FBI conducts background investigations for various congressional committees and other government entities, including the White House. With regard to requests for background investigations from the Department of Justice, the Department of Energy, the Nuclear Regulatory Commission, and the Administrative Office of the U.S. Courts, the FBI provides the actual investigative reports. Only certain information is withheld, e.g., if an interviewee requests that his identity be protected from disclosure outside the FBI. With regard to background investigations conducted for congressional committees and the White House, by agreement the FBI provides summary memoranda that synopsizes the information in the underlying investigative reports. Since 1983, at the request of the White House, the FBI also attaches to the summary memoranda any summaries that reflect derogatory information. So, for example, the FBI’s communication that provided the White House with the results of the remaining portions of the interview of Livingstone included an FD-302 reflecting the results of an interview with an individual who volunteered derogatory information.

The summary memoranda are intended to address all the concerns of the client entity requesting the background investigation but if that client asks for additional information from the report, the FBI would provide the requested information subject to certain limitations, e.g., the interviews specifically requests confidentiality.

I also expressed concern to the White House and the FBI about a response that a Member of Congress might make that could further the White House’s interest.

During the course of this or any other oversight investigation, the FBI works to cooperate fully with committees as well as any other agencies or entities impacted by the inquiry. Our effort is to remain non-partisan ensuring that facts within our possession which arise from an inquiry are provided to affected entities to the extent that we are aware of such an interest.
When the FBI first learned from your staff that your Committee was interested in looking at the background investigative files of Mr. Livingstone and Mr. Marceca, the files were quickly removed and any information relating to third parties as well as third agency information. During this review, the information concerning the results of the FBI's Nussbaum interview had been identified. Because issues raised in Mr. Nussbaum's interview had been discussed in connection with the Committee's oversight investigation, it was determined that the Bureau had a responsibility to advise affected parties. Therefore, after arrangements were made for your staff to review the files, Department of Justice officials and the White House, were advised of the results of this review. As you will recall, we followed this procedure of full disclosure when we first located the White House request for Barnaby Braeseux's previous reports, which the Director advised you of personally on June 5, 1996. In that instance, as in others, you were advised of the information well in advance of any notices being given to the White House. The minority staff of the Committee on Government Reform and Oversight have not been asked about their knowledge of this information. However, if they do so, the FBI will similarly advise them.

I hope this information is helpful to you. As the Director has advised you, the FBI wants to continue to cooperate fully with you in this matter. Please advise me if I can be of any other assistance.

Sincerely yours,

Howard M. Shapiro,
General Counsel.

First Lady Hillary Clinton Q and A's in Bucharest, Romania, Monday, July 1, 1996

Q from AP: Before we get too far along with our wonderful Romanian visit, I want to clear up one thing that's been hanging over Washington. Did you or your knowledge, did Vince Foster have anything to do with the hiring of Craig Livingstone?

A from HRC: I don't know anything about it, I know I didn't.

Q from AP: Do you have any reason to believe Vince Foster did?

A from HRC: I have no reason to believe that.

Q from AP: Is there any connection between your mother and Craig Livingstone's mother. Which is something the FBI is claiming.

A from HRC: The "ex FBI Agent"? No there is no connection. I do believe, if I ever meet the woman I'm going to say "Mrs. Livingstone I presume."

First Lady Discussion With Traveling Press, Helsinki, Finland, July 10, 1996

Q from ABC: I need to follow-up on one of Ron's questions. When did you first meet Craig Livingstone? When did you become aware that you knew him?

A from HRC: I have no idea. I don't recall meeting him for the first couple of years we were in the White House. I just don't know him. I have met him since then, but my best memory is sometime within the last year is the first time I ever put a face and a name together.

Q from AP: I really don't want to belabor this, but did I understand you on the Livingstone question, that you don't really have a memory of knowing him until this all happened.

A from HRC: Ron, I did not know his mother. I did not know him. I did not have anything to do with his being hired. And, I do not remember even meeting him until sometime after he left. So, it does not prove that I did not run into him. It does not mean that I did not shake his hand in a receiving line.

All that could have happened. But, in terms of any connection with this young man or any kind of relationship with him, there was none.

Deposition of William H. Kennedy, III, Committee on Government Reform and Oversight, June 18, 1996

Q: Do you recall ever saying that the First Lady wanted to have Craig Livingstone in the position at the Security Office at the White House?

A: I don't believe she was. I do not know one way or the other. I don't believe so.

Q: Do you recall ever saying to anyone that the First Lady wanted to have Craig Livingstone in the position at the Security Office at the White House?

A: Me ever saying that?

Q: Yes.

A: I never said that.

Statement of William H. Kennedy, June 29, 1996

Gary Aldrich's account of a conversation with me about Craig Livingstone's suitability for the job of Director of Personnel Security is pure fiction. I never told Aldrich that Mrs. Clinton wanted Mr. Livingstone in that position. I have not had any discussion with Mrs. Clinton about Craig Livingstone. No one else ever told me that Mrs. Clinton had any interest whatsoever in Mr. Livingstone or his position.

Sworn Testimony of Craig Livingstone, Senate Judiciary Committee, June 28, 1996

Leahy: OK. I've also read in the press allegations that come from unspecified sources, that your mother is a close friend of the first lady. Is she?

Livingstone: No sir.

Leahy: And you have no idea who those sources are that tell these things?

Livingstone: No, sir. I've asked my mother and she, for the record, says that she has never met Mrs. Clinton.

Sworn Testimony of Craig Livingstone, House Committee on Government Reform and Oversight, June 26, 1996

Horn: Well, what I'm curious now is, Mr. Marceca and Mr. Livingstone, did Vice President Gore or Mrs. Clinton recommend you for the position you held, Mr. Livingstone, to your knowledge?

Livingstone: I have no knowledge of that.

Leahy: Does anyone in your family have any relationship with the first family?

Livingstone: Absolutely not.

A Proper and Appropriate Discussion

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

Mr. Walker. Mr. Speaker, what we have just heard is a chairman of a committee of jurisdiction tell this House that members of the administration or formerly members of the administration came before this Congress and told a lie. This business of this Congress, I think it is entirely appropriate to discuss on the House floor the fact that someone came before an investigatory committee and lied to that committee. I think it is entirely appropriate for the chairman of that committee to tell the American people that those matters are brought before proper authorities.

What has happened here this evening is that we have had a chairman exercise his obligation to the American people and his obligation under the Constitution to, first of all, do oversight and then, if that oversight process is not properly adhered to, to ensure that the appropriate officials focus on it. That is exactly what was done here tonight. It is absolutely proper.

Embarrassing Activities of the Committee on Government Reform and Oversight

The Speaker pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. Kanjorski] is recognized for 5 minutes.

Mr. Kanjorski. Mr. Speaker, I am very disappointed in the fact that my chairman came here and took the floor. I have had a great deal of respect and regard for the gentleman from Pennsylvania [Mr. Clinger], and as the days and weeks move on toward the end of this session, watching the activities of the Committee on Government Reform and Oversight of the House of Representatives, I am getting more embarrassed every moment.

I say, and I am looking right at the gentleman from Pennsylvania [Mr. Clinger], I was aware of what you were going to say today.

Mr. Solomon. Mr. Speaker, I demand that the gentleman's words be taken down.

The Speaker pro tempore (Mr. Hosson). The gentleman will be seated. The gentleman asks that the words be taken down.

The Clerk will report the words.

The Speaker pro tempore (Mr. Hosson). Does the gentleman from Pennsylvania seek recognition?

Mr. Kanjorski. Yes, Mr. Speaker.

Mr. Speaker, I understand that the take down of my words was with the intention that it was a personal attack, referring to the gentleman from Pennsylvania [Mr. Clinger]. Certainly I am not attacking nor do I intend to attack him personally in that regard. The expressions were perhaps not precise in the use of the language and I would like to correct and get understood on the record what my intentions were.

That is, as an old lawyer myself and as a reader of the Constitution, I wanted to call the attention of the House and those people watching this proceeding that if the remarks made by my colleague from Pennsylvania were made outside of the House Chamber, he could be subject to tortious action from Pennsylvania [Mr. Clinger] . . . Certainly I am not attacking nor do I intend to attack him personally in that regard. The expressions were perhaps not precise in the use of the language and I would like to correct and get understood on the record what my intentions were.

The SPEAKER pro tempore (Mr. Hosson). Does the gentleman from Pennsylvania have a request?

Mr. Kanjorski. Mr. Speaker, I am making a request to withdraw my original words.
The SPEAKER pro tempore. The gentleman will state his unanimous-consent request.

Mr. KANJ ORSKI. Mr. Speaker, I ask unanimous consent to withdraw my words.

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

Mr. WELDON of Pennsylvania. Mr. Speaker, reserving the right to object, is the gentleman apologizing for his statement?

Mr. KANJ ORSKI. No.

Mr. WELDON of Pennsylvania. Then I object.

The SPEAKER pro tempore. Objection is heard.

The Clerk will report the words.

The Clerk reads as follows:

I was aware of what you were going to say today. You know full well the reason you came down here on the floor and said what you said is that you didn't have the nerve to go up in the Press Galley and make those charges because you would be subject to a lawsuit.

The SPEAKER pro tempore. The Chair will rule. In the opinion of the Chair, the remarks question the integrity of the gentleman from Pennsylvania [Mr. CLINGER] and constitute a personality in debate.

Without objection, the words are stricken from the Record.

There was no objection.

The SPEAKER pro tempore. Without objection, the gentleman from Pennsylvania may proceed in order.

Mr. WALKER. I object.

The SPEAKER pro tempore. Objection is heard.

Mr. HORN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, the gentleman from California is recognized for 1 minute.

Mr. RANGEL. Mr. Speaker, reserving the right to object, I would like to ask the Chair whether this intervention at all will cause the matter that was before the Chair to be discontinued. In other words, we are not finished with this matter.

The SPEAKER pro tempore. Other Members may speak with permission of the House.

Mr. RANGEL. And so this matter can be returned to, notwithstanding the unanimous-consent request?

The SPEAKER pro tempore. By other Members of the House.

Mr. RANGEL. 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.

Mr. HORN. Mr. Speaker, I think it is clear to all of us that the committees of this House are agents of the House, and ultimately it is the House that determines whether such committees exist or not, and I think, as most of my colleagues know, when a witness comes before the Committee on Government Reform and Oversight and any of its subcommittees, one of which I Chair, each witness, unless it is a Member of Congress, takes the oath to tell the truth, nothing but the truth, the whole truth, and so forth. These witnesses were all under oath.

The chairman of the committee, when he recalled that the question was asked specifically of each of these witnesses as to whether or not either the First Lady or the Vice President of the United States had recommended Mr. Livingstone, every single one of the witnesses before us denied it.

Mr. Speaker, that is a matter of perjury that ought to be of concern to the House of Representatives. They did not say what one other series of witnesses said to a Senate committee, that, "Gee, I can't recollect; I just don't remember." They did not say that. They said no, none of that was true. We now find it was true.

Mr. FILNER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, the gentleman from California may proceed.

Mr. WAXMAN. Mr. Speaker, let me clarify for everybody what is involved here. There is a retired FBI agent who has said that he talked to Bernie Nussbaum, the counsel to the President, when he was doing the file for Mr. Livingstone, and he claimed Mr. Nussbaum said that Livingstone was being hired because his mother was a friend of Hillary Clinton's. Bernie Nussbaum denies that. Hillary Clinton denies that.

Mr. Speaker, there is no verification by the gentleman from Pennsylvania [Mr. CLINGER] of the facts of it. In stead, he has come to the floor and made the assertion that when Mr. Nussbaum denied this and Mr. Kennedy denied this and said that they knew of no connection with Hillary Clinton that they committed perjury.

Mr. Speaker, how can you reach the conclusion that when they deny what they know and what they said makes them wrong and somebody else right, unless you are going to take the statement by this FBI agent as fact without any verification?

Mr. Speaker, I am inserting in the RECORD a clear statement from Mr. Nussbaum indicating he never said such a thing and it was not true.

STATEMENT OF BERNARD NUSSBAUM

I never told FBI Agent Sculimbrene, or anyone else, that the First Lady recommended Craig Livingstone for his position in the White House or that the First Lady knew Livingstone. I never knew or heard any such things. In fact, I understand that the First Lady and Livingstone's mother don't know each other. I am mystified and outraged that Mr. Kennedy would attribute something I never said.

Mr. DELAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, the gentleman from Texas is recognized for 1 minute.

There was no objection.

Mr. DELAY. Mr. Speaker, before I yield to the distinguished chairman of the Committee on Government Reform and Oversight, I just want to say that there have been a lot of misstatements in the press, outside this Hall and inside this Hall, by the administration concerning the FBI files.

Mr. Speaker, I stand behind this chairman, and no one in this town or in this Nation would ever question the integrity and the straightforwardness of the gentleman from Pennsylvania [Mr. CLINGER].

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

Mr. DELAY. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. Mr. Speaker, I just want to make sure the record is straight, that I have not accused anybody of perjury or of false statement. I have said that there are serious discrepancies between testimony that was given before our committee and statements that were made to an FBI agent in pursuing the Craig Livingstone background file.

I did indicate, however, that these discrepancies should be explored. It is not the role of the Committee on Government Reform and Oversight to determine which is right or which is wrong. I think it is the appropriate role of the independent counsel or of the U.S. attorney for the District of Columbia to determine where the truth lies. I hope the gentleman will agree he made a misstatement that I was accusing somebody of perjury.

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

Mr. WAXMAN. Mr. Speaker, I do not in any way want to impugn the integrity of the gentleman from Pennsylvania for whom I have the greatest respect. He has indicated that there is a discrepancy. The discrepancy is that in the FBI files there was an FBI agent who claimed that he was told by Mr. Nussbaum that the reason Craig Livingstone got this job is because his mother was a friend of Hillary Clinton.

I am putting in the RECORD a statement from Gloria Livingstone saying that does not know Hillary Clinton. The only time she ever met her was when she decorated a Christmas tree and Hillary Clinton came out and thanked everybody for their help.

Mr. Speaker, I have previously included in the RECORD a denial by Mr. Nussbaum, who is willing to come before the committee and make this denial under oath.

Mr. Speaker, I think we ought to make clear that when the chairman concludes his statement like this, which is quite inflammatory, that it is not an uncontroverted statement by a man who does not know firsthand whether Mr. Nussbaum actually said...
such a thing or Mrs. Clinton was a friend of Mr. Livingstone's mother.

I do not know Hillary Rodham Clinton, I have never met Mrs. Clinton, and I have never thought of Mrs. Clinton as a personal friend.

I believe the only occasion I was in the same room as Mrs. Clinton was shortly before Christmas last year, when I had the privilege of helping to decorate the White House Christmas tree. At one point, Mrs. Clinton entered the room and thanked us as a group for our efforts.

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

Mr. GEJ Denson. Mr. Speaker, I find a very frightening thing in my Chamber that there is an attempt to squelch free speech. It actually started in the very first days of the Congress, shutting down some of the institutions that represented various concerns in the country.

Now, we see on the floor when individuals try to express or respond to what was a very inflammatory statement apparently on the Republican side, that when the minority tries to respond parliamentary maneuvers are used to prevent them from speaking.

From the very first time we gave far greater opportunity to the minority to express its statements than we have seen here. The attempt to operate this House ad hoc out of the Committee on Rules, to try to squelch honest debate and to use the first instance of course was the Speaker himself when the Speaker used to come to the well and absolutely devastate everyone else as soon as his name was mentioned. They stopped it. It is an outrage.

Mr. ARMEY. Mr. Speaker, I ask unanimous consent to speak out of order for 2 minutes.

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

There was no objection.

Mr. ARMEY. Mr. Speaker, again let me extend my apologies for my abruptness to the gentleman from Wisconsin who was up at the same time seeking recognition.

Mr. Speaker, I would like to suggest to all of us here that although there is an intense interest in the issue we have been discussing, and there are certainly going to be many opportunities for this discussion to continue, both on and off the floor of this Chamber, that we do have the New York delegation who are here, and have been patiently waiting for the opportunity to express themselves in a special order about a fallen Comrade. I think that perhaps it might be in the best interest of the decorum of this body if perhaps we could move this debate to another time, another venue, or perhaps further work in the committee or on the floor at another time, and at this point cede the floor to those folks that are so concerned, so interested in doing their job.

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

Mr. ARMey. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Speaker, I wonder if we might, so that the New York delegation could get to its intended business, if we could dispose of this matter the way that I discussed an incident several weeks ago involving the gentleman from Arizona and the gentleman from Wisconsin now speaking, when the gentleman from Illinois [Mr. Hyde] suggested that it might be resolved by simply an expression of regret and an apology [Mr. Kanjorski] be given time for a short statement, after which I would expect we should be able to move on, return to normalcy for all parties concerned and allow the New York delegation to move on with their business.

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

There was no objection.

The SPEAKER pro tempore. The gentleman from Pennsylvania is recognized for 1 minute.

Mr. Kanjorski. I appreciate the majority leader's courtesy.

Mr. Speaker, I wish to take this opportunity to apologize to my friend from Pennsylvania, if I have in any way caused you discomfort to attacking your integrity. I never intended to do that. I merely wanted to express that there was another forum that could have been used for this, and there would be other jeopardies involved if it had been used.

Having served in the House for 12 years now and having been here some 42 years ago with a good friend of mine, Bill Emerson, who we just saw die last week, it has always been my intention that we have comity in the House and civility, and I have to say that I see myself having gotten into this engagement with great disappointment because it does destroy the civility and the comity of this House, and I want to apologize to my friends on the other side to know that I hope not to be a part of that, and any remarks that are taken that way, not only the gentleman from Pennsylvania [Mr. Clinger] but all my friends on the Republican side, I would hope that you would do me the kind courtesy of taking it as I truly intended, not to attack the integrity of the gentleman from Pennsylvania [Mr. Clinger].

Mr. Hyde. Mr. Speaker, with that apology, which I found to be quite gracious, I move that Mr. Kanjorski be permitted to proceed in order and I would give my best regards to the New York delegation as I am confident we will soon be moving to them. Without objection, the motion is agreed to. There was no objection.

THE NEED TO INCREASE AIRPORT SECURITY

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. Mr. Speaker, in deference to the New York delegation and to the untimely death of our beloved Ham Fish, I will not take the entire 5 minutes.

Mr. Speaker, I would just like to say real quickly that there was a tragedy that occurred last week in New York going out of Kennedy airport. The TWA airplane that took off from Kennedy heading for Paris was blown up shortly after takeoff, and it is highly suspicious as to what was in the luggage. Some people right now believe it may have been the act of a terrorist. It is premature to say that but it certainly looks that way.

Toward that end, I have introduced legislation which I introduced after the Pan Am bombing over Lockerbie, Scotland a few years ago, which mandated that at every major airport in the United States, the 50 largest airports, that there would be sniffer dogs at the airport and that the luggage goes through to try and find out if plastic explosive or other explosive devices are going through. With the millions and millions of people that are traveling through the airports and through the air in the United States of America, it is imperative that they be as safe as is humanly possible.

The mechanical devices that have been tested have been found flawed. Sniffer dogs and other animals that can sniff out plastic explosives can save a lot of lives. We here in the Capitol today were using sniffer dogs because we had foreign dignitaries visiting, and we wanted to make sure they were protected and there were no explosive devices put in this Capitol. They are very effective. Some are down sides to them. It is expensive. You have to have a lot of dogs. But in this climate of terrorism in this world and in the United States of America, I think it is imperative that this legislation be passed as quickly as possible. I urge my colleagues to look at this bill seriously and cosponsor it if they feel so inclined.
INTRODUCING THE CHURCH INSURANCE PROTECTION ACT OF 1996

The Speaker pro tempore. Under a previous order of the House, the gentlewoman from Georgia [Ms. MCKINNEY] is recognized for 5 minutes.

Mr. FILNER. Mr. Speaker, today my colleague the gentlewoman from Georgia, Ms. MCKINNEY, and I rise in defense of our Nation’s sacred houses of worship by introducing H.R. 3830, the Church Insurance Protection Act of 1996.

Our legislation will prohibit insurance companies from canceling, overpricing or refusing to renew fire insurance policies for any house of worship due to the current threat of arson. We are currently joined in our efforts by over 20 of our colleagues, and we are confident that this number will grow as more become familiar with the need for this important legislation.

We cannot allow the insurer’s fear of a claim to remove a congregation’s ability to collectively protect its place of worship and support buildings. Our churches must be held harmless and not subject to punitive measures from insurance companies.

Last month in a rare unanimous vote this House approved H.R. 3830, the Church Arson Prevention Act of 1996, to deter the epidemic assault on our Nation’s houses of worship. It was our obligation to deter the flames of bigotry and ignorance that set these churches ablaze. We could do no less.

When I was at home in my district, several people came up to me and said: This is not a partisan matter. We are Americans, but we want you to get to the bottom of this because we fear there may be a breach of our civil liberties in this country by those actions. So I think it is something that we should all, on both sides of the aisle, support the effort to get all of the facts on the table as the gentleman from Pennsylvania [Mr. CLINGER] and the gentleman from Indiana [Mr. MCINTOSH] have done in chairing that committee.

Mr. RANGEL. Mr. Speaker, parliamentary inquiry.

The SPEAKER pro tempore. The gentleman from New York?

Mr. RANGEL. Mr. Speaker, I thought the SPEAKER pro tempore might be a good friend of mine, brought me to this issue.

The SPEAKER pro tempore. Does the gentleman from Indiana yield to the gentleman from New York?

Mr. MCINTOSH. Yes, Mr. Speaker.

Mr. RANGEL. Mr. Speaker, I thought that it was the ruling of this House that this issue was taken off of the calendar. We find ourselves in matters of policy, which the gentleman from Pennsylvania [Mr. CLINGER] has done right. Independence is the most important thing to me.

In addition to their services for the handicapped, the folk at Shares provide them with real jobs and training that helps them in their daily lives. Everyone wins: the staff, the mentally ill, the handicapped workers.

The folks at Shares are doing good things. They see that these people who are less fortunate than the rest of us have a chance and are not forgotten. Indeed, they set an example for the rest of us that we reach out, lend a helping hand, and that we show our love for those people who cannot always care for themselves. Everyone is enriched with Shares, Inc. Perhaps her success in the real world environment can be found in her own words: “I am not different from anyone else. I want to get my job done right. Independence is the most important thing to me.”

Take 25-year-old Angela Woolen of Shelbyville. She is mildly handicapped, and yet she has the job of a lifetime there, because they have a chance to earn a living and take care of themselves.

Mr. Speaker, today I want to commend the people who operate a company called Shares, Inc., in Shelbyville. This is a company which employs and helps 300 handicapped, disabled, and mentally retarded individuals. Dick Fero, who is a good friend of mine, brought me to Shares and toured me through the plant over 3 years ago, and I was impressed with the vast resources made available to help these people who have special needs in Rush and Shelby Counties, everything from transportation, recreation, counseling, adult education, and speech therapy.

The true success of Shares is found in the hearts and souls of the employees, the workers and the volunteer board of directors. Their hearts and souls unconditionally give their time, energy, love to help these very special people.

People like Judy Weaver, who has worked there as the work manager for 12 years. Judy takes care of these people by making sure that their job on the line—they are performing light assembly and other services—is something that they can do in order to enrich their lives. She is tops at what she does. So is Arnie Petrie, who is another dedicated employee at Shares, Inc., who is another dedicated employee at Shares, Inc., that they are willing to put people to work who ordinarily would not be able to receive a job in the marketplace. If you take a tour of Shares, you can see the happiness and the pride in the faces of these people who go beyond the line—because they have a chance to earn a living and take care of themselves.

Mr. Speaker, today I want to commend the people who operate a company called Shares, Inc., in Shelbyville. This is a company which employs and helps 300 handicapped, disabled, and mentally retarded individuals. Dick Fero, who is a good friend of mine, brought me to Shares and toured me through the plant over 3 years ago, and I was impressed with the vast resources made available to help these people who have special needs in Rush and Shelby Counties, everything from transportation, recreation, counseling, adult education, and speech therapy.

The true success of Shares is found in the hearts and souls of the employees, the workers and the volunteer board of directors. Their hearts and souls unconditionally give their time, energy, love to help these very special people.

People like Judy Weaver, who has worked there as the work manager for 12 years. Judy takes care of these people by making sure that their job on the line—they are performing light assembly and other services—is something that they can do in order to enrich their lives. She is tops at what she does. So is Arnie Petrie, who is another dedicated employee at Shares, Inc., that they are willing to put people to work who ordinarily would not be able to receive a job in the marketplace. If you take a tour of Shares, you can see the happiness and the pride in the faces of these people who go beyond the line—because they have a chance to earn a living and take care of themselves.

Success stories are wide and deep. Take 25-year-old Angela Woolen of Shelbyville. She is mildly handicapped, and yet she has the job of a lifetime there, because they have a chance to earn a living and take care of themselves.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. CLINGER] has done in chairing that committee.

Mr. Speaker, that concludes my remarks. Thank you.
Jeremy Rathburn, a graduate of Washington Elementary. He enjoys basketball, soccer, rollerblading, and trading cards, just as all kids his age do. What sets him apart is something most kids, as well as adults, would not do. It is so unique, in fact, that his aunt contacted our office. She said, "Jeremy is a real good boy and I'm proud of him. I thought he should be recognized." And indeed he should. Jeremy turned in $250 that he found on the floor of McDonald's. The Greensburg Police Department returned the money to the rightful owner and recognized Jeremy's honesty in front of his classmates.

Jeremy also received a reward from the owner of the money, a certificate from Mayor Shel Smith, and McDonald's gift certificates.

Today, we only hear about the problems surrounding the youth of society—drugs, crime, violence. It is truly comforting to hear stories of honesty, integrity, and good deeds.

Children are taught the difference between right and wrong. Jeremy Rathburn recognized that difference and I am pleased to recognize him for his virtuous behavior. That, Mr. Speaker, concludes my report from Indiana.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would remind Members that we are trying to accommodate the gentleman from New York; however, 5-minute requests have precedence over longer special orders and within the bounds of the rules of the House, all matters are able to be discussed.

THE VANISHING AMERICAN DREAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. MASCARA] is recognized for 5 minutes.

Mr. MASCARA. Mr. Speaker, I rise this evening to talk about the vanishing American dream and what we need to do to restore that vision of hope once widely held by hard-working Americans.

It is no secret that American families today are upset and afraid of what their tomorrow's may hold. Each one of us hears their concern every time we talk with constituents back home. Back in the 1950's and 1960's, the road to a middle-class life was clearly marked. You made your way through high school, got a job in the local mill or plant, and in 5 or 10 years, you were well on your way to a secure future for yourself and your children.

Unfortunately, that comfort level does not exist any longer. Despite our growing national economy, low unemployment, and increasing productivity, Americans are no longer secure in their jobs and lives.

Recent polling shows they are very afraid the ax may fall tomorrow and any day they could be handed a pink slip, losing their job, their savings, their home, their hope for tomorrow.

A recent poll I took of my own constituents puts this issue into even sharper focus. When I asked what are the top five issues facing the country and our local area, the most frequent answers from nearly 8,000 respondents were too much unemployment, a lack of fair wages and more jobs. It is no secret that working Americans blame big corporations for many of their woes. They greatly resent the incredible salaries paid to some top executives and firmly believe that workers have lost their jobs to pay for the CEO's golden parachute.

They will tell you that being loyal to a firm and working hard no longer counts. Tomorrow you could still be out the door.

Workers know the world is not going to go back to the way things operated in the 1950's. They understand global competition and the need for American firms and workers to face the reality of the new economic order.

All they are asking for is a return to fairness, a renewal of respect for the value of hard work, and a restoration of policies that ensure workers share in the financial success of their employers.

They especially want those of us serving in Congress to hear their plea and to take action to make life better for their families.

Members on my side of the aisle recently unveiled a very important agenda which includes a variety of realistic, moderate, achievable proposals for turning this situation around.

At the top of our list of legislative proposals are several that would provide security for working families by helping to ensure they are paid fair wages, have health care coverage for their children, and are afforded greater access to portable pension plans. We also intend to open up educational and economic opportunities by providing tax deductions for vocational training and college educations and increasing efforts to help small businesses prosper.

While corporations have been downsizing, since the late 1980's, small businesses have created millions of new jobs. Many American families dream about operating their own small businesses. We need to give them the chance to succeed.

The last major component of this plank is called responsibility. Democrats believe the Government must be responsible and balance its budget. We acknowledge individuals must be responsible and there is a need for welfare reform, and a need for increased enforcement of child support orders, and a need to prevent teen pregnancies. Importantly, we also seek corporate responsibility, ensuring pensions and the environment are protected while offering incentives to encourage businesses to be more family and worker friendly.

I convey a portion of this agenda which I personally recommend to my leadership was a section urging development of State infrastructure banks. Millions of miles of roads and water systems in our country are near total collapse. Every day, millions of dollars in commerce and productivity are lost forever because goods cannot be transported on our highways. Countless cities and towns across this country face a major crisis in providing water and sewer systems—many well over 100 years old—simply fail.

Before coming to Congress, I served as chair of the board of Washington County, PA commissioners for 15 years. My major focus in life was, and continues to be, economic development for southwestern Pennsylvania.

My district lost hundreds of thousands of jobs in the 1970's and 1980's as mines and steel mills closed. Several of the counties I represent are among the poorest in Pennsylvania.

So it should be no surprise that during my years as a county commissioner I worked day and night to attract new businesses to my region. Through a variety of innovative financing methods and working cooperatively with business operators, I was successful in bringing 12,000 new jobs to the county.

Since coming to Congress, I have continued to work hard for my district, promoting a number of economic development projects including construction of the Mon-Fayette Expressway, a major thoroughfare that would bring economic renewal to many areas of my district.

My point this evening is to urge that we all listen to hardworking families. We must begin to bring some of those innovative economic development tools used at the local level here to Congress.

I think if we do, we can begin to restore the faith of American workers and the American dream which should still be a reality for each and every American.

Thank you, Mr. Speaker, I yield back the balance of my time.
that were completed by the Center for Health Affairs and the Michigan Health and Hospital Association regarding the excellent health care that is delivered in my district and throughout west Michigan. The studies show that west Michigan have lower costs than the statewide average, and that the per person operating costs in west Michigan are 30 percent lower than the state average, and the expenditures per admission are also 10 percent lower than the state average. These factors combined help to illustrate the fact that health care in west Michigan is high in quality, low in cost and high in quality, and that we can serve as a model for national efforts to reform our health care system.

Over the past 10 years, we have seen national consumer health care prices increasing significantly. Last year’s increase in consumer health care prices was 4.5 percent the lowest in 22 years, but this increase is still nearly two times the increase in overall consumer prices. So you can understand why a report illustrating the low costs in west Michigan is an important event. These low costs can be attributed to several factors, but the most significant ones are that administrators are operating efficient hospitals, doctors are making responsible cost-appropriate decisions, and patients are not over-utilizing health care resources.

The most traditional measure of hospital resources in inpatient bed capacity, measured by beds per 1,000 residents. The number of beds per 1,000 people at west Michigan hospitals has decreased by 26 percent over the past 10 years. This reflects the changing philosophy in the health care sector toward less intrusive treatments, shorter hospital stays, the use of outpatient and home care, and greater emphasis on preventive care. In west Michigan, the number of acute care beds per 1,000 people dropped to 2.35 in 1993, meaning that we had 1,700 fewer beds than would be expected at the state average. And the State average is still below the national average of 3.3 beds per 1,000 people.

In addition, the admission rate to acute care hospitals in west Michigan is 28 percent lower than the national rate. West Michigan hospitals are leading the state and the nation in developing low-cost, quality hospital care. The entire health care community is working together in west Michigan to find ways to lower the costs of health care, while still delivering high-quality services. I applaud health care providers in my region for the innovation and leadership that they have demonstrated. And I would like to highlight two hospitals in the Third District, Blodgett Memorial Medical Center and Butterworth Hospital, for being recognized for the second year in a row as one of the top 100 hospitals in the Nation. Hospitals included in this report, which is conducted by HCIA, Inc. and Mercer Health Care Consulting, reduced expenses per adjusted discharge, lowered mortality, and cut length of stay. If all hospitals emulated this performance, hospital expenses would decline by 17 percent, patient mortality would drop by 24 percent, and the number of months of stay would decrease by almost a day. These are the kind of results that we are going to need in order to decrease health care costs in a way that does not decrease the quality of care.

These results will also help us address the rapidly increasing rate of spending in the Medicare program. The Social Security Board of Trustees’ report for the Medicare trust fund illustrates the grim prognosis that the rate of increase in Medicare spending poses for the Medicare trust fund. One way that we can slow this increase in spending is by utilizing alternatives to fee-for-service coverage. It is ironic, however, that the low cost of health care in west Michigan currently hinders our ability to attract Medicare managed-care organizations. In order to determine payments to managed care plans, Medicare uses a formula that is based on 95 percent of the average cost of the Medicare dollars per beneficiary for fee-for-service care. Low-cost areas, like west Michigan, receive dramatically lower managed care payments, based on this formula. As a result, the payments are too small to attract managed care organizations. This comes down to a basic issue of fairness because Medicare beneficiaries pay the same amount to participate in the program, but those in high-cost, high-utilization areas receive better benefits through managed care. It is improper that areas, such as west Michigan, that have worked hard to keep their medical costs low are then penalized with less adequate Medicare coverage. If we expect to help lower Medicare spending through the use of alternatives to fee-for-service coverage, we must ensure that managed care payments are developed in a fair manner.

I address the House today to commend west Michigan for the low-cost health care that its hospitals have developed. As we proceed with Medicare and other health reform, I urge this body to take steps to ensure that we do not penalize low-cost areas, like west Michigan, as they try to develop alternatives to fee-for-service coverage. The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona [Mr. Shadegg] is recognized for 5 minutes.

Mr. SHADEG addressed the House. His remarks will appear hereafter in the Extensions of Remarks.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. Stockman] is recognized for 5 minutes.

Mr. STOCKMAN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Ms. Ros-Lehtinen] is recognized for 5 minutes.

Ms. ROS-LEHTINEN addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma [Mr. Coburn] is recognized for 5 minutes.

Mr. COBURN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Ms. Ros-Lehtinen] is recognized for 5 minutes.

Ms. ROS-LEHTINEN addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona [Mr. Shadegg] is recognized for 5 minutes.

Mr. SHADEG addressed the House. His remarks will appear hereafter in the Extensions of Remarks.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. Diaz-Balart] is recognized for 5 minutes.

Mr. DIAZ-BALART addressed the House. His remarks will appear hereafter in the Extensions of Remarks.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota [Mr. Gutknecht] is recognized for 5 minutes.

Mr. GUTKNECHT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.

TRIBUTE TO THE LATE HONORABLE HAMILTON FISH, JR.

The SPEAKER pro tempore. Under the Speaker’s announced policy of May
12, 1995, the gentleman from New York [Mr. GILMAN] is recognized for 60 minutes as the designee of the majority leader.

Mr. GILMAN. Mr. Speaker, I would gladly have made any sacrifice to avoid having to speak before you today for this solemn purpose.

Before I make comments on this special order, I would like to note for our colleagues' information, that on Tuesday, July 30, 1996, at 10 a.m. at St. Albans Episcopal Church on the corner of Massachusetts and Wisconsin Avenue, there will be a memorial service for our distinguished colleague, Hamilton Fish.

The House Sergeant at Arms will provide bus transportation for Members, and buses will depart the east front of the Capitol at 9:15 a.m. and return to the Hill following the reception.

Mr. Speaker, the passing of Hamilton Fish is a shock which reverberated in this Chamber as well as back in our Hudson Valley region of New York. We knew that Ham was ill when he announced his retirement from this body only 2 years ago, but his intelligence, his helpfulness, his integrity, and his charm were so overpowering—right until the end—that it is virtually impossible to believe that he is no longer with us.

Ham Fish was born right here in Washington about 80 years ago last month. At the time of Ham's birth, his father, Hamilton Fish II, was serving in his fourth term in this Chamber. The senior Congressman Fish went on to serve until near the end of World War II, earning a nationwide reputation as a critic of the New Deal and as ranking minority member on the House International Relations Committee.

In fact, members of the Fish family, usually surnamed Hamilton, have served in the Congress, representing New York, since the earliest days of our Republic. One Hamilton Fish, after service in this body, went on to serve as a Senator and as Secretary of State in the Grant administration.

Our Hamilton, the one who shone so brightly in this Chamber during the last third of the 20th century, brought to this Chamber a heritage of public service nearly 200 years old.

Ham received his B.A. from Harvard, and his LL.B. from the New York University School of Law. In between, he committed himself to service with our Foreign Service, and as a member of the Naval Reserve. He was admitted to the New York Bar in 1958.

Ham Fish first sought election to the House in 1966. He narrowly lost to a popular incumbent, but 2 years later was victorious. In order to win that 1968 election, Ham first had to defeat a local district attorney in the Republican primary, none other than G. Gordon Liddy, who later went to achieve notoriety in other ways. Today, Mr. Liddy is a nationally syndicated radio show host, and I understand that yesterday he devoted a portion of his show in an extremely gracious tribute to Ham Fish.

Since his first election to the House in 1968, Ham served on the House Judiciary Committee, which becomes his principal love. As a member of that committee, he became a champion of civil rights under the law, and human decency tempered with justice.

The entire Nation first learned of Ham's talents during the wrenching days of Watergate. As a member of the Judiciary Committee, Ham was one of the first Republicans to vote in favor of impeaching President Nixon, to the objection of many of his constituents including his own father. Ham, however, recognized that a government of laws had to have precedence over any individual or party loyalty. His belief in our constitutional system of government was absolute and he was willing to endure criticism and censure to stand up for it.

When Ham passed on earlier this week, the Poughkeepsie Journal, his hometown newspaper, asked Ethel Block, who was chairman of the Dutchess County Republican Party at the time of the Watergate, to recall her recollection of Ham Fish's role at that time: “I personally had such faith in him that after that vote [to impeach Nixon], I was sure that it must have been the right thing to do. It took a lot of backbone,” Ms. Block noted.

Throughout the coming years, Ham's seniority on the Judiciary Committee grew, until he eventually became ranking Republican on that committee. However, Ham’s contributions were legion even before he reached that pinnacle of leadership. He was one of the four original sponsors of the extension of the Voting Rights Act which were enacted into law in 1970, 1975, and 1982.

Just as his father earned fame and favor as a critic of racial prejudice and discrimination during World War II, Ham earned recognition as their champion at a time when prejudice and racial hatred became much more subtle but just as insidious.

Ham fought discrimination in education by his authorship of the Civil Rights Restoration Act in 1988, requiring all operations in any entity receiving Federal funds to adhere to all antidiscrimination requirements contained in the major Civil Rights Acts of 1964. It was with courage that Ham Fish prodded the Congress into adopting this legislation; it was with even more courage that he led the successful battle to override the Presidential veto of it.

The Fair Housing Amendments Act of 1988, the Civil Rights Act of 1990, and perhaps most significantly of all the far-reaching Americans with Disabilities Act of 1990 are all legislative landmarks that are living monuments to Congressman Ham Fish.

Ham did not restrict his incredible energies to the work of his Judiciary Committee. Back at home, representing adjacent districts, Ham and I fought many battles together: the battle to try to keep the General Motors plant operating in Tarrytown; the battle for better commuter service on our Metro North rail lines; the fight to expand Stewart Airport and with it the extension of our region's struggle on behalf of our apple growers and vegetable farmers; the continual fight to render our majestic Hudson River pollution free and pristine—there was no cause, no group, no constituent in this area where Ham Fish did not have a love and an abiding interest.

This week, the Poughkeepsie Journal chronicled memories of Ham from many of this neighbors: “He was a very gentle man,” said Michael Giordano. “I just loved him. He was a sweetheart,” said Betsy Abrams. “He will be remembered by everyone in Dutchess County,” said Richard Archer.

If Ham had sought election to a 14th term in Congress 2 years ago, there is no way that his friends and neighbors would have reelected him. Had that happened, Ham would have become chairman of our House Judiciary Committee.

Ham was fully cognizant of that fact, but it did not distract him. Instead, he threw his considerable energies into the private practice of law here in Washington, with the prestigious firm of Mudge, Rose, Guthrie, Alexander, and Ferdon. Just a few weeks ago, he visited our International Relations Committee, and I was pleased to introduce him to our colleagues and to the many guests in attendance at our hearing. Ham was as alert and as welcome as ever.

Ham Fish is the father of three sons, Hamilton III, Nicholas Stuyvesant, and Peter Livingston, and of one daughter, Alexa Fish Ward. He also leaves behind eight grandchildren.

Ham's first wife, the mother of his children, was also a lawyer. She died in a tragic automobile accident during his first year as a Congressman. Later, Ham married Billy Lester Cline, a vivacious person who died of a brain tumor in 1985.

Ham's widow, who so many of us know so well, is Mary Ann Tinklepaugh Knauss, who in her own right is one of the premier activists here in Washington. Currently, Mary Ann serves as an assistant to New York Governor George Pataki here in his Washington offices.

To the entire Fish family, we extend our sincerest condolences. We know that their grief is great, but perhaps they will receive some consolation from the realization that so many of us share their loss.

We also extend our condolences to the people who Ham Fish represented so superbly for over a quarter of a century. Each and every one of them is well aware, as we all are, that a giant in this Congress has departed from our midst, and that the world is a far better place thanks to the dedication of Ham Fish, Jr.
I thank our colleagues who have joined us in this special order.

Mr. Speaker, I am pleased to recognize the dean of our New York delegation, the gentleman from New York, Professor Rangel.

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

Mr. RANGEL. Mr. Speaker, I want to thank my friend, Ben Gilman, for getting this time for the New York delegation.

A few minutes ago one of the Members on the floor asked, is this only for New York Members? And I did not give a full answer, but, no, Hamilton Fish and his memory will never be just for New York Members or Members of this Congress, because I think when you see where we are today and where we were 2 or 4 years ago, most everybody that was here would say, do you remember the old days of civility, of tolerance, of mutual respect? How we could disagree, and yet have respect for each other?

And I am reminded that throughout the rules which govern us in this body, interlaced throughout them are words, such as yielding to the gentleman, kind and gentle words that allow us to protect the interests of our constituents, and, at the same time, to have this place be one that we respect, and would want not only our constituents to respect us, but history would do it.

And I believe that has a lot to do with the fact that we have a lot of people, Tip O'Neill, Silvio Conte, Chairman Natcher, and even Bob Michel, who fought for the beliefs of his party. Yet, when you think about a person that, no matter what the issue was, Hamilton Fish was not only a gentleman, but he had really the type of class, because he came from class. His grandfather was Governor and Senator and Secretary of State. His dad, who I knew before Hamilton, was not only a member of this body, but he was a member of my district. I know him so well was because after serving in Korea, the only veteran's organization that seemed to want a Korean veteran was the 369th African-American Veterans Association, and I had to learn about the history of that group.

It turns out that the 15th Regiment, which later became the 369th Regiment, were groups of African-Americans who wanted to serve in World War I and were denied the opportunity. They could not enlist to fight for their country. So what did they do? They marched all up and down in my district on Lenox Avenue with broomsticks, training each other, hoping that America would change its mind and allow them to defend the free world.

Eventually they won out and they were trained and they were sent to Europe. And there were some protests among the white soldiers. But the captain of that 369th pulled out his gun and told the white soldiers that were protesting the presence of these African-Americans in the 369th that to defend his country he had to defend his regiment, and he cocked his pistol and said, if you touch one of these soldiers I will kill you dead.

That is what our veterans did. The 369th veterans ever had, until the time that Hamilton Fish's dad died, that he was not at that parade.

When I met his son, felt as though I knew him because his dad accepted me and the things I believed in because of our military background but was always critical of his liberal son Hamilton.

So, then, Hamilton and I go on to the Judiciary Committee, where we found a voice there that was not only there to weigh the facts, to see whether or not they were so serious that we should even think about impeachment, but he was a mediator, a conciliator, one that brought Republicans together, not just for the TV cameras, but to sit down, to weigh the evidence and to see whether it made any sense not to impeach or not to impeach but to better understand how important this way of government for the integrity of our great Nation and to make certain that Chairman Rodino would not have to make anything that looked partisan because he was there to work it out.

The funniest thing in the world was seeing Hamilton Fish working out problems and his dad having a press conference saying he should not even be thinking about impeaching the President. Is that not what makes America great? And it was.

I hope that in memory of our dear friend that maybe when we are tempted to be angry with each other, maybe when we are tempted to say the things that we all regret after we say them, that we can wonder what Hamilton Fish would want us to do no matter how angry and how many differences we had about reaching that common goal.

And so we all lose a dear friend, but I lose someone that is a part of a very, very long tradition. He is a part of the House of Representatives, the best of Members here that have ever served in this body and certainly in the Hudson Valley. Ham's good nature was just contagious. And he was not just a great friend of all of ours.

I am pleased to recognize the gentleman from New York [Mr. RANGEL] for his moving words.

I am pleased to recognize the gentleman from New York, our distinguished chairman of our House Committee on Rules, Mr. Solomon.

Mr. SOLOMON. Mr. Speaker, I thank Chairman Gilman for taking this special order to pay tribute to not only a great Congressman, a great American, but really a great friend of all of ours.

Ham Fish, Jr. It seems like only yesterday, although it was 18 years ago, that I walked onto this floor as a newly elected Member of Congress and there were 35 Members from New York State in those days, before reappointment cost us all of our seats and now we are down to 32. I guess. But the only two left after the passing of Ham Fish, is you, Mr. Chairman, and Charlie Rangel over there.

It seems like this young pup now is the third ranking member of our delegation. That does not seem possible, but I recall it because I can recall how proud Ham Fish was at the last delegation meeting that he presided over. He pointed out back in those days when Frank Horton was the chairman of the Appropriations Committee that he presided over, Frank Horton was the chairman of a very important committee. I beg your pardon, he was the ranking member of a very important committee, along with Norman Lent, who was ranking on Commerce, Bill Young, who was ranking on Foreign Affairs, and myself ranking on Rules, and the 5 members of the New York delegation were the ranking members on 5 of the 13 committees.

It was really something that Ham was proud of back in those days. It just makes you think of the difference between Ham Fish and perhaps the rest of us.

I look over here and I see the gentleman from Louisiana, Bob Livingston, and he is the chairman of the Appropriations Committee, and he has a reputation like Jerry Solomon of sometimes being a little excitable perhaps; but I can remember how many times when I had to be excitable and Ham would walk up and we would sit down in the back of the Chamber and it would just rub off, that calmness that that man exuded. It was something that you had to really look at in him and respect.

Mr. Gilman said so much here, I am going to be brief because we do have an awful lot of Members here that are coming on the floor and want to talk, but Ham Fish really was the quintessential family man and I believe one of the most devout. He believed that everyone served that ever served in this body and certainly in the Hudson Valley that you and I and some of the others here have the privilege of representing. To me, Ham Fish was not just a Congressman, he was a mentor of mine and he taught us all so much.

He was just a great friend and it was truly an honor and privilege to have served with him representing the Hudson Valley. Ham's good nature was just renowned throughout this Congress.

I even see some former Members of Congress from New York sitting over here, and, Bob, you remember too from...
both sides of the aisle. He just embodied what it means to be a representative of democracy and he will undoubtedly be remembered as a true gentleman of this House, and what better respect can you say of a person than that?

We will miss him dearly. Our deepest sympathies go out to his wife Mary Ann, his entire family and, Ham, we just wish you the best, good friend.

Mr. GILMAN. Thank you, JERRY SOLUM, for placing and remarks on behalf of Hamilton Fish.

I am pleased to now recognize the gentleman from New York [Mr. MANTON].

Mr. MANTON. Mr. Speaker, I thank the gentleman for setting up this special order.

Mr. Speaker, I rise today to pay tribute to a dear departed friend and colleague, Hamilton Fish, Jr. It was a true honor to serve with Ham fish as a fellow representative. His commitment to public service was at the heart of Ham Fish’s life. He served in the Navy during World War II. After the war, Ham attended the Harvard Graduate School of Public Administration, and then joined the U.S. Foreign Service. In the early fifties he was posted to Dublin, Ireland. He really loved Ireland. He talked about it often.

Following this stint, he earned his law degree from New York University in 1957, and practiced law in the city until in 1963 until he became a Member of Congress in 1968. I first met him 2 years before he was re-elected to the House of this area.

I set up and worked in his first office in Westchester County and my husband and I worked to back him for the next 24 years. As a matter of fact, my staff card for Hamilton Fish’s office expired 20 years to the day I was sworn into Congress. My husband and I have been priviledged to know first three, and now for generations of this Hamilton Fish family. They have represented the gentility of the Hudson River Valley. Ham was a gentleman’s gentleman. His behavior on the floor of the House set a standard many of the Members of this Congress would do well to emulate.

His career was marked by accomplishments in the areas of civil rights, the environment, crime, the handicapped, and business regulation. Ham was a supporter of the Legal Services Corporation because he recognized and prized the important role LSC plays in providing legal assistance to those who otherwise could not afford it.

The 1990 Civil Rights Act and the Americans With Disabilities Act represent hallmark achievements and will stand as lasting legacies to the memory of Hamilton Fish.

To know Hamilton Fish, Mr. Speaker, was to know someone dedicated to the truth and the dignity of public service. This institution is too often criticized for its problems, the partisanship, the lack of comity, and the arduous process that is the people’s business. Unfortunately, it is seldom judged by the virtues of its individual Members. Ham Fish carried out his work with dignity and respect, and represented the very best of this institution.

Mr. Speaker, we will miss Ham. My thoughts and prayers go out to his wife, Mary, and his children, Alexa Ward, Hamilton, Nicholas Stuyvesant, and Peter Livingston, and his eight grandchildren.

Mr. GILMAN. I thank Congresswoman KELLY for her moving remarks.

I would be pleased to yield to the gentleman from New York, Congressman MAURICE HINCHEY.

Mr. HINCHEY. Mr. Speaker, I thank our friend, the gentleman from New York [Mr. GILMAN], the distinguished chairman of the Committee on International Relations, for arranging this tribute to our friend, Hamilton Fish, Jr.

Mr. Speaker, it was with deep sorrow that we received the news that the Nation and New York have lost one of its great men, Hamilton Fish, Jr. Ham stood up for what was best in this institution and what is best about our system of government. He was the kind of person that Jefferson and Madison had in mind when they wrote the Constitution, the kind of person they wanted to create. They wanted the seats in this Chamber to be occupied by people who took their responsibilities more seriously than they took themselves, people of judgment, people of substance. Ham had all a thoughtful, judicious person, a man of integrity. This institution already misses his wisdom.

Ham was known and respected for his independence. He was still a relatively junior Member of Congress when he gained national recognition for his committee vote to recommend impeachment of President Nixon. He will always be remembered for that vote, for his decision to go against the standards of integrity impartially, even when he must have been under great pressure to do otherwise. But it would be a mistake to take that one vote as the measure of his independence or of his career. Ham was proud to be called a loyal Republican, but he knew that loyalty does not mean surrender of one’s own judgment and temperament. Much of what Ham accomplished was done quietly, behind the scenes, in his conversations and discussions with his colleagues on both sides of the aisle. He believed that he served his party best when he served the country best, and that he served the country best by bringing the best of his own mind and heart to every issue he addressed.

There have been Hamilton Fishes in Congress since our republic was young. His family was one of the most celebrated and distinguished families in the Hudson Valley of New York, which is also my home, and they have made their mark. One of his forebears served as President Grant’s Secretary of State. His father was famous for his staunch opposition to the New Deal. Another forebear was an ar-elist of New York society, an aristocrat among aristocrats. I know some people thought of Ham that way. His bearing, his manners, even his height marked him as a distinguished person, someone who literally stood head and shoulders above the crowd and had all the good characteristics we associate with aristocrats like Lincoln and Jefferson. But like them, he believed in
all the people, and did not set himself above anyone. He brought people up to his level by treating them as if they had always been there.

For many years, he served as the ranking member of the House Subcommittee on Immigration. To some people, this seemed incongruous, perhaps even threatening. Here was a man whose ancestors had settled in long before the Revolution making policy on immigration. But perhaps it was this perspective that let him understand just how precious to their people. I don't think he did—but any of them would have been honored if they could count him as one of their sons.

Ham and I both represented parts of the Hudson Valley for many years, most of my time in the State Assembly, most of his time in Congress. Our mutual love of the valley brought us together many times. Ham could always be counted on to support any effort to protect the valley’s beauty, grace, and charm, and to advance the welfare of its people. It was Ham Fish, who wrote the legislation preserving Eleanor Roosevelt’s home at Hyde Park as a national historic site, although his father could not bear to hear her name. I hope that his actions, his spirit, and above all his character will long be remembered in our valley, and I hope they will be remembered too here in Congress. If his spirit serves as an example to us, perhaps it can raise the standard to which we hold ourselves.

I extend my condolences to his widow, Mary Ann, and his children.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from New York [Mr. HINCHLEY] for his kind words.

Mr. Speaker, I am pleased to recognize the gentleman from Louisiana [Mr. LIVINGSTON], chairman of the Committee on Appropriations, who I understand is a relation of Mr. Fish.

Mr. LIVINGSTON asked and was given permission to revise and extend his remarks.

Mr. LIVINGSTON. Mr. Speaker, I thank the gentleman from New York [Mr. GILMAN] for his kind words. I am pleased to yield to the gentleman from New York [Mrs. LOWEY].

Mrs. LOWEY. Mr. Speaker, when I was privileged to serve with Ham for 6 of the 26 years that he spent in Congress, and during that time I came to appreciate the fact that Ham was not only deeply concerned and involved with local issues, he certainly can be considered one of the most expert Members in policy.

Ham served as the Ranking Republican on the Committee on the Judiciary and Immigration Subcommittee. More important, Ham was a moderate man who could work with Members on both sides of the aisle and rise above partisan politics to achieve the goals of the American people.

Hamilton Fish was part of a true political dynasty in New York’s Hudson Valley, a dynasty as old as the republic itself. It is from Nicholas Fish, who fought in the American Revolution and mounted a unsuccessful campaign for Congress, to Ham’s great grandfather who ran as a Whig in 1844, to Hamilton Sr. who died in the Navy during World War II and in the House of Representatives for 26 years, from 1969 to 1994.

Although there were times when his congressional district was more conservative than he was, Ham never strayed from his moderate, fair ideals. Despite the fact that his father, Hamilton Sr., was an isolationist, Ham was an advocate for human rights issues and refugees worldwide. He worked tirelessly during the cold war to allow for Soviet Jews to enter the United States. During the 1970’s, Ham was an outspoken critic of the Nixon administration and its involvement in the Vietnam war. As a member of the Committee on the Judiciary, Ham was one of the first members of his party to call for President Nixon’s resignation.

Ham also had an exemplary record on civil rights issues. He supported the 1978 extension of the equal rights amendment and the 1982 Voting Rights Act. He also supported the Americans with Disabilities Act of 1990 and the Civil Rights Act of 1991.

Ralph Neas, the former director of the Leadership Conference on Civil Rights said, “Many of the almost two dozen civil rights bills passed in the 1980’s would not have become law without him.”

Mr. Speaker, I, too, would like to extend my deepest sympathies and condolences to the Fish family. While this country has lost a great civil leader, his wife, Mary Ann, has lost a dear, devoted husband, Nick, Peter, and Alexa, have lost a father, and of course his eight grandchildren have lost a friend and a role model.

As a freshman Member of Congress in 1965, I learned from Ham Fish. This Congress would do well to heed his legacy. He was a leader, a colleague, and a friend. He will be sorely missed.

Mr. GILMAN. Mr. Speaker, I thank Ms. LOWEY for her kind statement, and am pleased to yield to the gentleman from New York, Mr. LAFALCE.

Mr. LAFALCE. Mr. Speaker, I rise today to join with my colleagues in
paying tribute to our late colleague, Hamilton Fish, Jr. As the fourth generation from his famous family to serve in Congress, Ham could easily have acted as if he were entitled to his position, as if he were born to it, but that was the exact opposite of the way he was.

Ham Fish was as down to Earth and genuine as anyone I have ever known. Most important, Ham Fish was indeed a gentleman. One word. And a very gentleman.

He could, and did, hold his own in the rough and tumble of politics, but he would not hurt a soul. He must have had as a tenet: Hurt no one. Embarrass no one. Be kind and gentle to everyone. Because that is the way Ham Fish was, day in and day out. He epitomized what every person should strive to be.

He also epitomized what every legislator should strive to be: A fervent advocate for his point of view, yet someone always willing to see the other side and always understanding of the necessity to compromise for the greater good.

One got the clear sense that when Ham looked at someone he did not see labels like Republican or Democrat, liberal or conservative. Ham saw a fellow human being, someone who deserved to be heard, regardless of ideology, regardless of any other arbitrary classification. And that perhaps was his true hallmark. That arbitrary classification were not only not smart, but that they were and are dehumanizing.

Mr. Speaker, I join in praising the record of service that Hamilton Fish gave to his fellow Americans. I, too, extend my sympathies to his wife and his entire family.

In the long run, Ham will be remembered for his hard work, yes. But even more than that, I will remember Ham for his grace, his kindness, his gentleness, his wisdom, his tolerance, and his love for his fellow human beings. And there can be no greater role model and no greater legacy than that.

Mr. GILMAN. I thank Congressman LAFAULCE for his kind remarks.

Mr. Speaker, I am pleased to yield to the gentleman from western New York [Mr. HOUGHTON].

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

Mr. HOUGHTON. Mr. Speaker, I would say to the gentleman from New York, Mr. GILMAN, as I was listening to Mr. LAFAULCE and others, it really is too bad that you cannot hear what other people really feel about you while you are alive. I do not know whether Ham is listening or whether he can listen, or that is possible in the overall scheme of things, but it is a wonderful tribute to hear people from different walks of life, different associations say what they have about him.

I just would like to say a few things. There is an old Arab proverb that says, A word when spoken must pass three gates. The first gate is, ‘Is it true?’ The second gate is, ‘Is it necessary?’

The third gate is, ‘Is it kind?’ Many of us here would like to get out of the first gate, but Ham always would. He passed all those gates in whatever he did. He hit the issues hard, and yet there was an old expression from Proverbs, a soft answer turns away wrath. We need more of that here. I know that. I go back a long way with Ham. It started in 1946, when we both got out of the service in World War II, went to college and then periodically kept our friendship going during the years.

I was always in awe of Ham’s heritage. It did not seem to be anybody that had a greater heritage than Ham, but Mary Ann Fish, his lovely wife, told me a story the other day of Ham going into the Rotunda and pointing to one of the murals and pointing out that Nicholas Fish was standing besideGeorge Washington as he received the surrender from Cornwallis. And this man was very polite and he said, thank you very much, Mr. Fish.

He said, on the other hand, there was a mural of settlers crossing and landing in New Amsterdam, and my ancestor was the minister at that time; of course, a full 100 years before Nicholas Fish ever appeared in Yorktown. And he was always being thanked like this, but he had a delightful, easy, wonderful sense of humor.

We develop many friendships down here. Some are political. Some are personal. Some are diplomatic. Some are business. Yet at the same time, as you work through this place, you understand those people who have that special quality that you know they will not betray you if you are vulnerable. Ham was one of those people.

There are questions which we always ask ourselves: What do I believe; what do I stand for; what do I really want. Ham never used that. He always changed the ‘I’ to a ‘we.’ What do we believe; what do we stand for; what do we really want. If anybody epitomized service over self-service, it was Hamilton Fish, and we are going to miss him.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for those moving comments, Mr. HOUGHTON.

I yield to the gentleman from North Carolina, Mrs. CLAYTON.

Mrs. CLAYTON. Mr. Speaker, I want to thank the gentleman and the delegation from New York for allowing me, from North Carolina, to say a word of tribute to all of our friends and colleagues, Hamilton Fish. My husband and I both, too, knew Hamilton Fish.

We knew him in a personal way. I am a new Member to Congress so I do not have that long lineage of getting to know someone, but I did know him in a personal way. He did indeed have faith. So I want to tell you that although he was a gentleman and a scholar, he was also a person who could relate to human beings.

My husband and he had a certain passion for certain fun and they had a certain memory that they would remember. His wife, who is probably known as a vivacious, caring person, is certainly one that I have gotten to know and we have had occasion, just 2 months ago, for us all meeting together. So this week Congress, New York will miss him, but America will miss him because in many ways he was not only the ideal person from New York, but he also was the ideal Congressperson for America.

We all will not only lose a friend but lose someone who has been epitomized as being an idol and a symbol.

Mr. Speaker, this week, Congress and America suffered a sad and great loss. Former Representative Hamilton Fish, Jr. passed and has left a deep void in our reservoir of decency and fair play.

This devoted husband, caring father and loving grandfather served the people of the 19th District of New York for more than a quarter of a century. But, he provided more than service to New York’s citizens.

Hamilton Fish, Jr. provided a high standard of statesmanship, an unparalleled measure of respectability and dignity, an unprecedented display of non-partisan cooperation.

Those of us who serve in this 104th Congress can learn much from Hamilton Fish, the manner in which he lived his life, the honor he brought to this institution, the distinction with which he served his party.

His ability to function as a gentileman in the sometimes murky and perilous waters of politics must be attributed in part to the deep roots of his ancestors which guided him and gave him important benchmarks. This son of New York was always up for the challenge, always prepared for the task.

Throughout his life, he refused to accept mediocrity. He had hopes and dreams, he had goals, he had vision, and he dared to be different and determined to make a difference.

Congress, he established himself, making his mark in many places, leaving his permanent imprint on the sands of time.

He supported civil rights, fought for justice, stood for equality and was unwavering in behalf of the principles that make this Nation great.

Tirelessly, he was a role model for role models, a leader among leaders and a champion for all.

In this august body, he was more than a Member of Congress. He was Congress.

He leaves us now, not to quit, but to fight another fight, to write another chapter, to run another race.

To his darling wife, Mary Ann, who I consider to be my friend, to his three sons, Hamilton III, Nicholas, and Peter, to his daughter, Alexa, and to his many grandchildren, I say hold fast to the fond memories, stay strong on the wings of tradition Hamilton provided and celebrate the legacy he has left through the life he lived.
Mr. GILMAN. Mr. Speaker, I yield to the gentleman from New York [Mr. LAZIO].

Mr. LAZIO of New York. Mr. Speaker, I guess, like Congresswoman Clay- ton, I remember my friend as a little bit of a prankster, someone with a sense of humor who would joke, a man who certainly had dignity and guts, who showed independence and brilliance, but also was not beyond whimsically something very funny in your ear and the aisle.

As it turned out, I met Ham Fish not 15 or 20 years ago but only 4 years ago now when I was beginning my first term in Congress. He was finishing up what would end up being his last term in Congress. But almost immediately, he and I struck out together for what might be an unlikely duo, sort of an odd couple, to hang out in the back of this Chamber, talk a little bit, see each other once in a while, what were very civil and the very social New York State delegation meetings.

I remember him enjoying his sundae ice cream with complete relish on his face as the desserts were offered. I remember him slash between two times of both frustration and annoyance at things that we did in this body, a sense of defiance when he thought we were going down the wrong path out of political expediency.

Ham Fish was somebody who had the ability to have a sense of honor and a sense of humor. He was able to mix both with a good old Yankee pragmatism, and I think he represents the very best traditions of the Republican Party and of this Chamber.

He was a man of great courage who always kept his bearings. During my freshman term, I always thought that he was protective of me. He was the sort of generous person who who never took time out to help a new Member, sit down and discuss things if you had a question, and I will always cherish the wisdom that he was able to share with me.

As my colleagues know and they have been talking about tonight, Ham Fish came from a remarkable American political family historical not just from a New York perspective but from a national perspective, a family whose record of public service can be traced back to the beginnings of our Nation.

In Congress Ham Fish himself was something of a tradition. He was a centrist who got things done. He liked to work with other people. He played a key role in forging compromises that resulted in important legislation like the Fair Housing Act of 1988, the Americans with Disabilities Act of 1990 and the Civil Rights Act of 1991.

As a Member on the Judiciary Committee, not just a member but as the ranking member, he showed great courage back in the 1970's by voting his conscience as one of the few Republicans who voted for the articles of impeachment against former President Richard Nixon.

As the ranking member Republican on the Committee on the Judiciary, Ham always was a strong advocate for causes that he deeply believed in, the sense of civil rights, the sense of right or wrong.

He was particularly remembered for his efforts in support of not just civil rights but also environmental legislation. With Ham's passing, our Nation has lost a great American. My condolences and the condolences of my wife Patricia go to his wife, Mary Ann, and to his sons Nicholas, Peter, and Ham Fish III and his daughter ALEX Fish Ward and their eight grandchildren, all of which I know he loved deeply. We have lost a great friend.

Mr. GILMAN. Mr. Speaker, I yield to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Mr. Speaker, I thank the gentleman for yielding.

I thank him and his colleagues from New York, Mr. RANGEL and Mr. GILMAN, for having this special order to allow me to honor somebody to whom I owe so much love and affection. I met Ham Fish when I joined the House and became a member of the Republican Party and of this Chamber.

I found him somebody who could make us see what was really important, who had a very warm sense of humor, somebody who became a hero because he deserved it in the areas of civil rights, human rights, fair housing, immigration, alleviation of poverty, caring about minorities, caring about women, having a streak of effective independence. We could always rely on Ham to do that. Very often I did converse with him about the issues that we had to decide because I looked on him as somebody who was a real role model and one who would lead me correctly in the right way.

So Ham Fish will be missed. I got to know Ham and his wife Mary Ann personally, I got to know Ham Fish when I joined the House and became a member of the Committee on the Judiciary where he was then a senior Republican. Later he became the ranking Republican.

Mr. Speaker, I want to talk a little bit about some of the things he so exemplified that are less in fashion than they used to be. You will look very hard to find a politician who worked as hard for people unlikely to vote for him in return. In the first place Ham Fish was a champion of a decent policy protecting the human rights of people all around the world. Ham Fish spent an awful lot of time on people who were never going to be able to vote for him, were never going to be able to vote at all in the United States.

He was a man who became an expert in the intricacies of immigration law so that he could give full vent to his burning desire to help people live in freedom. I say burning desire because Ham's quiet, relaxed demeanor may have fooled people.

One of the things we can learn from him is that being civil and being thoughtful in no way rules out being passionate. This was a man of great passion on behalf of human rights, and he exerted a good deal of his own influence and his own resource of time and energy on people all around the world.

Immigrants are not the most popular people these days, and people who live in other countries are not the most popular people in America. I wish the spirit of Ham Fish informed this place as it informed today. It came to me when I was recognizing that we have a great blessing of living in this wonderful free country have some obligation to help people elsewhere.
CONGRESSIONAL RECORD — HOUSE

July 25, 1996

Similarly, Ham, hardly from a district where civil rights in the traditional sense was a burning constituency issue for him, was a consistent defender of legislation that said America has an obligation to end discrimination, to help America return to the condition of being the United States of America. He never let that interfere with his own little world of Ham Fish. Congressman Barney Frank, for his moving remarks.

CONTINUATION OF TRIBUTE TO HAMILTON FISH

Mr. RANGEL. Thank you so much for that statement. I recognize the gentleman from Connecticut.

Mr. SHAYS. Mr. Speaker, I thank the gentleman from New York for yielding, and I thank both of my colleagues from New York, Mr. Gilman and Mr. Rangel, allowing those who are not part of New York, but certainly part of this Congress, to just express our love and our admiration and affection for Ham Fish. But I want to claim him as someone who had tremendous impact on Connecticut because his district was in Westchester County, to the west of Connecticut and to the north part of our district. In fact, I think Ham's home and my home are probably less than 20 minutes apart.

Mr. Fish was a friend of my predecessor, Stewart McKinney. They were two very distinguished Members of this Chamber, both of whom are no longer living. But I remember thinking as a young person that I was represented by an extraordinary man, Stewart McKinney, but also I felt in some ways represented by another extraordinary individual, Ham Fish, because he was still part of our area, and he was just someone who stood out among the rest of us. He spoke as someone who was thoughtful, someone who was quiet in one sense, but strong behind that quietness, and at times you do not always get to see the courageousness of...
a Member, but you saw it periodically in some very key votes where Ham Fish simply was kind of going against the tide of maybe his district or maybe his party. But you always felt that he was doing what he felt was right, not with any sense of dogma, but with a real sense of conviction and a willingness to accept however his constituents judged him.

So as a member of Connecticut’s Fourth Congressional District and someone who got to see him in his function as a Member of Congress, came here but as someone who I loved and admired before I got here, it was a privilege to be able to have served with him.

This would probably be hard for someone who is now 50 years old to say that he had a sense of a fatherly figure for me, but I did feel like I could go up to him and say, this is what I am wrestling with, and it was not a difficult issue for him to help me analyze. He just helped me sort out what my feelings were and what my constituents' feelings were, and then what did I think was right and why did I think it was right, and he just gave me a nice process to move forward.

And once in a while when I felt that I was maybe taking a stand that might take a little bit of courage, it did not seem like courage when after you spoke with Ham you just felt like you were doing the right thing, even, and I make this very key point, even when I was voting against the way he wanted me to vote.

I think one of the nicest things you can say about someone is that they will tell you the truth and they do not have any hidden agenda, and so there were times Ham wanted me to do something and vote a certain way, but he would know where I was coming from, and he said, well, given you, and given the way you think, and given your district, this may not be the way you want to go, and he would do that even if it risked losing a bill that he wanted.

I just want to again thank my colleagues.

Mr. RANGEL, if Ham Fish could make you want to be a better person, that kind of drew me over here, and he made all of us want to be a better person, and I just want to express my love, my condolences, to his wife Mary Ann, to his son, Peter and Ham Fish III, and to his daughter, Alexa Fish Ward, and to their eight grandchildren. You have a precious husband, father, and grandfather to always remember.

You have benefited by his love and affection, but so have we.

Mr. RANGEL. Mr. Chairman, I like to take this time to thank my dear friend, the gentleman from California [Mr. FARR]. As he and we know, the time that was allotted to the New York delegation had expired and the time we are now is his special order, and I deeply appreciate you giving this consideration on behalf of our lost colleague, and I would ask the remaining speakers to please take that in consideration as relates to the length of their statements because Congressman FARR still has his time remaining.

I would like to yield to the gentleman from New Jersey [Mr. PAYNE].

Mr. PAYNE. Mr. Speaker, I rise to pay tribute to a man who brought honor to the House of Representatives through his grace, kindness, and sense of decorum, Ham Fish. As a Representative from a neighboring State, I had long admired and known Ham even before coming to Congress. After my election I was fortunate enough to develop a personal relationship with him. In August 1994 we traveled together as a part of a delegation attending a conference in Berlin under the Aspen Institute. Ham added so much to the experience because not only was he extremely knowledgeable, but he and his wife, Mary Ann, were two of the most gracious, accommodating and generous people I have ever met. His sense of humor pulled us through, especially when one of our Members got into a funny predicament. I will not relate the details here, but Ham and Mary Ann's willingness to extend themselves for others was unparalleled and will not be forgotten.

Ham Fish and I shared an interest in international relations, and although he lived in the cold war era and served in the Naval Reserve, he firmly believed that we could and should work together to achieve peace.

During the 1990's he served as vice counsel in Ireland. I will be visiting there next month, and I will certainly think of Ham when I see that beautiful country which has been seeking peace for so long.

Mr. Speaker, as I was sitting in the Chamber and listening to all our colleagues speak about Ham, I could not help but think if Ham were here right now he would be terribly embarrassed about it all. He would probably admonish us not to say the kind things we were saying, and he probably would say, "Oh, you know, it's not really true."

But I think the fact, Mr. Speaker, that there have been so many Members who have come here after hours from both sides of the aisle, both parties, to speak from their heart about Ham Fish says just the kind of person he was. Everybody loved him. Everybody cared about him.

When you serve in office and you are elected again and again, as he was for so many years, it really means that the people in his district understood that he had a very special quality. Those of us that are privileged to serve in government, we meet people from both sides of the aisle. It is very quick and easy for us to figure out who are the real good ones.

I think we all know that Ham Fish was one of the real good ones. He had a very laid-back demeanor, a very kindly demeanor, and that made him even more effective. You really knew that he cared about you. You really knew that he cared about people.

I was privileged not only to serve with Ham Fish as a member of the New York State delegation, but there were four of us that shared part of Westchester County in New York State. Ham and I both shared parts of Westchester County, and so we worked together, the four of us, two Democrats and two Republicans, to try to get things for Westchester County. Never once can I remember a time where Ham embarrassed me or when Ham was not trying to help me.

Politics was not important. It was helping people, caring about people, that was important. It was helping people. Ham Fish and I had a very good relationship. He would talk to me. We did have a very good conversation I ever had with him, everything we ever discussed, was always pleasant.

I remember during reapportionment, and my colleague, the gentleman from New York, CHARLIE RANGEL, and other colleagues from New York will remember that there was a lot of trepidation in New York because we were losing three congressional seats in reapportionment, so it was a very, very tense matter. Ham would always kind of crack a joke.

There were many different maps that were drawn. One of the maps had me...
going deep into Westchester County. Ham counted the number of golf courses that would be in my district, and he said to me, “Boy, 19 golf courses. That is a pretty good district.” That district was never meant to be a district where I had received, that I eventually wound up having, but every time I saw him afterwards he would joke about the 19 golf courses and how perhaps we could play some golf.

Ham Fish was a healthy man. He was one of the wealthiest men in Congress, but you would never know it. He truly cared about people. It did not matter how much money people had, it did not matter what they looked like, it did not matter the color of their skin, their race, their religion. Ham Fish cared about them all.

After he left Congress, a couple of times in the Shuttle coming back and forth from New York to Washington I bumped into him, and he always had a smile, always had a good word, always was asking me how I was, how my wife was, how Congress was. This was the kind of person that Ham Fish really was.

The New York delegation in particular has lost a good friend, but he will certainly live on in our hearts and in our minds. When I look to see what kind of a legislator, what kind of a person, indeed, that I try to be, Ham Fish is a perfect role model: Hard-working, quiet, and effective.

So I want to say to his family, the Fish family, to Mary Ann and to his children, whom I know, and to everyone, we will certainly miss Ham Fish, but we will never forget him. I know Ham Fish is looking down at us now, being a bit embarrassed by it all, but everything that has been said by every Member today is true. It is the way we feel about Ham Fish. He will truly be missed and he was truly loved.

Mr. RANGEL. Mr. Speaker, I thank the gentleman from New York.

Mr. Speaker, I would like to remind the remaining speakers that the time that we are on is that of our colleague, the gentleman from California, Sam Farr, who has yielded such time to us in memory of Hamilton Fish. I think we should take that into consideration as it relates to the length of our remarks.

Mr. Speaker, I yield to the gentleman from New York, JERRY NADLER.

Mr. NADLER. Mr. Speaker, I thank the gentleman for yielding to me. I want to thank my colleagues, the gentlemen from New York, Mr. Rangel and Mr. Gilman, for organizing this, and to join my colleagues in remembering a distinguished Member of this House and a dear friend of every American, Hamilton Fish, junior.

When I was first elected to the House a few years ago, Ham welcomed me and providing expert guidance as I learned my way around. As the ranking minority member at that time of the Committee on the Judiciary, on which I was privileged to serve with him, he was always a model of collegiality and decency. As we lament the sometimes bitter tone our work has taken in these recent days, we would do well to recall Ham Fish’s leadership about civility, his rationality, and his courage.

Ham Fish was an outstanding and expert advocate always for human and civil rights. I remember first being impressed and becoming admiring of Ham Fish when I was a young law student and Ham Fish was chairman of the Watergate subcommittee of the Committee on the Judiciary, voted to impeach a President of his own party, based on his view of the evidence and his view of the defense of the Constitution against averison.

America will remember Ham Fish for his legacy as a major architect of the Voting Rights Act of 1965, the Civil Rights Act of 1991, the Americans with Disabilities Act, and much other legislation that advanced civil rights.

My home State of New York owes much to the Fish family, which has served this Nation and our State from the early days of the Republic. Ham Fish loved this country, and he was the best of this Congress, he was the best of America. I served with Ham Fish on that tradition with grace. Whether taking the initiative to ensure agreement on vital fair housing legislation, or voting the Americans with Disabilities Act into law, he was a master of the legislative art, and used those abilities to the benefit of the Nation always.

We will miss Hamilton Fish. I want to extend my sympathies to the Fish family, to Mary Ann, to Ham III, to Alexa, and to my friend and constituent, Nick. This House and this country is the better for his having served it, and it is the less for his absence from it.

Mr. RANGEL. Mr. Speaker, I yield to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Speaker, I thank the leader of our delegation, CHARLIE RANGEL, for helping with this special order. I just want to add my words of condolence and consolation to Mary Ann, whose my good friend, Ham, who was my college classmate; Nick, who I have met in West Side politics; and to the rest of the Fish family.

Let me just say that Ham was the best. He was the best of the old school, he was the best of this Congress, he was the best of America. I served with Ham for a long time before JERRY NADLER came. We were the only New Yorkers on the Committee on the Judiciary, so we would have to spend a great deal of time together.

On that committee, Ham was the swing vote. The way Ham went, the committee usually went, and not for any accident. Ham was thoughtful, he was decent, he was rarely pulled in any direction, and never by any special interest. So when Ham voted a certain way or spoke a certain way, people followed. Ham was what a legislator should be. He had the interests of the people of his district at heart in Westchester and Putnam and Duchess County, but he also had the interests of this country at heart.

He was a true patriot, and that is why he cared so much, I think, about antitrust laws. I remember him. We were working on antitrust laws, he did not go on after companies with a vengeance, but he knew they had to be curbed at certain times.

Ham was just the best. He had a twinkle in his eye half the time. He would have that droll sense of humor. He would be saying something that at first you thought was serious, and then you realized, no, this is Ham. He is pulling my leg. He was just a wonderful, wonderful person.

He kept his dignity despite his illness. He kept his strength and his wisdom for many years, and the legacy he leaves is twofold: A wonderful wife, and what a twinkle there is always in her eye, and I think a lot of that was Ham, and what wonderful children; and his legacy that he really helped make this country a better place.

When I worry about the future of this Congress, the devisiveness, the partisanship, the fear of always looking over one’s shoulder because there will be a 15-second sound bite, or some group that you anger, I think if the Congress had a few more Ham Fishes, if the Ham Fish way of legislating were here, this Congress would have a great and glorious future.

So he is something, in summation, that all of us should aspire to and live up to, and there is sadness in all of us that Ham is no longer with us, but there is also a lot of joy because he left so much that we can all aspire to and follow.

Mr. RANGEL. Mr. Speaker, I yield to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Speaker, I thank the gentleman from New York for calling this special order, and for yielding to me.

Mr. Speaker, heeding his admonition that he should be brief, I will associate myself with the remarks of our colleagues who went before, but just take a moment to immediately associate myself with the remarks of the gentleman from New York [Mr. SCHUMER] who said that Ham was the best. That was part of my remarks, too. He would be the best that our system had to offer.

If there was an aristocracy in America, he would certainly be part of it, an American aristocrat, almost a contradiction in terms. He was not of his time, which goes back to the pre-Revolutionary days, his family was here in the pre-Revolutionary days of our Republic, but also for his wealth, but by
It dawned on me that there is a line of consanguinity that goes back in American history to the Cabinet of Ulysses S. Grant. We had the privilege of serving with that long line of American heroes who have served this country in good times and in bad, but always with that purest sense of patriotism and in the posture of a gentleman's tenant that our Ham Fish was.

Mr. RANGEL. Mr. Speaker, as I yield to the gentleman from California [Mr. FARRELL], let me once again thank him for the courtesies that he extended to his Members in the House and especially the New York delegation. Mr. FARRELL of California, Mr. Speaker, if I may, on the remainder of the time of the gentleman from New York [Mr. RANGEL], I wanted to give this time because when I arrived here, I just wanted to say that the Members that I remembered first meeting was Hamilton Fish. The reason that I remember it so distinctly is that his cousin Stuyvem Fish lives in California and as anybody who has ever been on the Monterrey Peninsula knows, the Fish Ranch is this beautiful piece of property that everybody can see. So you have the Fish family well known all the way from New York to California and from Monterey and Carmel all the way back to the East Coast. It was a pleasure to be able to give you some time since you could pay this tribute to a well-respected friend of us all and even friend to those like me. He was only here a short while while I was here but I was very impressed and we got to talk a little bit about the family relationship between the East Coast and the West Coast.

Mr. RANGEL. Mr. Speaker, may I thank Ben. We have always considered ourselves as colleagues rather than partisan. There is hardly anything that we do here that we do not try to do in a bipartisan fashion as well as this order. I also thank our colleague, Robert Garcia, for taking the time out to pay a tribute to his friend and former colleague.

Mr. STOKES. Mr. Speaker, I want to thank my colleagues, the distinguished members of the New York congressional delegation, Ben GILMAN, Sue KELLEY, Paul DUTCH RANGEL, for reserving time on the House floor today. We gather to pay tribute to Hamilton Fish, Jr., our former colleague and good friend.

Ham Fish passed away earlier this week. With his death we lose a distinguished individual and a committed public servant. When Hamilton Fish, Jr., was elected to the Congress in 1968, he continued a political lineage dating back to the American Revolution. He followed in the footsteps of his father, grandfather, and great-grandfather, each of whom served in Congress.

For over a quarter of a century, Ham represented New York's 19th Congressional District in the Halls of Congress. I share the sentiment of others who state that Ham Fish was one of the outstanding Members of this body in the century. America mourns the loss of an individual who was a real champion of justice and fairness.

Mr. Speaker, Hamilton Fish, Jr., earned respect from his colleagues and the Nation for his leadership on civil rights, immigration, and judicial issues. He is credited with helping to fashion compromises which resulted in the passage of the Fair Housing Act of 1988 and the Americans With Disabilities Act in 1990. He was also a sponsor of the Civil Rights Act and a backer of the Voting Rights Act and the Fair Housing Act.

As a Member from the other side of the aisle, Ham played a key role in helping the House to operate in a bipartisan manner. Many of us recall the leadership and wisdom he displayed during the impeachment hearings of President Nixon. Hamilton Fish was able to work beyond party lines and take courageous stands. He was a man of the highest integrity and principles.

Mr. Speaker, I enjoyed a close personal friendship with Hamilton Fish. In fact, we both came to Congress in 1969. I recall that for a period of time our offices were next to each other and it was common for us to see one another every day. He was always cordial and friendly. I have enjoyed a personal friendship. I had great respect for him as a legislator and as a colleague. I admired him for his very principled stands on issues of national concern and his leadership on civil rights matters. Ham Fish was a man who distinguished himself in this body and I deem it an honor to have served with him.

Mr. Speaker, I am proud to have served in the Congress with Hamilton Fish, Jr. He was a credit to this institution, a true gentleman, and a close personal friend. I join my colleagues in expressing our sympathy to his former colleague and good friend, Robert Garcia, for losing a personal friend. We hope they find comfort in knowing that others share their sorrow.

Mr. BEVILL. Mr. Speaker, I rise to pay tribute to my long-time friend and former colleague, Hamilton Fish, Jr., who passed away this week.

As you know, Ham served the Hudson Valley region of New York from 1968 until his retirement in 1994. He was a wonderful man who came from a long line of fine public servants. His father, grandfather, and great-grandfather—all named Hamilton Fish—also devoted themselves to public service.

Hamilton Fish, Jr., was one of the most dedicated people I ever had the privilege to serve with. Everyone liked him and respected him. I was always very impressed with him and I enjoyed his friendship. I felt that he rendered outstanding service not only to his constituents in New York, but also to the entire Nation.

Hamilton Fish, Jr., is someone who will always be remembered as the kind of person every public servant should aspire to be. He was gracious and kind. He cared about people and he displayed a great deal of common sense and good humor.

He will be greatly missed by all who knew him, but his achievements and his contributions to our country will always be remembered.

Mr. PORTER. Mr. Speaker, I rise with my colleagues to commemorate the passing of 1930
one of my good friends, Hamilton Fish, Jr. Together with my family, I want to extend my deepest sympathies to Ham's family and urge them to be strong in this time of loss.

Ham was a respected Member of this institution and a mentor to me when I was a young Member of this body. He was respected by all who knew him for his deep and abiding respect for the Constitution, his knowledge of the law and his wisdom as a legislator, his sense of decorum and the importance of this institution, and for his ability to work on both sides of the aisle to find consensus on contentious issues.

Ham was also a fighter for the things he believed in, a fighting spirit that was demonstrated in his courageous battle against cancer. Unfortunately, he has now lost this battle.

As chairman of the Labor, Health and Human Services, Education Subcommittee, I want the Members of this body to know that I take the heart the courage shown by Ham in his battle against cancer, courage that too many Americans facing this dread disease must muster every day. And I want the Members to know that I will continue to do all that I can to bolster research funding for the National Institutes of Health, including the National Cancer Institute, in the hope that we can make greater progress against this disease and, by doing so, honor Ham's memory and the memories of those who, like him, have shown such courage.

Mr. SENSENBRENNER. Mr. Speaker, I rise today in tribute to the late Hon. Hamilton Fish, Jr., an outstanding American of great compassion, decency, and dignity.

Known to this friends as "Ham," he dedicated his life to serving the United States. As a young American, he interrupted his education to enlist in the Navy during World War II. Later Ham joined the U.S. Foreign Service and served in Dublin as Vice Consul to Ireland from 1951 to 1953. In 1968 he began his 26 years of dedicated service to the people of New York's 19th Congressional District as their representative to Congress. His constituents appreciated his leadership and hard work, electing him by overwhelming margins as a result.

I observed Ham's legislative skills while serving with him on the Judiciary Committee. He was a master at working together with all Members to achieve a consensus. While in Congress, Ham focused his skills on passing legislative landmarks, such as the Americans With Disabilities Act and the Fair Housing Act. In addition, he was a leader in crafting copyright and antitrust law.

While he was well known for his legislative accomplishments, Ham Fish was best known as a great American. Friends and foes alike respected and admired Ham. His affable and kind personality positively impacted all who knew him.

Today America has indeed lost an outstanding citizen. I offer my condolences to the family and friends of the late Hon. Hamilton Fish, Jr.

WHY THE NEED FOR THREAT ASSESSMENT IN HAITI?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. Goss] is recognized for 5 minutes.

Mr. GOSS. Mr. Speaker, I too would like to associate with the extraordinary outpouring of tributes to Hamilton Fish by so many of our colleagues. They bring back many happy memories of a wonderful man, and I join in the sympathies sent to Mary Ann and the family.

Mr. Speaker, yesterday when we began hearing from some of our acquaintances down in Haiti regarding a sudden and apparently secret surprise increase in American troop presence, we were not sure what was going on. Despite the high level of interest in Haiti, of many offices on the Hill here, no one in the administration appears to have taken the time to notify anybody of this new deployment. Frankly, this kind of uncertainty falls far short of adequate when we are talking about committing more American troops anywhere, especially in Haiti, especially today.

Because we took the time to ask around our Committee, we now have confirmation that indeed a force from the 82d Airborne has arrived in Haiti. Billed as an extension of Operation Fairwinds, which is an operation there, 200 members strong, civil engineering and infantry, very current in Haiti. Apparently company size or so, about that many troops have been sent on a mission of reconnaissance and threat assessment.

Mr. Speaker, this brings up a number of questions, questions that certainly are going to be of interest to the taxpayers of this country who have already seen the Clinton administration spend something like $3 billion in Haiti.

One of the first questions that has got to be answered is, how much is this latest operation going to cost and is this just the beginning of something that is going to go on and be something larger? Then I have got to ask why does a body like Operation Fairwinds, which is supposed to be an engineering operation, require reconnaissance and threat assessment with company size strength and additional soldiers of the 82d Airborne who are there in humvees, and machine guns and battle dress, I am told.

These are the crack troops that we send to deal with hot spots. I am curious why we are sending these troops to this place that the Clinton administration keeps bringing up as a success story in their foreign policy annals. What prompted this deployment? Is it a tacit admission on the part of the administration that things are not going as well as we are told in Haiti? Does this new deployment arise from concerns brought on by a Haitian court's decision on the Guy Malyraw murder trial earlier this week?

Should we infer that there are credible threats against Americans and American interests in Haiti which regrettably we have had reported? Or perhaps this is an extraction force set up to implement an evacuation plan. What does reconnaissance or threat assessment mean in this sense by the 82d Airborne? I think it is very important that we have answers to this.

I know there are some that have already suggested that this force is being sent to determine what kind of firepower it is going to be necessary for to keep law and order in Haiti at least through November. I do not know. That is certainly cynical, but I do not know whether that is a question that needs to be asked. Will there be a follow-on mission? That is something we all want to know and learn about.

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

Mr. GILMAN. I thank the gentleman for yielding, and I think the gentleman from Florida [Mr. Goss] raises some very serious questions.

As I understand it, none of the committees have been briefed on this operation, at least to my knowledge. I know our Committee on International Relations has not been briefed. I know the Permanent Select Committee on Intelligence, the committee of the gentleman from Florida [Mr. Goss], has not been briefed.

I think it is very curious just why we are sending this crack division of military people, the 82d, into Haiti at this time allegedly to protect a road-building operation. There are some very serious questions we would like answered, and our committee intends to seek out those answers in the very prompt, early days of next week.

Mr. GOSS. Reclaiming my time, I thank the distinguished chairman for being part of this. It is this kind of thing that makes it very hard to work cooperatively with the administration because we have had so many assurances they are going to keep us apprised of events. This is a significant event.

Yes, do not send the 82d Airborne someplace quietly and not expect to have somebody ask some questions. Are we putting troops back in harm's way? So rather than have the spin doctors down at the White House spin yet another story, I want to know what is going on. Mr. Speaker, and I hope the administration is listening, is going to take the trouble to brief the Hill.

Mr. GILMAN. I want to thank the gentleman for raising the issue to the floor, and I hope we can get some early answers to these questions.

CAMPAIGN FINANCE REFORM

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from California [Mr. FARR] is recognized for 33 minutes as the designee of the minority leader. Mr. FARR of California. Mr. Speaker, I rise tonight to reflect on what was accomplished last week on this House today where we finally got around to what was labeled last week as reform week but came down to essentially reform hours, about 2½ hours
of reform, a discussion on campaign financing reform.

I think those who were in the Chamber and who participated today saw again history being made by Republican leadership in being able to defeat campaign reform. It was an interesting saga today because it started off with a reflection on the history of where campaign reform had been.

In 1987 Congress passed campaign reform. That was the 104th session of Congress. The Republicans filibustered the campaign finance bill in the Senate and were able to kill it in that year. Then in 1989 the House passed in the 10lst Congress a bill that the Republicans delayed action in 1990 in the Senate until it was too late to appoint the conferences so that they could settle the differences between the House and Senate version, again a defeat for Republican leadership.

Then in 1991 the House and Senate passed bills in 1992 and conference report. That bill got to the President. The President then was George Bush, and he vetoed the bill. So from beginning in 1987, working its way up, campaign reform on this House being dealt with and being defeated. Then the House and Senate passed bills. But in 1994 the Republicans blocked appointing the conferences so that the differences again between the House and Senate version could not make it to the President. At that time we had a Democratic Senator for the President. Had that bill gotten to the President's desk, it would have been signed.

Today what we saw was that the Democrats came back again with a bill that I happened to author. The bill had bipartisan support. Unfortunately the Speaker came down to the floor and argued very strenuously to defeat the Farr bill and to pass the Republican version, the Thomas bill. An interesting vote took place. First, on the substitute, the Democratic substitute was defeated.

Then the vote was taken on the underlying bill, the Thomas bill. Really surprisingly, historically surprising is that not only was defeated by almost 100 votes, but it was defeated by Members of the Speaker's own party.

So when we have seen here in the last several years, dating back to 1987, is the inability for Congress to get sufficient votes to enact campaign reform. I think difficulties with the realization that campaign reform movement had always been moving as the Democratic bill did today with one of setting limits on what Members of Congress could spend in campaigns. It limited it to a specific amount. Then it said, even though the Supreme Court has indicated that you cannot really limit people in what they spend because of the interpretation of the free speech, article 1 of the Constitution, but the courts are very conscious whether you voluntarily get up and say, as a candidate for office, that you would limit your expenditures, which is what our bill did.

It said, if you go that route, then you can put limits on a Member. We put the amount at $600,000, quite a bit of money to run for Congress. Frankly, that is about the average that the winning Member of Congress had to spend. So if we are going to reform something, we have got to face up with where we are and begin from there.

In addition to limiting the amount of money, it also put in provisions for how much you could raise and where you could raise it from. It began with PAC's, which we know now are controversial. Always in campaign reform, some people want to eliminate PAC's. We think that that is probably unconstitutional. What we did in our bill is we said, all right, we will limit the amount that PAC's can give to the candidate. And in addition we will limit the amount that candidates can spend, the first time we had limits on PAC contributions.

The second part of the provision said that not only will we limit PAC's but we will limit the amount that wealthy individuals can contribute. We defined a wealthy contribution as any amount $2000 or more. We said that only one-third of your money could come from wealthy individuals.

Then the third category was individuals donating less than $200, essentially small contributions. In that area we indicated that you could raise as much as you wanted from small contributions, essentially bringing small issue back to the constituents, back to people participating in the election of Members of the House of Representatives.

There was no limit on the amount you could raise from small contributions just as long as the aggregate amount did not exceed the cap which we had put on Members who were voluntarily limiting themselves to $500,000.

I think the most interesting part of the campaign proposal was the part that limited how much wealthy candidates could contribute, wealthy persons running for Congress could contribute to their own campaign, $50,000. This is a limit that we think brings the level playing field between wealthy candidates and those who do not have those kinds of resources.

Earlier this year, or in November, actually, of last year, the Speaker of this House said, and I quote: "One of the greatest myths of modern politics is that campaigns are too expensive. The process in fact is underfunded, not campaigns are too expensive. The greatest myths of modern politics is that campaigns are too expensive. The process in fact is underfunded." Not going to be able to accomplish reforms of the institution or reforms of this Nation without doing it in a bipartisan fashion, that there is no win-win by strictly taking a partisan approach to legislation.

So what we found out from the double defeat today was the fact that we need to pull together in a bipartisan fashion, and I think that I have seen in the last several weeks the need to bring the two parties together. But the coming together is going to be much closer to what was called the bipartisan bill, which was very, very close to the one that I offered today, had minor differences. And I think the differences between that bipartisan bill and the bill that I authored can easily be worked out, and hopefully next year when we come back as a new Congress, one of the first items of the new Congress will be a reform package that will address some of the reforms that we still need to do internally, but also will incorporate those reforms into something we need to do externally. And externally is revising and reforming how Members of the United States Congress are elected.

So, Mr. Speaker, I am very pleased that we are getting closer to the solution, and I am very pleased and thankful for the numerous Members of the House, and Senate, and Senate of the Congress, that we are getting closer to the solution.
Mr. KINGSTON. Mr. Speaker, 24 years ago this summer, this August, people from all over the world started turning their eyes toward Munich for the summer Olympics. That was one of many historic Olympic games that were held, but the world turned there and many went there to pursue gold and silver and bronze medals, others went there and returned only with memories. And 11 members of the international committee, Olympic athletes, died that night.

Tonight we want to discuss this tragic page in world events. I have with me the distinguished gentleman from New York, Congressman Ben Gilman, who I want to yield the floor to tonight. He has been waiting, Congress, as you know, Mr. Speaker, adjourned several hours ago but he has been waiting to make a statement.

I am going to yield the floor because I understand he has an engagement and I do not want to hold him up, but I certainly appreciate him participating.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from Georgia [Mr. KINGSTON] for arranging his special order.

Mr. Speaker, I want to take this opportunity to commend the gentleman from Georgia for sponsoring this order at this very special occasion during the Olympics in Atlanta and on the closing of the Tisha be-Av holiday for the Jewish community, a very solemn occasion. It is a fitting memorial tribute to the 11 athletes of Israel's team who were taken hostage and viciously murdered by a group of Palestinian Black September terrorists at the Munich Olympics games in 1972, and I commend the Atlanta Jewish Federation and Israeli Olympic Committee for erecting a permanent monument to these athletes which will be dedicated in Atlanta this Sunday.

Regrettably, the International Olympic Committee, IOC, is not a sponsor of this monument but will send a delegate to attend the proceedings. During the planning for these Olympic games, IOC chairman, Juan Antonio Samaranch, apparently promised the athletes' families the IOC would officially memorialize the murdered athletes at these games. This has turned out not to be the case. Accordingly, ad hoc memorials, such as today's special order, will have to suffice. We will have to fight the scourge of global terrorism without the IOC.

Mr. Speaker, the horrible events of September 5, 1972 witnessed eight members of the Black September terrorist organization break into an Olympic Village dormitory in the early morning hours where the Israeli delegation was housed, and despite strenuous efforts by the targeted athletes to save themselves and each other, only six members of the team managed to reach safety: the remainder were taken hostage and killed in the violence which ensued.

We remember the pain broadcast worldwide by hour by hour; that terrorists' deadlines pushed back and frantically hopes that these Olympians' lives could be saved. With negotiations conducted by the German authorities, the masked terrorists demanded the release of 236 guerrillas held in Israeli jails, as well as the surrender of the notorious Bader Meinhoff gang and safe passage to a foreign country. Late that evening, the terrorists, with their hostages in tow, boarded buses for an airfield and helicoptered to a waiting Lufthansa Boeing 707. The German police snipers fired on two of the terrorists as they approached the plane and a fire fight ensued. The terrorists were armed with grenades and automatic machine guns while the police possessed only single-bore rifles.

Just after midnight, one terrorist threw a grenade into the helicopter, killing the nine remaining hostages while the terrorists shot at the fire response team, keeping them from the plane. Two Americans and three remaining terrorists were then apprehended but were released by the German Government approximately 8 weeks later when Black September terrorists hijacked a Lufthansa flight from Damascus to Frankfurt in late October. The three men were picked up in Zagreb airport and flown to Libya where subsequently they disappeared.

We therefore honor the memories of these Israeli athletes who were held hostage and killed in Munich. The Munich Olympics: David Berger, a dual American-Israeli national, Zeev Friedman, Yoseph Gutfried, Eliezer Halfin, Yoseph Romano, originally from Libya, Amitzur Shapira, Kehat Shor, Mark Slavin, a Soviet Jewish immigrant who had arrived in Israel only 4 years earlier, Andre Spitzer, Yaacov Shpringer, and Moshe Weinberg.

These men lost their lives for no reason other than because they were Israeli and Jewish. The terrorists who seek to spread their evil today do so for the same reasons, despite the many years which separate that tragedy from recent ones. Yet it is clear that our fight against terrorism is not over in the least and those who perpetrate these crimes against humanity all too often are set free.

Let us therefore rededicate our efforts to combat this threat wherever it rears its ugly head. Israel's Munich athletes may be forgotten but they are not forgotten, and it is in their memory that we press on against this worldwide menace and its State sponsors. Again I thank the gentleman from Georgia [Mr. KINGSTON] for helping us refresh our memories with regard to this tragic accident and to memorialize the losses of these people.

Mr. KINGSTON. Mr. Speaker, I certainly thank the distinguished gentleman from New York for participating and all the work that he does for international peace and fighting international terrorism, because we need people like him involved in this and the leadership.

What I wanted to do, Mr. Speaker, is kind of maybe draw a picture of that tragic night of September 5 when the athletes were all bedding down for the evening and a young Andre Spitzer had called his wife, Ankie. They had only been married about 15 months at the time, and they had a daughter 2 months old, Anouk. They were very happy. They talked a little bit about the games to come up, about his role as fencing coach, and then they talked about the new daughter and how happy they were. And that night as they hung up the phone, André said to Ankie, I love you. Then he, along with 10 other athletes, went to bed that night, and they had come so far for their own talents of wrestling, fencing, shooting, track, and weightlifting. As they put their head on the pillow, their hearts were inspired, their minds maybe a bit anxious, their emotions certainly somewhat eager. As they went to bed they were confident that with the morning light they would have a day that they had not had their lives, but instead they were awakened to darkness and awakened in a nightmare.

Mr. GILMAN talked about this. I will reiterate a little bit of exactly what has happened. There are a lot of different accounts but generally, as Mr. GILMAN said, at 5:30 a.m., a group burst into the Israelis' quarters. Only one Israeli, weightlifting coach Tuvia Sikulski escaped the first attack. And another one, Gadza Barry, a wrestler, escaped during the fight. In fact, six of the team members escaped into safety, one of the members, Moshe Weinberg, only 33 years old, held the door against the attackers, hollowing over his shoulder to his friends inside the dormitory, get them to escape while they did. And then they opened the windows with their hands, and yet a burst from an AK-47, and that was all for Mr. Weinberg.

2000

Yoseph Romano, a 32-year-old weight lifter, was also killed during fighting with the terrorists. Nine others could
not escape. Nine others were trapped, and they fought with knives, but cer-
tainly were overpowered with the heavy artillery of the terrorists.

Their hands were tied behind their backs and they were forced to huddle to a corner. And what happened was 21 hours of pure hell as they went from location to location, as negotia-
tions began, negotiations broke down, and the threats from the terrorists to kill a hostage each hour went out.

The families sat by helpless. Indeed, authorities and people from all over the world sat by helpless. And it went on until about 10:20 that night.

They were taken out to an airport, and at that time a faulty rescue mis-
sion took place. There were so many mixed signals, so many ideas that were aborted and so many, I guess just scared and skittishness, that, as Mr. Gilman said, only five West German sharpshooters were able to get there, and, of course, there were eight terror-
ists.

Five of the terrorists were killed. But during the battle that lasted for about 1½ hours, in cold blood, a hand grenade was thrown into the helicopter that had the nine hostages, and they were killed.

It was a very sad situation, obvi-
ously, for the family, and a very dark chapter in the history of the world.

I want to talk about the shattered ef-
effect that this has on the families. But I also wanted to acknowledge and thank the gentlemen from Georgia, Mr. DEAL, and Mr. LINDER, for joining us, and I would be happy to yield the floor to ei-
ther of you if you would like to talk at this time, if you want to. But we appreciate your sympathy to the families and acknowledging them.

Mr. LINDER. If the gentleman will yield, I think it is appropriate you are bringing this to the floor. We in Geor-
 gia are celebrating the 100th Olympiad, the centennial games, and there is great joy and great excitement in At-
 lanta for all the 11,000 athletes partici-
pating there. But for all the winners, we need to look back at the Munich games and remember there were some losers.

Throughout history, the free history, it always seems to be the Israelis who were the losers. They were the ones that were murdered. In fact, they are the only ones about whom we have now in Atlanta been forced to double our se-
curity, triple our security, because of terrorists trying to do damage to Israe-
lis.

I am told on Sunday evening in Atl-
anta there will be a ceremony honoring those who hid and their families. Unfortunately, I will be here and not there, or I would be delighted to attend it. But it is appropriate to bring this issue up in the midst of the excitement and the glory of the games and when all are smiling. And I think back to those 1972 games, where great athletes, who had trained, who looked to the gold, who tried to win, were shot down by terrorists in our own midst.

I will yield back and continue to enjoy your speech.

Mr. KINGSTON. The gentleman men-
tioned the family members. I think it is appropriate as we are focusing on the widows and on the 14 children and/ or grandchildren that entered into the Record their names and say a little bit of who the athletes were who now are known as the Munich 11. I will do this, and then I will yield the floor to Mr. DEAL and Mr. FOX, the gentleman from Pennsylvania, who has joined us.

The Munich 11: Berger, 28. Weight lifter. Born in Cleveland, OH; graduated from Colombia University, degrees in law, economics, and psychol-
ogy. Immigrated to Israel in 1970 where he worked as a lawyer.

Ze'ev Friedman, 28 years old. Weight lifter. Survived by his parents and sis-
ter. Born in Poland; immigrated to Is-
rael in 1960.

Joseph Gutfreund, age 40. Inter-
national wrestling judge and referee. Survived by his parents and two dau-
grhters. Born in Romania. He was a busi-
nessman in Jerusalem.

Eliezer Halfin, 24. Wrestler. Survived by his parents and sister. Born in the Soviet Union; immigrated to Israel in 1969. He was a lawyer.

Joseph Romano, age 32. Coach of the weight lifters. Survived by his wife and three daughters.

Amizur Shapira, age 40. Track coach. Survived by his wife and four children. Born in Israel.

Kehat Shor, age 53. Shooting coach. Born in Romania; immigrated to Israel in 1963. Survived by his wife and a mar-
rried daughter.

Yaacov Shpringer, age 50. Inter-
national judge and referee in wrestling. Born in Poland and immigrated to Is-
rael in 1956. Survived by his wife, a son, and a daughter.

Mark Slavin, died at age 18. Wrestler. Born in the Soviet Union and immi-
grated to Israel in 1972. Survived by his parents, a brother, and a sister.

Andre Spitzer, 27. Fencing coach. Born in Romania. Survived by his wife and a daughter.

Moshe Weinberg, died, age 33. Wres-
tling coach. Born in Israel. Survived by his wife and baby.

And now I would like to say the names of the children, because I think it is so important for us to make sure that we are focusing on a very human tragic event. We recognize that there were 14 in the Munich tragic event, have been able to come to these Olympic games that are being hosted in our State of Georgia and our capital city of Atlanta.

It is certainly appropriate I think for us to remember these tragic events of the 1972 Olympic games, and cer-
tainly appropriate, as you have just done, to read the names of those who were tragically murdered in that event and to remember these 14 orphans who are repre-
sented in the United States for these Olympic games.

As Mr. LINDER referred to earlier, I am pleased, as I know all of us are, that there will be a ceremony on July 28 at 7:30 at the Selig Center in Atlanta in which a memorial will be dedicated in memory of those who were slain in the 1972 Olympic games, the 11. It is being hosted by the Atlanta Jewish Federation, and certainly is an appro-
priate way of all of us remembering this particular tragedy that still has a cloud that hangs over the Olympic games, in spite of the fact that we have come very far in the years that have followed.

But we are pleased that these chil-

dren are here in our country and in our home State of Georgia and in our city of Atlanta for the Olympic games, and we want them to know that those of us here, especially those of us from the Georgia delegation in Congress, have not forgotten this event, and we wel-
ly orphaned as a result of this Olympic games and to our country, and we want to as-
sure them that as this memorial is dedicated this weekend, that we will all be remembering the ones that they lost in Munich.

I thank you again for yielding me time and for bringing this matter to the attention of this body.

Mr. KINGSTON. Let me yield with plea-
ture to the gentleman from Pennsyl-
vania [Mr. FOX].

Mr. FOX. Mr. KINGSTON, I thank you for your leadership in securing this time period for Congressman DEAL, Mr. LINDER, and yourself, to highlight the importance
of the tragic events of September 6, 1972, when 8 Palestinian terrorists entered the Olympic Village in Munich and killed 11 innocent athletes and coaches that represented the State of Israel. Twenty-four years later, I come to this Chamber and ask you to give each of you for a moment to the Israeli Olympic Committee erecting a permanent monument to the memory and the honor of these slain Olympians, who were competitors and coaches, and, like the other Olympians, wanted to participate in the international games with a spirit of peace and brotherhood, and went home in coffins.

What they wanted the other night in Atlanta was not even a moment of silence. They just want it to be acknowledged that these kids, these families, had come, incidentally, not on their government, but by their own paycheck, with their own money, out of their pocket, had come just to mention. And they sat there disappointed as Sarajevo was mentioned, and yet, nothing. And I believe that that is why this memorial dedication in Atlanta by the Atlanta Jewish Federation on Sunday is so important, just to let them know that the world cares and that we do love them and that we do respect them.

I know, having had death in my family, that there is certain therapeutic value to rituals, certain comfort in knowing what to do. I think that is an important part of this tragedy. The families, Mrs. Romano, Mrs. Spitzer, and the other five widows, have tried for over 20 years now, the Montreal games, Russia, Los Angeles, Barcelona, Sarajevo, now Atlanta, just to say something, just to let us know. It is important. We are spending now, and I believe it is correct, $46.5 million on security. I do not want that, and I do not think they want that, to be the only legacy of Munich. They want something a little bit more, peace.

I think it is positive that Palestine is participating in the Olympics. That shows that the peace process that we all support is moving forward. This is not trying to rehash that. This is just saying, let us move on, but you have got to acknowledge it happened.

Mr. LINDER. Will the gentleman yield?

Mr. KINGSTON. I yield. I congratulate the community in Atlanta for what they are doing. I hope it will be emulated across the country. I yield back.

Mr. LINDER. Will the gentleman yield?

Mr. KINGSTON. I yield. I am proud of our Jewish community in Atlanta, and I hope that other communities across the country will understand that these games are more than just games, they are opportunities to let anger and bitterness and fighting among parochial groups of people and begin to put together a real peace in which innocent people do not continue to die.

I congratulate the community in Atlanta for what they are doing. I hope it will be emulated across the country. I yield back.

Mr. KINGSTON. I thank the gentleman.

Mr. FOX of Pennsylvania. Will the gentleman yield?

Mr. KINGSTON. I yield to the gentleman from Pennsylvania.

Mr. FOX of Pennsylvania. In hearing Congressman Linder speak, it does make a very poignant footnote, in that how many times and places can there be for international cooperation and international dialogue? Here we have the Olympics every 4 years. We have international associations meeting in different countries.

There was an expectation in that September 1972 in the Olympic village that the athletes of each country would be protected, would be secure, would be able to participate and meet other athletes and talk about life’s dreams, but these 11 individuals from Israel will no longer have that opportunity, and their lives were snuffed out.

I am hopeful, as you are, that similar celebrations of memorial and similar events as are taking place in Atlanta on July 28 will take place in every State across this country, so that the lessons that should be taken from these tragedies will not be repeated, so
that those of us who can make a difference in bringing about peace in the Middle East will make that the legacy of these heroes from Israel.

I yield back to you, Mr. KINGSTON.

Mr. KINGSTON. Mr. Speaker, it has been a pleasure between nations and people and different philosophies can often be brought down by a dialogue, getting over things. There is a very touching story that happened as a consequence of the Civil War.

Atlanta was the site of probably the turning point in the Civil War when the North invaded the South and Sherman's troops were victorious and basically burned Atlanta to the ground. The highest commanding general under Sherman was a man named McPherson. He died in Atlanta, and there is a monument built to him in Atlanta, GA, that is respected by the sons of Confederates and the sons of the northern solders.

The story I want to tell, though, has to do with Gen. J. Joseph Johnston, who was defeated in Atlanta. Now years after the war, he and William Tecumseh Sherman were not buddies, but they were friends. They reconciled their differences.

When General Sherman died, his funeral was in New York. As his casket was going down the street, Gen. J. Joseph Johnston, southern Confederate general, took his hat off to honor his dead comrade. Although on a different side of the fence, because he did that, he later caught a cold, subsequently pneumonia, and died. On his deathbed, people said, "Why did you take your hat off for General Sherman, our arch enemy?" And he said, "Because he would have taken it off for me. The war is over."

For these family members, Munich is not over. I think it would be just and proper for the international community to acknowledge the tragedy so that it can close the book on this peace process, which is so important to all of us, so important to the world balance, can go and move forward, maybe with just a little more momentum.

As I said before, let us not have the legacy to them just be increased security. Let us have the legacy to the deaths of the Munich 11 to be a happier world for their children and their grandchildren through peace.

Mr. LINDE. If the gentleman would continue to bring this to the floor tonight and your forethought to precede the celebration or the ceremony in Atlanta at 7:30 on Sunday night may be enough, it is to be hoped, to spur the Atlanta Committee for the Olympic Games to correct a wrong.

We know that this is a very large enterprise with 10,000 or 11,000 athletes and 2 or 3 million people in our city, and the world focused on it. It is understandable if some things have slipped by and that things noticed by the planners who have been working for years for long years. But it is to be hoped that perhaps your bringing this to the floor of the House and our airing the concerns of the family members, the 14 family members, about their 11 parents from the 1972 Olympics will come to their attention and will, indeed, have the opportunity, we have enough days left in this Olympics, to perhaps allow the Atlanta Committee for the Olympic Games accompanied by the Atlanta Olympic Committee to find a spot in the closing ceremonies to close the door, to give honor and credit and attention to those who tragically died 24 years ago.

I would hope that those who are watching this on both the House floor and the committee. There is plenty of time to find a small opening in those marvelous closing ceremonies, which will be, I am certain, at least as exciting as the opening ceremonies, and perhaps we can close this door and put to rest and put to peace the concerns of these family members.

I congratulate the gentleman for bringing this to the attention of the Congress and thank him for his perspicacity.

Mr. KINGSTON. I thank the gentlemen from Georgia, Mr. LINDER and Mr. DEAL, and the gentleman from Pennsylvania, Mr. Fox, and I thank the gentleman from New York, Mr. Gilman, for being here tonight.

I will close with this, an old U.S. Army tradition of the rollcall. That they have in the Army at celebrations, not celebrations but memorial tributes, they call the roll of their fallen comrades. I will close with that, and then I want to yield the floor to the gentleman from Utah.

Berger, Friedman, Guttfreund, Halffin, Romano, Shapira, Shorr, Springer, Slavin, Spitzer, Weinberg.

Mr. GINGRICH. Mr. Speaker, I want to take this opportunity to remember the 11 Israeli Olympic athletes and coaches who were victims of terrorism on September 6, 1972, during the Olympic games in Munich, Germany.

On Sunday, July 28, 1996, the Atlanta Jewish Federation will host a memorial service honoring the Olympic competitors who were killed by terrorists in 1972. During this occasion, a sculpture with an eternal flame, the Olympic rings, and the names of the victims will be unveiled as a reminder of the tragedy and loss suffered on that dreadful day 24 years ago.

We remember again today the families and friends of these athletes and coaches who suffered such a terrible loss at the hands of ruthless terrorists.

Mr. ZIMMER. Mr. Speaker, I thank my colleague, Mr. KINGSTON, for arranging this special order. As the hosts of the Centennial Olympic Games, we join the world in celebrating the dedication, camaraderie, and spirit that marks these competitions. At the same time, we cannot forget the horrible tragedy that befell the 11 Israeli athletes who were slain at the hands of terrorists during the 1972 Munich Olympics. Since that time, the International Olympic Committee has been beseeched by relatives to memorialize their fallen as well as to honor the courage and memory that brought them to Munich in the first place. Because they have not yet been successful, I would like to lend my own support to their efforts.

I would like, as well, to commend the Atlanta Jewish Federation, which has stepped in to arrange the first-ever memorial service for the 11 Israeli athletes during the celebration of the current Olympic games. They plan an evening of services and dedication of a memorial sculpture here in this city.

As my colleagues know, I have been among those in Congress who have repeatedly warned of the threat posed by terrorists to the peace and security not only of Israel but of the world. It is my hope that we will always remember the courage and decency of those 11 Israeli athletes and their loved ones.

As the host of the recent Olympic Games in Atlanta, we must do what we can to ensure that their memory is not in vain; and that we as a world community will do whatever lies in our power to ensure that terrorism will not prevail.

Mr. KINGSTON. Mr. Speaker, I submit for the RECORD additional information on the Munich 11 memorial.

The MUNICH 11 MEMORIAL

On the evening of Sunday, July 28, 1996, the Atlanta Jewish Federation will be hosting, on behalf of the Olympic Committee of Israel and the Israeli Olympic Team, a gala reception for representatives of the IOC, National Olympic Committees and the Israeli Olympic Team. Preceding the reception will be the first-ever memorial service honoring the 11 Israeli athletes and coaches who were killed by Palestinian terrorists in the 1972 Olympic Games in Munich (the Munich 11). Family members of the victims will be invited by the Federation to be in attendance for the service and the dedication of a memorial sculpture.

The three-foot sculpture, which will be unveiled for the first time at the July 28 service, incorporates an eternal flame, the Olympic rings and the names of the victims. As the Olympic rings reflect event symbols, the stainless steel base of the sculpture, the viewer will see eleven rings, symbolizing the fallen athletes and coaches. Quite literally, the mirror creates a reflection on past Olympic games, but also projects the positive image of the Olympic spirit in the future.

The names of the athletes and coaches are carved into the sculpture's base in English and in Hebrew and are accompanied by their event symbols. Within the center ring will burn an eternal flame, to be lit by one of the family members of a slain athlete.

There will be a media room at the July 28 event for interviews with the family members, Israeli dignitaries and members of the Israeli team. Pre-event media clearance is mandatory for attendance.

For more information about the Israeli Olympic Team, the Israeli Olympic Team Reception or the Munich 11 Memorial, or to obtain media clearance, please contact Lynne Tobins at (404) 870-1860 or for time-sensitive inquiries, (770) 379-9490.

The Atlanta Jewish federation, the primary fundraising, budgeting, social planning and community relations body for Atlanta's Jewish community, supports over 300 social and human service organizations each year in Atlanta, Israel and 58 countries around the world. Remarks given by Stephen Selig, President, Atlanta Jewish federation at the July 22 press conference held at the Israeli Consulate for the children of the Munich 11.

I am Stephen Selig, president of the Atlanta Jewish Federation. I’d like to extend a warm welcome to the families of the Munich 11.

This is an historic time for the Jewish community of Atlanta. Not only have we opened and dedicated the Federation’s beautiful new building. The Selig Center, we have been proud to take part in the once-in-a-lifetime experience of hosting the world for the Centennial Olympic Games. The Atlanta
Jewish community is also proud to do what is right—what is appropriate—for a community to do. We are stopping for a moment amid the festivities and celebration to remember the 11 athletes and coaches who were slain in the 1972 Munich Games.

“We join the families of the Munich 11 in their guest to keep the memory of this tragedy alive. On Sunday, July 28, the Atlanta Jewish Federation will hold a memorial service and dedicate a commemorative sculpture which will remain a permanent part of the Selig Gardens and will ensure that even as the world celebrates the triumph of the human body and spirit, it will never forget the need for vigilance against terrorism and hate. This week the International Olympic Committee has agreed to participate in this memorial service and dedication. ‘I’d like to invite all members of the media to join us, so they can help convey to the world that what happened in Munich must be properly acknowledged and never forgotten.’

**Olympic Media Alert**

**IOC to Participate in Munich 11 Memorial**

For the first time in 24 years, members of the International Olympic Committee will attend a memorial service and commemorative sculpture dedication for the 11 Israeli athletes and coaches killed by Palestinian terrorists in the 1972 Munich Games.

Children of victims, ACOG representatives, Mayor Bill Campbell, Israeli dignitaries and Israeli Olympic Team also to attend.

Memorial and dedication to be hosted by the Atlanta Jewish Federation, July 28, 7:30 p.m. at the Selig Center, 1440 Spring Street, Atlanta.

Memorial attendance by invitation only. Pre-event media clearance is mandatory for attendance. Media asked to arrive between 5 and 6 p.m. for security clearance.

[From the Atlanta Journal-Constitution, July 23, 1996]

**When Silver Isn’t Enough To Take Home** (By Peter Kent)

In an instant, Yael Arad was transformed from a judo player into a national hero with her silver medal in Barcelona. Arad became the first Israeli to ascend the medalists’ podium.

A child of Israel—a sabra—the 29-year-old with eyes that burn with searing intensity changed the history of her nation. Arad’s triumph in 1992 laid to rest the past, celebrated the future to commemorate the tragedy that befell Israel, and by extension the Jewish people, 24 years ago.

One event will be open to the public—this Saturday morning’s commemoration at Ahavath Achim Synagogue. We hope that those who cannot attend say their own prayers for Israel’s fallen. The other will be a private affair at the Federation. There, a permanent memorial statue, subsequently open for public viewing, will be dedicated.

One day, perhaps, the IOC will learn that politics is not behind remembering Munich’s chilling shadow on the Olympic movement and what it means to be a host nation. It made a gross error in 1972 and the following games by not formally facing the horrors of 24 years ago. And it mocks all Jews when it acclaims another tragedy as a “historic event.” Now, it has a chance to indulge in the national pride that comes from winning sporting events.

As Israel prepares to celebrate its 50th anniversary, Arad symbolizes how far the country has come. A new generation of Israelis is rising to define the character and aspirations of their nation, and Arad is an inspiration. Her achievement has planted the seed of Olympic dreams in many Israeli youngsters.

And what of Yael Arad’s future? There are the Yael Arad Foundation and her projects to increase potential funding for sports. Last year, she married. It is time for her to get on with her life. This will be Arad’s last Olympics, almost certainly. As athletes and commitments slow her down, still, she cannot be discounted here.

“When people and children [in Israel] think about sports, they think athletes are for winners,” Arad said.

[From the Atlanta Journal-Constitution, June 29, 1996]

**Families Make Games Visit To Honor Slain Israelis**

(Edited by Mark Sherman)

Fourteen children and two widows of the Israeli athletes killed in the Munich Olympics in 1972 will visit Atlanta during the Summer Games to serve as a reminder of an event that Olympics officials have no plans to memorialize. Israeli Consul General Aryeh Mekel said Friday.

Ankie Rechess, whose husband, Andre Spitzer, was the Olympic fencing coach, and Ilana Romano, who was married to weightlifter Joseph Romano, will lead the delegation, which will take part in various events arranged by Atlanta’s Jewish community. Mekel said.

The group will attend the Olympic Ceremonies July 19 and participate in a synagogue service the next day, he said.

The Athens Direct, which promotes the international Olympic community and the Olympics in Atlanta do not forget the terrible tragedy that took place.
happened within the Olympic Village some 24 years ago," Mekel said.

Palestinian terrorists invaded the village in Munich in 1972, eventually killing 11 Israeli athletes and a German policeman.

This year’s Games have added meaning for the Israelis, because they will be the first to include a Palestinian team.

Rechess unsuccessfully for Olympic recognition of the Munich massacre for the past 20 years, asking that at least a moment of silence be observed at every Olympic ceremony.

The International Olympic Committee’s official commemorations have been dedications of artwork in Munich and at the Olympic Village. Officials from the Palestinians have been invited to some events, but have not been able to fully participate.

Olympic Games.

Ankie Rechess, who said that the Palestinians had a team at the Olympics for the first time because of the Olympic Games, said the Palestinians were killed?'' Weinberg asked.

She was shocked because she didn’t know about the others.’’

Rechess said the Palestinians killed in the Olympic Village were murdered?'' Weinberg asked.

Before the healing could begin, there has to be some pain.

Members of the Israeli Olympic team, what was left of it, gathered at the Tel Aviv airport Sept. 6, dressed in the same white hats and blue blazers they wore in the Munich Opening Ceremony.

The occasion was the funeral of 10 of the 11 slain Israelis. One, David Berger, was buried in the United States.

Oshrat Romano was just 6 years old and so she wasn’t at the funeral of her father, weightlifter Joseph Romano. He was the first Israeli killed.

“My mother went to the airport thinking she would find two coffins, of Romano and Weinberg, the two Israelis killed in the Olympic Village,” Romano said. “She saw 11. She was shocked because she didn’t know about the others.

Meanwhile, in Cairo, Egypt, five terrorists who died in a gunfight with German police at the airport were mourned in mosques as martyrs, according to news accounts.

There were no flags waving from buildings lining the shadow of the Olympics,” Rechess said. Most had only dim memories of their fathers and some, like Weinberg, none at all.

“I sense some of the weight of all these lives,” he said. “It was always, ‘Did I tell you the story?’ And it was always, ‘Yes, about 20 times.’ As a child I didn’t understand what had happened. I only knew I had a mother and no father. There was no money, and we were trying to survive. As a little kid you don’t know what’s going on, and then when you grow up, everyone expects you to handle it and you don’t know how to handle it.”

Weinberg has never visited Munich and thought for a long time before deciding to come to Atlanta. He said, because he has spent his life “living under a black veil of what happened, and you’re always trying to lift it.”

When President Clinton addressed American athletes Friday, he told them of a Palestinian man in the Olympic Village who said the Palestinians had a team at the Olympics for the first time because of the Palestinian athletes. “They didn’t go kill my father,” Weinberg said, his piercing eyes looking for someone to question. “They’re athletes, not politicians just like my dad wasn’t a politician.”

For Romano, Friday’s ceremony was a chance to get into her head and for two sisters to think about her father. “We saw one team that reminded us of the pictures of our delegation in Munich,” Rechess said.

She said she shared the ambivalence many in her group felt when the Palestinians marched around the stadium. “We felt something, but I don’t know how to explain.”

Then, she added, “They are one delegation like the others.”

Nearby, one of her sisters held Romano’s 2-year-old son, predictable restless after a long worship service.

The boy is named Asaf Yesef, his second name for the grandfather he never knew who was killed. At a time when a team from Palestine was as distant as the boy’s birth.

Mr. KINGSTON. Mr. Speaker, I yield the floor to the gentleman from Utah [Mr. HANSEN].

SECRETARY BABBITT’S STRAINED RELATIONSHIP WITH CONGRESS

Mr. HANSEN. Mr. Speaker, I appreciate my friend from Georgia and the kindness and courtesy he has shown me in allowing me to use part of his hour. I appreciate the sensitive nature of the issue he has been discussing, and I think many folks realize that in 2002 Utah will also be a recipient of the Olympic games.

The thing I would like to discuss tonight is predicated on the idea that I chair the Subcommittee on National Parks, Forests and Land in the Committee on Resources, and I have been very disturbed, more so than in the 36 years that I have been an elected official. I have never been more disturbed with an individual as I am with the Secretary of the Interior, Mr. Bruce Babbitt. I would like to go over some of the problems that we are experiencing here in Congress in our relationship with the Secretary.

Over the last 3 years, the travels of Secretary Babbitt have been quite impressive. In fact, he has spent over 40 percent of his time in office crisscrossing this country. Many of those trips consisted of politically inspired activities of the highest order, including press trips and rigged roundtable discussions to get President Clinton re-elected by distorting the Republican record.

Every Secretary plays politics for their President, you say? Well, this Secretary’s political trips have included misstatements and distortions like no other. This has, in turn, allowed neglect of management problems at the department to fester. In some instances, this has resulted in the Secretary failing to meet his legal obligations to Congress.

In addition, it has recently come to light in press reports that the Secretary’s trips in 1995, the start of his
“Natural Heritage Tours,” were part of an orchestrated effort engineered by the White House and its allies in the environmental community. In other words, raw politics plain and simple.

Earlier this year, while the Secretary was on the road promoting the benefits of doing the bidding of the Clinton-Gore administration, the Committee on Resources, Chairman, the gentleman from Alaska, Mr. Don Young, discovered that the Department of Interior had failed to ask for or receive reimbursement for costs stemming from the political appearances by Babbitt on behalf of Democratic candidates during his travels.

Under a policy that each White House has used for decades, the Government must seek reimbursement from each campaign for that portion of the Cabinet Secretary’s travel related to a political event. Yet the Department of the Interior failed to bill a single one of the campaigns or organizations until Chairman Young began an investigation into the travels of Mr. Babbitt.

These costs stem from two dozen mixed trips, part political, part official, involving 35 events for campaigns or political organizations that Mr. Babbitt attended in 1994 and 1995. This includes 4 organizations and 28 candidates. Virtually none of the campaigns were billed until March or April of this year. The administration claims that as of June 12, 1995, it has re-imbursed the Government. This complete collapse of the billing process resulted in at least one case, that of a gubernatorial candidate in Nebraska, where the campaign’s address was no longer valid by the time the department billed it. In the real world, what kind of business could get away with not collecting money owed it for so long? This would be unheard of.

Yet, what did Mr. Babbitt and his propaganda machine do when they were caught red-handed? They blamed failure to reimburse campaigns on a young special assistant in the Secretary’s office. Well, all I can say is, thank God Bruce Babbitt is not in charge of the Department of Defense. Imagine what kind of excuse that would be in that big organization.

Chairman Young and the gentleman from California, Chairman Horn, of the Committee on Government Reform and Oversight, have asked GAO to look into what went wrong with the reimbursement process. The total cost of these trips, both political and official, have been estimated at well over $100,000, including costs of staff, meals, lodging and transportation.

He is at it again. Even as we speak, today he appeared in Portland and Eugene, OR, attacking Republicans on the Clean Water Act, a law which he has very little jurisdiction over. While Mr. Babbitt was canoing at the taxpayers’ expense, or officiating at the Fish and Wildlife Service testified on Capitol Hill that if the $386 million maintenance backlog that has accumulated in wildlife refuges to date were

As if irresponsibility was not enough for Secretary Babbitt and his staff, they have, like their teachers at the White House, continued to obstruct the Committee on Resources Republican efforts to get the truth about the nature of Mr. Babbitt’s travel conduct. In a letter, early this year, Chairman Young sent several follow-up questions to the Secretary regarding the reimbursement issue. Yet, Secretary Babbitt refused and continues to refuse to answer several questions posed in that letter.

Or particular importance to the American people, we believe, is his refusal to provide the chairman with documents regarding direct communications between the Secretary and the White House regarding the Natural Heritage tours.

This conduct is particularly troubling now in light of media reports which indicate Mr. Babbitt was personally involved in White House orchestrated efforts to attack Republicans on environmental issues for political purposes through creation of the Natural Heritage tours. These reports indicate that Mr. Babbitt and the President discussed the political impact of the Secretary’s attacks.

Also of concern is Mr. Babbitt’s credibility regarding the planning of the Natural Heritage tours. For instance, Mr. Babbitt said in his March 21 letter to the chairman that the Natural Heritage tours were not planned in advance; however, the evidence suggests otherwise.

In addition to media reports, the Secretary and the staff words speak for themselves on June 12, 1995, in Inside Energy, the following was reported, “Interior Secretary Bruce Babbitt is committed to visiting various regions of the country. During the coming months he will make a case against the GOP-led congressional assault on environmental programs, a department spokeswoman said. Babbitt plans to travel at least twice a month on what the department is billing as a Natural Heritage Tour to talk about environmental success stories, the spokeswoman said.”

In a speech on December 13, 1995, in West Virginia, Secretary Babbitt refused and continues to refuse to answer several questions posed in that letter.

So there you have it. The Secretary admits to playing politics as he continues to state mistruths about Republican positions.

Tonight we will begin to discuss the true size of the mismanagement at the Department of the Interior, the misstatements, and give a distortion-free look at the misguided policies.

Secretary Babbitt has been running around the country claiming that the Congress is engaged in some attempt to close down or auction off units of the Park System. However, his own director of the Park Service has testified under oath, when I put him under oath, that he was unaware of any bills that would auction off or close down the park system. Further, Director Kennedy states that he was not aware of a list contrary to what the Secretary of the Interior said, about the Park System being closed.

While the 104th Congress has taken no legislative action to close down any unit of the Park System, the Secretary has already closed some areas and is considering closing numerous park areas.

Last year, while leveling unfounded attacks against Congress claiming that the budget resolution the force of law would have closed 200 park areas, the Clinton administration announced plans to close three parks in the Washington area. Again in the fiscal year 1997 budget submittal for the Park System the administration has begun to withdraw all funding for these three park areas.

At the same time, the Secretary is considering turning over as many as 30 park areas to Native Americans. These are not small isolated park areas but some of the best known parks in the country. According to an internal National Park Service document dated November 1995, Secretary Babbitt has under consideration turning over to Indian tribes such areas as the Redwoods National Park, Great Basin National Park, and Lake Clark National Park. Just 2 months ago in May, the Secretary turned over management of City of Rocks to the State of Idaho.

Do any of Secretary Babbitt’s park closures have public support? No one really knows since none of them have been subject to public review or scrutiny.

Further, last year during the lapse in appropriations, Secretary Babbitt shut down every single concession in the National Parks and closed off access to millions and millions of persons. By comparison, bless his heart, Secretary Glickman of the Forest Service did not shut down a single concession on Forest Service lands even though he had no budget.

Well, what is clear is that they are duplicitous at best because the Secretary is busy running around the country claiming that Congress in attempting to close parks because the Committee on Resources reported a bipartisan bill which requires a public review of the National Park System.
As further evidence of his desire of this administration and Secretary Bruce Babbitt in particular to play politics with parks and disrupt the lives of persons who wish to visit and enjoy our Federal lands, consider how the Secretary has dealt with park concessions.

The Assistant Attorney General memorandum of August 16, 1995 provides guidance on the scope of permissible Government operations during a lapse in appropriations, including explicitly on the process to be used in determining who are the emergency employees which should be retained on duty during a budgetary shutdown. The memorandum states that such a determination should be made on the basis of assuming the continued operation of the private economy.

The opinion goes on to State that such an assumption is the reason for determining that air traffic controllers, Federal meat inspectors, and others are emergency personnel.

Using those criteria in the Attorney General opinion, Secretary Babbitt could permit the private businesses which operate park concessions to remain open to serve the public, and then declare those necessary for the emergency operation of the concession as emergency personnel.

That is precisely what the Forest Service has done. Not one single Forest Service ski area, resort, or even a single outfitter or guide on Forest Service land has been told to shut down. Every single one of them is open, serving the public as we debate this bill today.

Even the concessions at the Smithsonian Institution remain open on the same basis.

However, Secretary Babbitt is so driven to public disservice that not only has he shut down park concessions, but last week he tried to get the Forest Service to close all their ski areas and other concessions fearing it would expose his unnecessary closure of park concessions. I pay strong tribute to the former Member of this body, Agriculture Secretary Dan Glickman, for rejecting those attempts by Mr. Babbitt to further disrupt the American people and attempting to serve the public in the best possible way during this difficult period.

There is one final irony to this issue of closing park concessions. Secretary Babbitt has done this primarily because he felt he did not have adequate personnel on duty to supervise their safe operations.

Yet, when we, our committee, called a dozen parks around the country during the shutdown last November, we found just as many park rangers on duty during the peak of that shutdown as there was prior to the shutdown. The only difference was that none of these rangers were serving the public because the parks had been shut down by Secretary Babbitt.

I hope this country will never again have a Secretary of the Interior so driven to public disservice as Secretary Babbitt, but as long as there is the possibility that we will have another Secretary more interested in playing politics than carrying out his duties and serving the public in the best way possible, this legislation is essential that we are working on.

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

MAKING POLITICS FOR THE RICH ONLY

The SPEAKER pro tempore (Mr. CAMPBELL). Under the Speaker’s announced policy of May 12, 1995, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes.

Mr. OWENS. Mr. Speaker, today the common sense of the ordinary American people came home here to the Chamber, and a fraudulent campaign reform bill was voted down by the majority of the Member of this House. It was as a fraud on the American people. It was an insult to common sense, and I think most of the Members joined the American people in exercising some common sense.

It was a bill to make politics the province of the rich in America. Under the guise of campaign reform, we would have had advantages all given to the richest Americans while disadvantages would be compounded for the poorest. I think that the majority of the Members did not go back and face their constituents with that kind of fraudulent construction. So common sense came home and common sense is rising from the great masses out there and more and more is beginning to infiltrate into Washington and infiltrate into this Chamber. People are beginning to understand that the mass of Americans have this quality of understanding of what is really going on.

They understand that they are in an economy which is booming for a handful of people, relatively speaking, the top 20 percent in America, while it is stagnating or even declining for the bottom 80 percent. They understand this. There is no way you can get around that with your statistics and your charts and your graphs. That cannot get you around that basic common sense understanding of the people of this Nation that the economy is locked into a number of contradictions.

They know that there is something different ought to be happening. They do not know what it is, but they understand.

They understand that the Republican majority which came into power at the beginning of this session has moved in very extreme ways to make life more difficult for the average American out there. They understand this. They understand that at this point as we are nearing the end of the most active part of the 104th Congress, we will not have a minimum wage bill. We do not have a minimum wage bill yet.

They understand something is radically wrong if you cannot increase minimum wages by 90 cents over a 2-year period from $4.25 an hour to $5.15 in a 2-year period. If we cannot do this as leaders of this great Nation in a time of great prosperity where corporate profits are higher than ever before something is radically wrong. Common sense tells the American people something is wrong here in this Chamber.

They understand that a group of leaders who took control of Congress and chose to wage war, and I am using Speaker’s terminology, that politics is war without blood. Speaker Gingrich has said that several times. The way this House has proceeded in the 104th Congress, it certainly is evident that there is a belief that politics is war without blood, and war is being made on the least powerful in our Nation.

The people who are the most vulnerable, the poorest, they are the victims of this war. They understand that the American majority first declared war on schoolchildren who needed lunches, fee lunches. Federally funded free lunches were attacked first, and the American people understand that that was the beginning of a highly visible exposure of where the mean-spirited Republican majority was coming from.

It was a mean-spirited act. They understood that. They understood later on when proposals were made to eliminate the Department of Education, because education is for poor people. Public education is for poor people, and for the majority of the people, the 80 percent.

The preoccupation of this particular leadership in Congress is not with the 80 percent, it is with the 20 percent of the elite who can afford to go private schools. They understand that war on the Department of Education hurt the vast majority of our people.

They understand that when you cut title I, the $7 billion Federal aid program, the only major aid program of the Federal Government that goes to elementary and secondary education, a program that impacts and has some small part of its benefits in 90 percent of the school districts in America, they understand that when you attack that kind of a program, you do not have the best interests of the average American child at heart. Common sense came home to illuminate what other people have shrouded in very complex statistics.

We have heard the majority of Republicans stand up with their charts and show how they are really not cutting school lunches. We have heard the majority stand up and say education will not suffer if you cut title I. They even went as far as to cut Head Start about $300 million. Ronald Reagan, certainly one of his favorite programs. No other President since the inception of Head Start had ever proposed cuts in Head Start. In fact, as I said before, Ronald Reagan increased the Head Start budget to $1.6 billion, more than double what it was when he first took office.
Start budget. But this group decided to cut Head Start. The average American out there understands what this says and what revelation this is about the heart and soul of the majority in this House. The majority of Republicans are elitists. The majority of Republicans do not represent the majority of Americans. They understand this. Of course, I think that the commonsense wisdom of the American people came home to the majority of Republicans. They retreated. They did not cut Head Start after all. They did not cut title I by $1.1 billion. They did not cut a number of education programs, including Goals 2000, in the first budget of this session. They finally backed down. The cuts are in there again for Goals 2000 and a few other programs, but there is no proposal now to cut Head Start. There is no proposal to cut title I again.

The commonsense sense of the American people came home, and the leadership of the Republican majority understood that. They are not tampering with education anyone. There is no more talk here in this House about the eradication of the Department of Education. There is no more talk about wiping out the Department of Education. We would be the only industrialized nation or one of the only nations in the world, really, of any substance—even the developing nations have departments of education. Whereas we do not have them. The Department of Education as big as Japan's or as big as Germany's or as big as France's, we do not want to have that kind of centralized bureaucracy running education in all parts of the country. We are a long ways from that, and to eliminate it totally would be to go to an extreme. Maybe France, Germany, Japan, their bureaucratic structure for centralized education departments is at one extreme, but to have none would be at another extreme.

We do not spend but 7 percent of the education budget. The only percentage of the education budget that is really covered by the Federal Government at this point is 7 percent of the total annual amount spent on education. That means that the States and the localities finance most of the education in America. If you want to increase the Federal participation by some additional percentage, even get it up as high as 25 percent, I believe the Federal participation in the funding of education would still be a small percentage. The 75 percent controlled by the State governments and the local governments would mean that just as they are putting up 75 percent of the funding, they have 75 percent of the control. If you had a greater participation of the Federal Government in the funding of education, it would not mean that education is controlled by the Federal Government. It still would be controlled by the States. It would be controlled by the localities.

So we could afford to spend much more. Not only should we not be con-
templating elimination of the Department of Education, we should be con-
templating a greater participation in education. I think most Americans un-
derstand that.

As the member of the Republican majority who went home and really talked about their extreme proposals in education and some other areas, the people out there with common sense have educated them. So it goes on.

We are in a period now where Medi-
care cuts are still on the drawing board. I cannot say that there has been a retreat; just as they have retreated from cutting Head Start, that they have retreated from cutting Medicare. No, Medicare cuts are still on the drawing boards, and most people should un-
derstand that. Medicare cuts are on the drawing board now. They are still pro-
posing huge cuts for Medicare. At the same time, they are proposing to give back taxes to large numbers of rich people. A large percentage of the people. Some rich people will get a tax cut. The tax cut and the Medicare cut are very close to each other in terms of it is robbing one in order to fund the other. That is a fact we point-
ed out a long time ago. It is still the case.

So common sense on Medicare still has not come home. They still do not understand that the average American knows what they are doing when they talk about great cuts in Medicare. In the Department of Education, they mean deregulating education. They mean putting them in bankruptcy, they are proposing huge cuts. At the same time, they are pro-
posing that there be huge cuts in the taxes of the richest people. They are correlated. You do not have to be a ge-
nius to make that correlation. The American people have a grasp of that, but somehow that has not come home yet. There is a need for more people to communicate with their legislators what the commonsense position is, to let them understand that Medicare is being threatened, still.

Medicare is little more than 30 years old. We had this past summer a birth-
day party for Medicare in about 10 sen-
or citizen centers in my district. We made up a little card, which actually had the bill, a photostat of the bill, signed by Lyndon Johnson 30 years ago.

People have Medicare very much on their minds now. I hope they still re-
member that the majority in this Con-
grass approved. This present Republican-controlled Congres-
sion, in their appropriations bills they are still going after Medicare. Medicare is still on the chopping block. The com-
monsense wisdom has not come home to the members of the majority. They still do not understand that the American people know what they are doing. You have to talk a little louder, I guess, scream a bit.

They are obfuscating the problem with medical savings accounts and all kinds of language about going bank-
r upt, and they are going to save us from bankruptcy. But look at it straigh. I have used several times the example of the sophomore who came home from college, and he was sitting at the table, and his very ordinary working-class father was at the table, and the other kids, and the mother was there.

The sophomore wanted to show off his knowledge of philosophy. He told his father that, really, you know, there are two chickens on this table. I can prove to you, Dad, there is one chicken on this table, there are two chickens. I can prove that to you, Dad. It is all a matter of your a priori as-
sumptions, and if you get into the right syllogism and we move from the hypothesis to the conclusion, et cetera, and he was going on.

His father said, wait a minute, son. Hold it for a minute, son. If you can prove there are two chickens on this table, why don't we just eat this one, and we will prove to you, Dad, there is one chicken on this table. If you can prove that, Dad, you are a genius. America if you want to increase the Medicare, they now want your over-
time pay. The Republicans are coming for your overtime pay. That is what the comp time bill tomorrow is all about.

Instead of paying you for your over-
time, as is done in private industry and has been done for years, and the whole economy of working-class people is structured on how much overtime can I make, how much cash can I bring home in my paycheck to pay for some shoes and to pay for a new refrigerator; you have to have cash to meet necessities, it is not a luxury, where you can afford to take it in comp time, have a bank of comp time.

You work so many hours this week, so in 6 months we will give you what you accumulated this week next week, give it to you all in one lump sum, and you can go off in the wintertime, when the factory is slowed down and our inventory is high, we do not need you, and we will give you comp time off, or you can take a long va-
cation. But you do not have any money.

The Republicans are coming for your overtime, because if they do not pay you overtime, they may sit up with their friends, the elite that already earn the highest incomes—and the people who own the factories are not making minimum wage, the CEOs of corporations
who will benefit from this, they are not making minimum wage, they are making very high salaries—they are going to take your overtime, what they should have been paying you in cash, and keep it and invest it.

Then there's a whole lot of things: Stocks can be bought, bonds can be bought, speculation; various things can happen with the money they normally shell out to you in overtime. In the meantime, you are left in anxiety about your job, you will not get your overtime in compensatory time, maybe you will not, because there are no safeguards in this bill that is coming up tomorrow against bankruptcy. If a company goes out of business, how do you get your overtime? You just lost. You can go to court and sue, but try suing a bankrupt company.

Many corporations disappear. Small businesses, the smaller they are, the more likely they are to just disappear. All kinds of things happen with your company. There is no protection in the bill that is going to be on the floor tomorrow about that. It is just one more piece of evidence of the heartlessness of this Republican majority, the heartlessness which common sense could understand. Nobody out there needs to be told that your overtime is needed to buy shoes, to buy the things that you need right now.

There is another provision that says, well, this is voluntary. If you work in private industry, you are now paid dollars for your overtime, you do not have to agree to a provision that you have to take it in comp time; instead of you taking dollars, you can take time off later on. You do not have to agree to that; it is voluntary.

Common sense will tell anybody who has ever worked in a real job that you do not confront your foreman or the owner of your company with an unpopular preference. One way to lose your job is to say, well, you want me to take overtime, but I choose not to, and law says I do not have to take compensatory time. I can take it in cash. How long will the employees who choose to take their overtime in cash last on the job, versus those who choose to cooperate with the management and take compensatory time?

You do not have to be a genius, you do not have to major in psychology, you do not have to study Machiavelli, to understand there is a pay-punishment. The owner of the factory, the boss, is in a situation where if he says, I suggest strongly that you take your overtime in comp time instead of in cash," 99 percent of the employees who need their industry, you need their jobs, you want more pay, but you want more time, you will agree, oh, yes, we will take it in comp time.

There is a provision in the bill which says that the choice of when you take your comp time will be mutually agreed upon by the worker and the person who owns the business or who is in charge. So how many of you think that if you choose to take your comp time in July, when your children are out of school and you want to go on a vacation and you prefer the sun instead of the snow, but the inventory is such that it is to the best interests of the company to keep you working, that you are going to work out a mutual agreement? The company will let you go at a time which is disadvantageous to them?

When your kids are in school in January and the snow is on the ground and you cannot take the kind of vacation you want to. If the inventory is high, the company will choose to tell you, that is the best time for you to take your comp time. If they have this kind of wisdom that they offer you, how many employees are going to argue with the management and say no, I want my comp time in the summer. I want to go swimming, I want to go to the beach, I want to be with my kids? How many employees, for how long, will be able to take advantage of this voluntary arrangement?

If we look at the bill that is going to be on the floor tomorrow, which is a revision of the Fair Labor Standards Act, the Fair Labor Standards Act, which was written in 1938 by Franklin Roosevelt under the New Deal, there are a lot of provisions in there, but one provision is clear: Anybody who works more than 40 hours during the week is eligible for overtime, overtime pay. Overtime pay time is time and a half. That is cash.

There has a lot been made about the fact that in the public sector, municipal, with the State government, the Federal Government, we have comp time provisions now already. Comp time provisions are there, they have always been there because the government is not in the business of earning a profit. The government does not have an inventory where management for various reasons is not in the same position as private industry.

People who go into government traditionally have accepted the fact that you do not have the same provisions that you have in the private sector because the government has been traditionally a more secure place to work. Security was traded for the paycheck advantage that you have in the private industry. So having the security of a long-term Government job, having the pensions that Government jobs had, having the health care plan that a Government job had, there are a number of reasons people traded off and decided not to worry about being paid in cash. What is happening nowadays is that the municipal systems and the State governments and the Federal Government are becoming less and less secure. We are behaving more and more like private industry, so it is probably altogether fitting and proper that we change and have Government pay overtime in cash. We are going the wrong direction. We are not going to give people job security. Their pensions are no safer because we are playing around with pensions in some government units. Health care we want to tamper with. If we are going to behave as the private sector behaves, then maybe everybody should be paid in cash instead of having the health care plan that a Government job had. Is this the right way to accept the situation of comp time. But we are going the opposite direction. We are about to move in to take the overtime away from working people in an atmosphere which is hostile.

The protections for people on Economic and Educational Opportunities which is responsible for this particular provision of the law, the Fair Labor Standards Act. In fact I am the ranking Democrat on the Subcommittee on Workforce Protections which is directly responsible for this piece of legislation, and there are some adjustments that probably could be made. I do not think that we should ever pour concrete over any set of rules and regulations. I do not think we should ever be so inflexible that we cannot adjust anything. But in the present atmosphere where the Republican majority has attacked working families and workers consistently since January of 1995, when they came in, there is no reason to believe that there is a good faith glue that might help make some of the onerous provisions of this bill better. There is no reason to take anything for granted. If you do not have protections there are working overtime and prefer to have cash instead of comp time, if there is no way to guarantee that they have an equal choice there and that the management cannot bully them, then why go into it? If there is no way to guarantee that they are going to be able to take the comp time off when they want to or reach some kind of reasonable settlement or agreement with the management, then why go into it? Why in an atmosphere where every organ of the Government is under attack still by this Republican majority. Davis-Bacon provisions are under attack still by this Republican majority. Why in an atmosphere where the National Labor Relations Board, they proposed to cut its budget by one-third and they backed away from that, but there is a cut there?

Very early OSHA was put under attack. One-third of the budget was cut in the bill that the President vetoed. Finally they brought the cut and there is still a proposal for OSHA now than there was before the attack was launched by the Republican majority. Davis-Bacon provisions are under attack still by this Republican majority. Why in an atmosphere where the National Labor Relations Board, they proposed to cut its budget by one-third and they backed away from that but there is a cut and there are less resources now for the National Labor Relations Board than there were before. In an atmosphere where you are watching government that benefits working people is under attack, why should we accept any proposal for a good faith effort on taking away your overtime?
The Republicans are coming for your overtime and you should be aware of that. Republicans are coming for your overtime. You should send a common-sense message to the Congress, Republicans and Democrats, that you understand this.

I understand that the focus groups, the polling groups and all the experts that politicians pay large amounts of money to, they are reaching the conclusion that I discussed here 6 months ago, that Republicans say, says they have a party in power that cares very little about working people. Common sense says that we have a party in power that wants to help the rich to get rich.

Common sense says that the gap in the incomes of the richest Americans has greatly increased over the last 10 years is not just some piece of statistics on a paper, it is symbolic of the kind of anxiety that American families feel. Common sense says that people who bring us streamlining and downsizing, common sense says that the same people who are tampering with our pension funds in corporations, common sense says that they cannot be trusted to give us a new deal on our overtime, to give the workers of the world it will not benefit the workers. The workers are under attack and the tampering with the Fair Labor Standards Act that is being proposed tomorrow on this floor is just one more example of how the majority is being underestimated. The workers have gotten the commonsense message yet fully. They have gotten it in education, so they modified their approach on education cuts. But they have not understood that the average constituent out there understands that these are policies which benefit an elite minority. These policies which support streamlining, downsizing and now want to take your overtime pay, that is one more piece of money, pot of money that they will have to invest. Your overtime pay, the entry level pay, you will be invested somewhere by the people who are already earning a great amount of money off their investments. Common sense says no.

You need to communicate that. They are getting the message slowly here in the Chamber. The vote on the Campaign Finance Reform Act says that it is coming home. Common sense is telling the legislators that you cannot swindle the American people. You cannot tax them when they are down and out, working hard, you will be invested somewhere by the people who are already earning a great amount of money off their investments. Common sense says no.

You need to communicate that. They are getting the message slowly here in the Chamber. The vote on the Campaign Finance Reform Act says that it is coming home. Common sense is telling the legislators that you cannot swindle the American people. You cannot tax them when they are down and out, working hard, you will be invested somewhere by the people who are already earning a great amount of money off their investments. Common sense says no.

You need to communicate that. They are getting the message slowly here in the Chamber. The vote on the Campaign Finance Reform Act says that it is coming home. Common sense is telling the legislators that you cannot swindle the American people. You cannot tax them when they are down and out, working hard, you will be invested somewhere by the people who are already earning a great amount of money off their investments. Common sense says no.

You need to communicate that. They are getting the message slowly here in the Chamber. The vote on the Campaign Finance Reform Act says that it is coming home. Common sense is telling the legislators that you cannot swindle the American people. You cannot tax them when they are down and out, working hard, you will be invested somewhere by the people who are already earning a great amount of money off their investments. Common sense says no.

You need to communicate that. They are getting the message slowly here in the Chamber. The vote on the Campaign Finance Reform Act says that it is coming home. Common sense is telling the legislators that you cannot swindle the American people. You cannot tax them when they are down and out, working hard, you will be invested somewhere by the people who are already earning a great amount of money off their investments. Common sense says no.

You need to communicate that. They are getting the message slowly here in the Chamber. The vote on the Campaign Finance Reform Act says that it is coming home. Common sense is telling the legislators that you cannot swindle the American people. You cannot tax them when they are down and out, working hard, you will be invested somewhere by the people who are already earning a great amount of money off their investments. Common sense says no.

You need to communicate that. They are getting the message slowly here in the Chamber. The vote on the Campaign Finance Reform Act says that it is coming home. Common sense is telling the legislators that you cannot swindle the American people. You cannot tax them when they are down and out, working hard, you will be invested somewhere by the people who are already earning a great amount of money off their investments. Common sense says no.

You need to communicate that. They are getting the message slowly here in the Chamber. The vote on the Campaign Finance Reform Act says that it is coming home. Common sense is telling the legislators that you cannot swindle the American people. You cannot tax them when they are down and out, working hard, you will be invested somewhere by the people who are already earning a great amount of money off their investments. Common sense says no.

You need to communicate that. They are getting the message slowly here in the Chamber. The vote on the Campaign Finance Reform Act says that it is coming home. Common sense is telling the legislators that you cannot swindle the American people. You cannot tax them when they are down and out, working hard, you will be invested somewhere by the people who are already earning a great amount of money off their investments. Common sense says no.

You need to communicate that. They are getting the message slowly here in the Chamber. The vote on the Campaign Finance Reform Act says that it is coming home. Common sense is telling the legislators that you cannot swindle the American people. You cannot tax them when they are down and out, working hard, you will be invested somewhere by the people who are already earning a great amount of money off their investments. Common sense says no.

You need to communicate that. They are getting the message slowly here in the Chamber. The vote on the Campaign Finance Reform Act says that it is coming home. Common sense is telling the legislators that you cannot swindle the American people. You cannot tax them when they are down and out, working hard, you will be invested somewhere by the people who are already earning a great amount of money off their investments. Common sense says no.

You need to communicate that. They are getting the message slowly here in the Chamber. The vote on the Campaign Finance Reform Act says that it is coming home. Common sense is telling the legislators that you cannot swindle the American people. You cannot tax them when they are down and out, working hard, you will be invested somewhere by the people who are already earning a great amount of money off their investments. Common sense says no.

You need to communicate that. They are getting the message slowly here in the Chamber. The vote on the Campaign Finance Reform Act says that it is coming home. Common sense is telling the legislators that you cannot swindle the American people. You cannot tax them when they are down and out, working hard, you will be invested somewhere by the people who are already earning a great amount of money off their investments. Common sense says no.

You need to communicate that. They are getting the message slowly here in the Chamber. The vote on the Campaign Finance Reform Act says that it is coming home. Common sense is telling the legislators that you cannot swindle the American people. You cannot tax them when they are down and out, working hard, you will be invested somewhere by the people who are already earning a great amount of money off their investments. Common sense says no.
among black males which was astonishing, shocking, frightening. Suicide among black males has greatly increased in the last few years. I am black, I have been black all my life, born black, and in our folk culture, we swear that black people do not commit suicide. No matter what happens, we adjust, we cope, we love life. We do not commit suicide. Well, that is just one of those pieces of folk wisdom that has gone by the way. The statistics are there, they are horrifying, large numbers are committing suicide. They are depressed. Whatever the reasons, I will not go into this point, it is a subject for a later discussion.

But here is a black male in his thirties, early thirties, two kids, a wife, going to work every day, not getting anywhere, he decided to go to school, get a food handler’s license, then go further, get training. Now he is a chef, a chef at a hospital.

In addition to being a chef at a hospital, he is developing his own catering business. The difference in the demeanor that comes out of his face and the change in his voice, everything is a transformation.

He is going places, his catering business is going places. He has to rent kitchens on the weekend. In New York, they are always eating, so the catering business is a good business. More tourists come, of course there will be more people who have to eat, various kinds of functions. There is a future there, great future.

So saying this is relevant to him. The more tourists we get, the more our economy grows, the more people there are to feed in situations which require caterers. It is relevant. Everything all falls in place.

It is relevant that he had an opportunity to go to school. He had to pay for the courses himself. He chose to make that investment, but he has become a chef. Beyond being a chef, he is going to be a businessman.

I say all this to say that the person who said to me, you are a true believer, you are dangerous, and some other people say what you say on the floor of this House, this empty Chamber, is not relevant, is very relevant. It is relevant because we are in a transition period in this Nation, and what we do here in the House of Representatives and what we do in the other body, and we are not just a few people around talking, we are very powerful people.

If you look at the 100 Members of the Senate and 435 Members of the Congress, you are talking about 535 people who are like vice presidents of the world’s most powerful corporation. People like to play games out there and talk about we spend too much money that black folks spend on garbage money on phones, we rent cars for too great an expense. They like to play around the edges and like to trivialize the Members of Congress, as they do all politicians. But we are very powerful people. We make decisions which are life and death decisions.

We are at a critical period in this country where we have people in power who are making the wrong decisions, and it is important and it is important that we do not discard the opportunity at least to have a real and open discourse, and if you can, do nothing more than point it out and verbalize it, talk about it.

I want to talk about the great mistakes that have been made. It was a mistake to talk about abolishing the Department of Education. We have backed away from that. We abolished the Department of Tourism and the tourism unit in the Department of Commerce, how small it was, has been abolished. That was a great mistake.

We are making humongous errors in not going forward to fund higher education at a higher level, escalating level. We need to be investing tremendous amounts of money in all education, in higher education, but right across the board our investment in education should be escalating instead of stagnating and actually suffering cuts in many ways. We are at a period in history where we do not take the flood, as Shakespeare said, there is a time when you have to act.

We are at a critical period where 80 percent of the population is getting more and more anxious, and some elements of the population are getting angry. Some elements of the population are committing suicide because they are bottled up in an economy and they see plenty all around them advertised on television, millionaires and CEO’s making fantastic salaries.

The anxiety and the tension is unhealthy for Americans in general. People who have something now still have anxiety because they see it slipping away.

We are in a period where we need to take a bold step and say the salvation of this society is education. The salvation of this society is an explosive investment in education which will also be followed by an explosive investment in new kinds of jobs that people can qualify for.

There have been two periods in American history where we have been fortunate enough to have visionaries on the scene and listened to those visionaries and got the facts and let them put in place a revolutionary concept that has transformed the nature of our society.

People do not talk much about the Morrell Act. The Morrell Act created the land grant colleges in all the States. The Morrell Act guarantees that every State would have a college, a university which was committed to practical education. The Morrell Act was a revolutionary idea.

Thomas Jefferson, when he founded the University of Virginia, spoke in terms of he would like to see every State have a university, but he was in no position to act upon it.

Morrell, whose name very few people know, the act very few people know about it, created a situation where the Federal Government invested in higher education in every State of the Union. Every State has a land grant college or university. They went beyond that and questions the universities who are some advantages that a few places in the country have, but we have suffered floods and famines and all the folk’s problems that they suffer in other countries, but the wisdom which led to the application of the principles learned in the classroom and the classroom and then down to the actual farmer’s field, that has made all the differences in the world, the Morrell Act, an act of Congress that very few people understand which transformed education in America.

In addition to agriculture, engineering is what you will find in every land grant college. Very early they went into engineering and the kind of industrialized might that Adolf Hitler had to form. When America entered the war did not happen overnight. It was built up through the complex of education institutions that had been developed long before a world war was ever contemplated by any American, the Morrell Act.

Another great revolutionary act that is not given due credit is the GI bill of rights. When the large numbers of soldiers returning from the Second World War were given the right to go to college, not just to go to trade schools, not just to college, but also to trade schools, and any soldier had a right to go to school and the Federal Government would pay for most of that education, that was another revolutionary act that you do not understand. Large numbers of people were interjected in our society with education to keep building our industrial base in very sophisticated ways.

The Soviet Union never knew what hit it because it brought the United States in production, in achievement, scientific engineering achievement. It had to face the combination of the Morrell Act and the GI bill of rights, a
massive infusion of dollars for education which produced the desired results, the massive number of educated people. We are at a period now where that kind of transition is what we need. So it is relevant.

Democracy is not paycheck security, helping families to get the paycheck they deserve. They are not just talking about tomorrow’s fight on the floor of the House to keep the Republicans from taking away the overtime cash payments for people. We are not talking all the time; we are talking about paycheck security in terms of providing for people to upgrade their skills, to get more education in this complex society.

Probably education has to be a permanent feature of the life of every family, of every person getting more education to stay up, to keep up. That is absolutely necessary. So paycheck security is relevant to everything else I have been talking about. It is relevant to keeping the Department of Education and the Department of Labor active so that they can stay on top: What kind of training do we need for the year 2000? How are we funding that so that it is not just an elite minority that gets the education and the people who are going into academic training but the guy who wants to be a chef?

There are more of them out there and they are needed. The people who want to go into electronics, we are going to need more people to be able to really fix computers, VCR’s. Half the families I know who have computers will tell you they are not working or one part of it is not working, they are using only a tiny part of the capacity because part of it is not working or they cannot figure out how to work it. So there are large numbers of possible job opportunities out there for people who go into electronics and deal with these gadgets and keep up with the complications that have developed, are developing.

Auto mechanics are not what they used to be. They have to be very well-educated and deal with very complex systems. You think you are talking to a physics professor sometimes when you go into a garage. This is the way things are now, the way they are going to be.

If we do not give the educational opportunities, if they are not there, we are going to have a society that is crippled. The Department of Education and there that cannot be met in terms of functions. At the same time, we have a need for people to earn a living.

The welfare bill that we passed last week, when we start talking about welfare reform, now, people’s eyes glaze over. Nobody wants to hear all the detailed discussions.

But the problem with the welfare bill is at the heart of the bill that calls for reform to put people to work. They provide for job training, the provisions for child care for people who go into job training or work, they are not there.

The Congressional Budget Office has said we need $9 to $10 billion to just do what you say in that bill. The Republican bill has language, they have rhetoric in there about work and job training, but if you do what you say you are going to do, you need $10 billion more over the next 6 years. This is not the wild-eyed liberal from New York, MAOR OWENS, talking. This is the Congressional Budget Office.

The Congressional Budget Office did not say it that way, but that there is fraud in the whole construct. Every time we hear people talk about welfare reform, they talk about putting people to work, and yet the provisions for guaranteeing that the people are given skills that they need and the competencies they need in order to match up with the jobs that are available, it is not there. The provisions for the creation of new jobs is not there.

We need a realistic society. There are jobs out there, there is work to be done, but if you do not pay for it, it is not a job.

The Federal Government needs to pay for the building of schools during the transition period. All of these things are necessary to make work a reality.

There are no jobs in Brooklyn. There are no jobs in my 11th Congressional District. Every time somebody announces a job, long lines of people form, and only a handful can get the few jobs that are available.

There are jobs that are being lost in my congressional district. Every hospital is laying off people. The largest employer in the 11th Congressional District in Brooklyn that I serve is a hospital. The biggest hospital in Brooklyn is Kings County Hospital. It has been in existence for more than 100 years. They are talking about closing Kings County Hospital. Thousands of people work there in many different capacities.

Do we need fewer hospitals? Maybe we do, but there is a wholesale movement on to rush into privatization of health care that is going to destroy those jobs before we are really certain as to what is going to replace them.

These are things that are happening. We need ways to train the new medical personnel if we are going to have personnel in a different setting. The people will not go away. They still have health care needs. You need new kinds of people to carry out those health care needs.
Educational opportunity means that you should not have as many college students who are going back to college in the fall now facing situations which are more difficult with respect to getting loans. We want to eliminate that. We don't want to have the dollars that have been made by the President for tax deductibility and for tax credits related to education. We want to adopt the President's proposals about merit scholarships.

All of it is part of the understanding that we are in a transition period and we need to have a different set of priorities. We cannot pour another $13 billion into defense while we are cutting the education budget. I want to close by saying that I am a believer. The Families First agenda, which emphasizes security, opportunity, responsibility, is a practical agenda. It is worth fighting for. It is an agenda which develops human beings and promises a society which is just and fair for everybody. It is an agenda which will bring us prosperity and growth.

Prosperity and growth is directly linked to the number of people educated. Nothing is more important to our society than an educated population. The educated population has to be a healthy population. We cannot say we care about people if we are willing to take away their food stamps and to deny Aid to Families with Dependent Children.

I think most people out there do not understand that Aid to Families with Dependent Children, what is normally called welfare, is about 1 percent of the total Federal budget. More important, most people do not understand that Aid to Families with Dependent Children is going to cease if this bill passes and the President signs it, there will be no more entitlement for Aid to Families with Dependent Children. That is a part of the Social Security Act that has been chopped away.

That sets up the stage for more of the Social Security Act to be chopped away. We do not talk about that, but I think you ought to come to that realization. If they are willing to go after Medicare, if they are willing to transfer the dollars in Medicare to provide for a tax cut for the rich, then they certainly eventually will not mind chopping away at Social Security. Let us get ready.

If they are willing to go after young children and declare that we have no responsibility for them as a Federal Government anymore, the entitlement is gone. They are setting up a situation where the governors will be able to not only play with the dollars that are given for Aid to Families with Dependent Children, but the governors want to play with Medicaid money. There is not enough money in Aid to Families with Dependent Children, so there is a move to get their hands on the dollars in Medicaid, to take the money meant for the poor and do other things to meet the needs at the state and local level.

I am going to conclude with a little rap poem I wrote sometime ago in connection with the way we are treating children. There is a great deal of clamor about choice versus the right-to-life. I wish we would care about life for the children who are already here. This little rap poem, which I already have placed in the CONGRESSIONAL RECORD some time ago, which is called "Message From the Newborn to the Fetus." The newborn is talking to the fetus.

**MESSAGE FROM THE NEWBORN TO THE FETUS**

Man stay in there
The womb is where its at
Until tots slide out and breathe
The right-to-life is guaranteed
You never had it so good
Out here in America
They don't treat us
Like they promised they would
Right away at the hospital
They put us out
Cause my welfare Mom
Didn't have no clout
Stay where you are man
The womb is where its at
A smart fetus can live
Like a rich lady's cat
No food stamps for immigrants
But long picket lines protect
Our pre-birth rights
The womb they glorify
Outside they watch us die
The womb is where its at
Curled up in that nice nest
You always get the very best
But out here only fear
They'll take my entitlement
Man stay in there
Cash in on this fetus fetish
Be a hero embryo
Pro-life politicians
Offer nine months of love
But at birth's border
Immigrants from heaven
Receive a hellish shove
Until tots slide out and breathe
The right to life is guaranteed
Long protest lines protected
Our pre-birth rights
We crave the medals they gave
When we were hidden
Intimately way out of sight
The womb is where its at
Safely grow soft and fat
Immigrant school lunches are now gone
Budget cuts down to the bone
Newborns have no trumpet
This land is littered
With ugly infant tombs
Babies must unite in battle
Make war to remain
Our wonderful respected wombs
The womb is where its at
Until tots slide out and breathe
The right-to-life is guaranteed
We appeal to the United Nations
We cry out to the Almighty Pope

The holy right of return
Is now our only hope
Man stay in there
The womb is where its at.
Mr. Waxman, for 5 minutes, today. (The following Member (at his own request) and to include extraneous matter:)

Mr. Kanjorski, for 5 minutes, today. (The following Member (at the request of Mr. Grass) to revise and extend his remarks and include extraneous material:)

Mr. Kasich, for 5 minutes, today.

**EXTENSION OF REMARKS**

By unanimous consent, permission to revise and extend remarks was granted to:

(1) The following Members (at the request of Mr. Mascara) to include extraneous matter:

Mr. Dingell.

Mr. Cummings.

Mr. Ackerman.

Mr. Filner.

Mr. Bl采用.

Mr. Deutch.

Mr. Kanjorski.

(2) The following Members (at the request of Mr. Gutknecht) to include extraneous matter:

Mr. Solomon.

Mr. Smith of Michigan.

Mr. Fields of Texas, in two instances.

Mr. Spence.

Mr. Wurzler.

(3) The following Members (at the request of Mr. Owens) to include extraneous material:

Mr. Gingles.

Mr. Callahan.

Mr. Richardson.

Mr. Packard.

Mrs. Morella.

Mr. Foster.

Mr. Ros-Lehtinen.

Mr. Conyers.

Mr. Kim.

Mr. Baker of California.

Ms. Jackson-Lee of Texas.

Ms. Loggren.

**ENROLLED BILLS SIGNED**

Mr. Thomas, from the Committee on House Oversight, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 3107. An act to impose sanctions on persons making certain investments directly and significantly contributing to the enhancement of the ability of Iran or Libya to develop its petroleum resources, and on persons exporting certain items that enhance Libya's weapons or aviation capabilities or enhance Libya's ability to develop its petroleum resources, and for other purposes.

**ADJOURNMENT**

Mr. Owens. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 40 minutes p.m.), the House adjourned until tomorrow, Friday, July 26, 1996, at 9 a.m.

**EXECUTIVE COMMUNICATIONS, ETC.**

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

**4336.** A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Oranges, Grapefruit, Tangerines, and Tangelos Grown in Florida; Assessment, consumer and governmental comments; Final rule [FFD No. 95-1 FR] received July 24, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

**4337.** A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's final rule—Mexican Fruit Fly Regulations; Removal of Regulated Area [APHIS Docket No. 96-032-3] received July 24, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

**4338.** A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting the Chief Financial Officers Act Report for the Federal Deposit Insurance Corporation for fiscal year 1995, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

**4339.** A letter from the Chairman, Merit Systems Protection Board, transmitting a copy of a statistical report on the U.S. Merit Systems Protection Board's (MSPB) cases decided in fiscal year 1995, pursuant to 5 U.S.C. 1204(a); to the Committee on Government Reform and Oversight.

**4340.** A letter from the Director, Office of Personnel Management, transmitting OPM's fiscal year 1996 annual report to Congress on the Federal Equal Opportunity Recruitment Program [FEORP], pursuant to 5 U.S.C. 7201(e); to the Committee on Government Reform and Oversight.

**4341.** A letter from the Director, Office of Personnel Management, transmitting the Office's final rule—Funding of Administrative Law Judge Examination [RIN: 2000-A3H3] received July 24, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

**4342.** A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's final rule—VISAS: Passports and Visas Not Required for Certain Nonimmigrants [Foreign Consular Affairs] [Public Notice 2415] received July 24, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

**4343.** A letter from the Commissioner, Immigration and Naturalization Service, transmitting the Department's final rule—Adding Australia to the List of Countries Authorized to Participate in the Visa Waiver Pilot Program [INS No. 1782-96] (RIN: 1115-A93) received July 24, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

**4344.** A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Operational Measures to Reduce Oil Spills From Existing Tank Vessels Without Double Hulls (U.S. Coast Guard) [CGD-96-046] (RIN: 2115-AE01) received July 24, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

**4345.** A letter from the General Counsel, Department of Transportation, transmitting the Department’s final rule—Procedures for Transportation Workplace Drug and Alcohol Testing (RIN: 2115-AE06) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

**4346.** A letter from the General Counsel, Department of Transportation, transmitting the Department’s final rule—Regulated Navigation Area: Houston Ship Channel (U.S. Coast Guard) [CGD-96-052] (RIN: 2115-AE04) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

**4347.** A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Regulated Navigation Area: Boston Harbor, Mystic River (U.S. Coast Guard) [CGD-96-050] (RIN: 2115-AE03) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

**4348.** A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Regulated Navigation Area: Ohio River Mile 461.0 to Mile 26.5, Louisville, KY (U.S. Coast Guard) [CGD-96-051] (RIN: 2115-AE02) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

**4349.** A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Regulated Navigation Area: Illinois River Mile 179.5±180.5, Chillicothe, IL (U.S. Coast Guard) [CGD-96-053] (RIN: 2115-AE01) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

**4350.** A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Regulated Navigation Area: Upper Mississippi River Mile 583.0±579.3, Dubuque, IA (U.S. Coast Guard) [CGD-96-054] (RIN: 2115-AE00) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

**4351.** A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Regulated Navigation Area: Thunderfeet, Upper Mississippi River Mile 462.0 (U.S. Coast Guard) [CGD-96-047] (RIN: 2115-AE09) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

**4352.** A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Regulated Navigation Area: Ohio River Mile 461.0 to Mile 179.5, Peoria, IL (U.S. Coast Guard) [CGD-96-049] (RIN: 2115-AE08) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

**4353.** A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Regulated Navigation Area: Ohio River Mile 461.0 to Mile 179.5, Peoria, IL (U.S. Coast Guard) [CGD-96-049] (RIN: 2115-AE08) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

**4354.** A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Regulated Navigation Area: Thunderfeet, Upper Mississippi River Mile 462.0, Peoria, IL (U.S. Coast Guard) [CGD-96-047] (RIN: 2115-AE09) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

**4355.** A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Regulated Navigation Area: Upper Mississippi River Mile 583.0±579.3, Dubuque, IA (U.S. Coast Guard) [CGD-96-054] (RIN: 2115-AE00) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

**4356.** A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Regulated Navigation Area: Upper Mississippi River Mile 583.0±579.3, Dubuque, IA (U.S. Coast Guard) [CGD-96-054] (RIN: 2115-AE00) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.
Regulations; Oquawka Shootout, Upper Mississippi River Mile 415.5-416.0, Oquawka, IL (U.S. Coast Guard) [CGD02-96-013] (RIN: 2115-AA46) received July 25, 1996, pursuant to 5 U.S.C. §801(a)(1)(A); to the Committee on Transportation and Infrastructure.

432. A letter from the General Counsel, Department of Transportation, transmitting the Department’s final rule—Special Local Regulations; Riverfest, Mississippi River Mile 737.0-733.0, South Sioux City, NE (U.S. Coast Guard) [CGD02-96-014] (RIN: 2115-AA46) received July 25, 1996, pursuant to 5 U.S.C. §801(a)(1)(A); to the Committee on Transportation and Infrastructure.

433. A letter from the General Counsel, Department of Transportation, transmitting the Department’s final rule—Special Local Regulations; Waterfest Weekend, Missouri River Mile 737.0-733.0, South Sioux City, NE (U.S. Coast Guard) [CGD02-96-015] (RIN: 2115-AA46) received July 25, 1996, pursuant to 5 U.S.C. §801(a)(1)(A); to the Committee on Transportation and Infrastructure.

434. A letter from the General Counsel, Department of Transportation, transmitting the Department’s final rule—Safety Zone; San Pedro Bay, CA (U.S. Coast Guard) [COTP Los Angeles-Long Beach, CA; 96-012] (RIN: 2115-AA97) received July 25, 1996, pursuant to 5 U.S.C. §801(a)(1)(A); to the Committee on Transportation and Infrastructure.

435. A letter from the General Counsel, Department of Transportation, transmitting the Department’s final rule—Safety Zone; Port Everglades, Fort Lauderdale, FL (U.S. Coast Guard) [COTP Port Everglades, Fort Lauderdale, FL; 96-003] (RIN: 2115-AA97) received July 25, 1996, pursuant to 5 U.S.C. §801(a)(1)(A); to the Committee on Transportation and Infrastructure.

436. A letter from the General Counsel, Department of Transportation, transmitting the Department’s final rule—Safety Zone; City of Fort Lauderdale, FL (U.S. Coast Guard) [COTP Port Everglades, Fort Lauderdale, FL; 96-004] (RIN: 2115-AA97) received July 25, 1996, pursuant to 5 U.S.C. §801(a)(1)(A); to the Committee on Transportation and Infrastructure.

437. A letter from the General Counsel, Department of Transportation, transmitting the Department’s final rule—Security Zone; Presidential Security Zone, New London, CT (U.S. Coast Guard) [CGD02-96-005] (RIN: 2115-AA97) received July 25, 1996, pursuant to 5 U.S.C. §801(a)(1)(A); to the Committee on Transportation and Infrastructure.

438. A letter from the General Counsel, Department of Transportation, transmitting the Department’s final rule—Security Zone; Presidential Arrival and Departure, Liberty State Park; New Jersey (U.S. Coast Guard) [COTP Philadelphia, PA; 96-004] (RIN: 2115-AA97) received July 25, 1996, pursuant to 5 U.S.C. §801(a)(1)(A); to the Committee on Transportation and Infrastructure.

439. A letter from the General Counsel, Department of Transportation, transmitting the Department’s final rule—Security Zone; San Pedro Bay, CA (U.S. Coast Guard) [COTP San Pedro Bay; 96-005] (RIN: 2115-AA97) received July 25, 1996, pursuant to 5 U.S.C. §801(a)(1)(A); to the Committee on Transportation and Infrastructure.

440. A letter from the General Counsel, Department of Transportation, transmitting the Department’s final rule—Security Zone; San Francisco Bay, CA (U.S. Coast Guard) [COTP San Francisco Bay; 96-006] (RIN: 2115-AA97) received July 25, 1996, pursuant to 5 U.S.C. §801(a)(1)(A); to the Committee on Transportation and Infrastructure.

441. A letter from the General Counsel, Department of Transportation, transmitting the Department’s final rule—Security Zone; Boston Inner Harbor, Boston, MA (U.S. Coast Guard) [COTP Boston, MA; 96-010] (RIN: 2115-AA97) received July 25, 1996, pursuant to 5 U.S.C. §801(a)(1)(A); to the Committee on Transportation and Infrastructure.

442. A letter from the General Counsel, Department of Transportation, transmitting the Department’s final rule—Security Zone; Nantasket Beach, Hull, MA (U.S. Coast Guard) [COTP1-96-003] (RIN: 2115-AA97) received July 25, 1996, pursuant to 5 U.S.C. §801(a)(1)(A); to the Committee on Transportation and Infrastructure.

443. A letter from the General Counsel, Department of Transportation, transmitting the Department’s final rule—Security Zone; Charles River Fireworks Display, Boston, MA (U.S. Coast Guard) [COTP1-96-004] (RIN: 2115-AA97) received July 25, 1996, pursuant to 5 U.S.C. §801(a)(1)(A); to the Committee on Transportation and Infrastructure.

444. A letter from the General Counsel, Department of Transportation, transmitting the Department’s final rule—Security Zone; Impossible Dream, New York, NY and New Jersey (U.S. Coast Guard) [CGD01-96-029] (RIN: 2115-AA97) received July 25, 1996, pursuant to 5 U.S.C. §801(a)(1)(A); to the Committee on Transportation and Infrastructure.
By Mr. BAKER of California (for himself and Ms. LOFGREN):
H.R. 3906. A bill to encourage the development and use of new and innovative environmental monitoring technology by accelerating the move toward performance-based monitoring methods, establishing target dates for implementing a new regulatory approach across all environmental programs, and for other purposes; to the Committee on Science, and in addition to the Committees on Commerce, and Transportation and Infrastructure, for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BAKER of California (for himself and Ms. LOFGREN):

H.R. 3907. A bill to encourage the development and use of new and innovative environmental monitoring technology by accelerating the move toward performance-based monitoring methods, establishing target dates for implementing a new regulatory approach across all environmental programs, and for other purposes; to the Committee on Science, and in addition to the Committees on Commerce, and Transportation and Infrastructure, for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BAKER of California (for himself and Ms. LOFGREN):

H.R. 3908. A bill to encourage the development and use of new and innovative environmental monitoring technology by accelerating the move toward performance-based monitoring methods, establishing target dates for implementing a new regulatory approach across all environmental programs, and for other purposes; to the Committee on Science, and in addition to the Committees on Commerce, and Transportation and Infrastructure, for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BAKER of California (for himself and Ms. LOFGREN):

H.R. 3909. A bill to encourage the development and use of new and innovative environmental monitoring technology by accelerating the move toward performance-based monitoring methods, establishing target dates for implementing a new regulatory approach across all environmental programs, and for other purposes; to the Committee on Science, and in addition to the Committees on Commerce, and Transportation and Infrastructure, for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BAKER of California (for himself and Ms. LOFGREN):

H.R. 3910. A bill to encourage the development and use of new and innovative environmental monitoring technology by accelerating the move toward performance-based monitoring methods, establishing target dates for implementing a new regulatory approach across all environmental programs, and for other purposes; to the Committee on Science, and in addition to the Committees on Commerce, and Transportation and Infrastructure, for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BAKER of California (for himself and Ms. LOFGREN):

H.R. 3911. A bill to encourage the development and use of new and innovative environmental monitoring technology by accelerating the move toward performance-based monitoring methods, establishing target dates for implementing a new regulatory approach across all environmental programs, and for other purposes; to the Committee on Science, and in addition to the Committees on Commerce, and Transportation and Infrastructure, for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BAKER of California (for himself and Ms. LOFGREN):

H.R. 3912. A bill to encourage the development and use of new and innovative environmental monitoring technology by accelerating the move toward performance-based monitoring methods, establishing target dates for implementing a new regulatory approach across all environmental programs, and for other purposes; to the Committee on Science, and in addition to the Committees on Commerce, and Transportation and Infrastructure, for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BAKER of California (for himself and Ms. LOFGREN):

H.R. 3913. A bill to encourage the development and use of new and innovative environmental monitoring technology by accelerating the move toward performance-based monitoring methods, establishing target dates for implementing a new regulatory approach across all environmental programs, and for other purposes; to the Committee on Science, and in addition to the Committees on Commerce, and Transportation and Infrastructure, for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BAKER of California (for himself and Ms. LOFGREN):

H.R. 3914. A bill to encourage the development and use of new and innovative environmental monitoring technology by accelerating the move toward performance-based monitoring methods, establishing target dates for implementing a new regulatory approach across all environmental programs, and for other purposes; to the Committee on Science, and in addition to the Committees on Commerce, and Transportation and Infrastructure, for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BAKER of California (for himself and Ms. LOFGREN):

H.R. 3915. A bill to encourage the development and use of new and innovative environmental monitoring technology by accelerating the move toward performance-based monitoring methods, establishing target dates for implementing a new regulatory approach across all environmental programs, and for other purposes; to the Committee on Science, and in addition to the Committees on Commerce, and Transportation and Infrastructure, for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BAKER of California (for himself and Ms. LOFGREN):

H.R. 3916. A bill to encourage the development and use of new and innovative environmental monitoring technology by accelerating the move toward performance-based monitoring methods, establishing target dates for implementing a new regulatory approach across all environmental programs, and for other purposes; to the Committee on Science, and in addition to the Committees on Commerce, and Transportation and Infrastructure, for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BAKER of California (for himself and Ms. LOFGREN):

H.R. 3917. A bill to encourage the development and use of new and innovative environmental monitoring technology by accelerating the move toward performance-based monitoring methods, establishing target dates for implementing a new regulatory approach across all environmental programs, and for other purposes; to the Committee on Science, and in addition to the Committees on Commerce, and Transportation and Infrastructure, for consideration of such provisions as fall within the jurisdiction of the committee concerned.
The Senate met at 9:30 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. The Chaplain will now deliver the opening prayer.

PRAYER

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

Gracious God, we begin this day praying with the psalmist, “Teach me to do Your will, for You are my God; Your Spirit is good.”—Psalm 143:10. In a world of people with mixed motives and forces of evil seeking to distract us, we thank You that we know You are good. It is wonderful to know that You will our good, seek to help us know what is good for our loved ones and our Nation. You constantly are working things together for our good, arranging circumstances for what is ultimately best for us. We never have to worry about Your intentions. You know what will help us grow in Your grace and what will make us mature leaders.

Today, we want to be filled so full of Your goodness that we will know how to discern Your good for our decisions. Bless the Senators. Make them good leaders by Your standards of righteousness. Remind us that our Nation’s greatness is in being good. Help us confront mediocrity at any level that keeps us from Your vision for our Nation; recruit us for the battle of ethical and social goodness. We make another verse of the psalmist our life-time motto “May goodness and mercy follow me all the days of my life and I will dwell in the house of the Lord forever.” Amen.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1997

The PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of H.R. 3540, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3540) making appropriations for foreign operations and export financing in and related programs for the fiscal year ending September 30, 1997, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

McCain amendment No. 5017, to require information on cooperation with United States antiterrorism efforts in the annual country reports on terrorism.

Coverdell amendment No. 5018, to increase the amount of funds available for international narcotics control programs.

The PRESIDENT pro tempore. There will now be 30 minutes of debate equally divided on the McCain amendment No. 5017.

The able Senator from Kentucky is recognized.

SCHEDULE

Mr. MCCONNELL. Mr. President, this morning the Senate will immediately resume consideration of the foreign operations appropriations bill. Under the agreement reached last night, the Senate will begin 30 minutes of debate on the McCain amendment No. 5017 regarding antiterrorism efforts. Senators can expect a rollcall vote on or in relation to that amendment no later than 10 o’clock this morning, if all debate time is used.

Additional amendments are anticipated. Therefore, Senators can expect votes throughout the session of the Senate today. The majority leader has indicated that he hopes to complete action on this bill today. I might say that I think that is entirely possible. We have a number of amendments that are anticipated to be offered that would be acceptable, and there really is no reason why we should not be able to complete this bill today. The leader then plans to turn to the consideration of the VA-HUD appropriations bill following final passage of this bill.

Mr. President, I see the Senator from Arizona here. I will yield the floor.

Mr. LEAHY. Mr. President, if the Senator from Arizona will yield. Mr. President, I wish to compliment the distinguished Senator from Arizona, who had worked with this amendment last night and could have asked for a vote last night. I asked him if he might be willing to withhold while we discussed it further with him. I know there have been some discussions. I note that because the Senator from Arizona showed his usual courtesy and cooperation, I wish to thank him here on the Senate floor.

With that, I yield the floor.

Mr. McCAIN addressed the Chair. The PRESIDING OFFICER (Mr. DeWINE). The Senator from Arizona is recognized.

PRIVILEGE OF THE FLOOR

Mr. McCAIN. Mr. President, I ask unanimous consent that Greg Suchan, a fellow on my staff, be granted the privilege of the floor during the discussion of H.R. 3540.

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

AMENDMENT NO. 5017, AS MODIFIED

Mr. McCAIN. Mr. President, I thank the Senator from Vermont and his staff for working with us last night on this particular amendment. In accordance with the previous unanimous-consent agreement, I send to the desk a modification of my amendment.

The PRESIDING OFFICER. The Senator has a right to modify his amendment. The amendment will be so modified.

The amendment (No. 5017), as modified, is as follows:

- This “bullet” symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
On page 198, between lines 17 and 18, insert the following:

```
(3) or (4) of subsection (a) in classified form
```

```
(b) the extent to which the government of the foreign country is cooperating in preventing further acts of terrorism against United States citizens in the foreign country;
```

```
(c) with respect to each foreign country from which the United States Government has sought cooperation during the previous five years in the prevention of an act of international terrorism against United States citizens or interests, information described in paragraph (3)(A) in unclassified form;
```

```
```

Mr. McCAIN. Mr. President, I thank the Senator from Vermont for his cooperation. I think we have reached an agreeable resolution to this issue, which achieves the goal I was trying to accomplish. I think it satisfies the concerns not only of the Senator from Vermont, but also of the administration.

Mr. President, this amendment would require the Secretary of State, as part of his annual report to Congress on global anti-terrorism efforts, to provide information on the extent to which foreign governments are cooperating with U.S. requests for assistance in investigating terrorist attacks against Americans. The Secretary will also be required to provide information on the extent in which foreign countries are cooperating with U.S. efforts to prevent further terrorist attacks against Americans.

The recent terrorist attack in Dhahran demonstrates the importance of cooperation of other governments in investigating and preventing terrorism against Americans. The proposed amendment would of course cover terrorist attacks against Americans or U.S. interests abroad, such as the Riyadh bombing last year or the assassination of two State Department employees in Karachi. It would also cover terrorist attacks in the United States, either by foreign terrorists or domestic terrorists operating in cooperation with foreign agents or terrorist organizations. For example, if the destruction of TWA flight 800 proves to be a terrorist act—and at this time we do not know that it was—the amendment would ensure that we know whether other countries are cooperating with the United States in investigating the crash and bringing to justice those responsible.

As part of his annual report on terrorism, the Secretary of State is already required by law to provide information on other countries' anti-terrorism cooperation. Section 330 of the recently enacted anti-terrorism bill prohibits the export of defense articles or services to a country that is not cooperating fully with U.S. anti-terrorism efforts. Such cooperation must certainly include investigating terrorists acts against Americans. If such information is reasonable and useful in the context of military cooperation, then I see no reason why similar information cannot be provided for all other countries who are not the recipients of U.S. defense equipment or services.

The State Department has expressed reservations about the earlier drafts of this amendment, which included a requirement for certification along the lines of the anti-terrorism bill. Working with the Senator from Vermont, we have addressed this concern by requiring that the Secretary's report provide information, rather than a certification.

Another concern raised by the State Department is that there may be times when the benefits of providing any information of their own, might not want it made public that they are cooperating with our anti-terrorism efforts. The amendment, therefore, allows the Secretary to provide this information in a classified manner, if it will enhance foreign countries' cooperation. But international terrorism is a global problem that must be addressed by the joint efforts of all civilized states.

As I said earlier in my remarks, I do not know if the tragedy of TWA flight 800 was an act of terror or not. I was
pleased to note this morning, as we all were, that the black boxes were recovered, which, in the opinion of most experts, will give us the kind of factual evidence we need to reach a conclusion. But whether flight TWA 800 was an act of terror or not, what is known is that terror has now become part of the world scene and the American scene.

Any expert that you talk to will clearly state that you could not attack terrorism where the act of terror takes place, identify it at the root and the source of the act itself. That means going to places where the training, equipping, and arming takes place. It also means obtaining the cooperation of every other civilized nation and taking whatever action is necessary to go to the source of this act of terrorism.

Mr. President, as I said, I am not drawing any conclusions, nor would I advocate any course of action, because there is a wide range of options that are open to President Clinton and Congress in the event that an act of terror is perpetrated on American citizens.

It is instructive to note that some years ago when there was a bombing on a cafe in Germany, that a previous administration was able to identify the source of that act of terror. A bombing raid was mounted and successfully carried out in Libya, and since that time, Mr. Qadhafi has been rather quiet. It does not mean that Mr. Qadhafi has abandoned his revolutionary zeal, but it was certainly a cautionary lesson to Mr. Qadhafi and his friends.

I do not say that is the remedy in everything, but I think that there are a wide range of options, such as economic sanctions and others, that are open to us. If we do not act in response to acts of terror, and if we do not act in a cooperative fashion, then it is virtually impossible to address these acts of terror in an effective fashion.

Mr. President, I thank my colleagues, the Senator from Vermont and the Senator from Kentucky, for their assistance on this amendment.

Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The yeas and nays were ordered.

Mr. Mccain. Mr. President, I reserve the remainder of my time.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I believe that there is strong support for the amendment of the Senator from Arizona. I know that I am one supporting it. Again, I commend him for the effort that he has made on this.

I also understand that as a result of efforts to get some Senators back in here, that we will probably not have this debate tonight. I know that meets the satisfaction of leadership. So I might just make a couple of general comments on the bill along the lines of what I did yesterday.

This legislation reflects the best compromise that we are able to make in the Senate in the committee and a compromise between the distinguished Senator from Kentucky and myself in this legislation. We had an effort with the Senator from Arizona to go for an allocation. The allocation itself reflected the best efforts of the distinguished chairman of the overall Appropriations Committee, Senator Hatfield.

But I think that, Mr. President, we have to ask ourselves at some point just how long we can go down this road. No matter what the administration is, Republican or Democrat, we are going to have to face up to the responsibility of world leadership when we are the most powerful and wealthiest democracy known to history. We have seen steady cuts in the area of foreign aid. Maybe it is politically popular to go back home and talk about those cuts, but let us look at what we have in the form of reactive, tight-fisted, anti-foreign-aid rhetoric of the Reagan administration.

President Reagan’s budgets were almost 40 percent higher in foreign aid than President Clinton’s. President Clinton’s budgets reflected reality. The rhetoric did not reflect reality. The budget reflected more reality. But we have been so caught up with the rhetoric. The rhetoric of the Reagan administration rarely reflected the situation, but we have gotten so caught up with the rhetoric that we have now made the spending priorities a reality. As a result, we are not reflecting our responsibilities. Some are just pure economic sense.

If we help in the development of these other countries, that is usually the biggest and fastest growing market for our export products. We create jobs in the United States. The more exports we can create, the more jobs we create, and our fastest growing and biggest potential market is in the Third World. That is why Japan and so many other countries spend more money than the United States does as part of their budget in these other parts of the world, because they know that with the United States stepping out of that, they can step in. They are creating jobs. We lose American jobs. They create Japanese jobs, European jobs, and otherwise. They probably sit there and laugh and cannot understand why we believe our fastest growing and biggest potential job. They will take them over.

Then we have another area, and it is a moral area. We have less than 5 percent of the world’s population; we use more than 90 percent of the world’s resources. Don’t we as a country have a certain moral responsibility to parts of the world?

In some parts of the world, the annual per capita income of a person is less than one page of the cost of printing the CONGRESSIONAL RECORD for this debate. We have already spent in the debate this morning by 10 minutes of 10 more than the per capita income of parts of the world where we help out with sometimes 20 cents per capita, sometimes even 25 cents of their per capita. And here we are asking our moral responsibility as the wealthiest, most powerful nation on Earth?

We can look at pure economic sense. It makes little economic sense to us. We lose export markets as we cut back. But we also have some moral responsibility. Most Americans waste more food in a day than a lot of these hungry countries, the sub-Saharan countries and countries that will ever see on their tables. We spend more money on diet preparations in this country than most of these nations will ever see to feed their newborn children or their families.

So I ask, Mr. President, at some point when you feel good about the rhetoric of going home and talking about how they are opposed to foreign aid, they ought also to look in their soul and conscience and ask what they are doing. And, if they are not touched in their soul and their conscience, then also talk to the business people in their State and say: “We are doing this even though we are cutting off your export jobs, even though we are cutting out American jobs by doing this.”

There is an interesting op-ed piece in the Burlington Free Press of July 24 by George Burrill, and I ask unanimous consent that it be printed in the RECORD.

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

[From the Burlington Free Press, July 24, 1996]

U.S. FOREIGN AID HELPS AMERICANS AT HOME

(By George Burrill)

Of all the budget cuts enacted last year, none was more damaging than the reductions in foreign aid. By 1994, the hemorrhaging appears to have stopped. The Senate is now acting on the foreign operations spending bill, which will increase the funding slightly over this year’s level. In James j effords and Patrick Leahy, Vermont is fortunate to have two senators who understand the role of foreign assistance in improving the economic security of Americans. Both serve on the appropriations subcommittee with jurisdiction over foreign operations, and both have supported the programs that will give us the best chance to create future markets for U.S. exports.

One poll last year showed that nearly six out of 10 Americans incorrectly believed that the U.S. spends more on foreign aid than on Medicare. In fact, the government collects only about $11 per person each year from income taxes to pay for foreign assistance.

Most people know that foreign aid can be humanitarian. But few Americans realize that 80 percent of the total foreign assistance budget is spent right here in the United States, on American goods and services—more than $10 billion in 1994. This translates to about 200,000 U.S. jobs. For example, Cormier Textile Products in Maine provided tarpaulins for disaster relief and temporary housing in Africa.
Closer to home, I am working on a project to enhance the computer capabilities of the Egyptian parliament. What kind of computers? IBM—which has over 6,000 employees in Essex Junction.

Today, exports account for 10 percent of the entire U.S. economy—double the level of a decade ago. In 1983, the jobs of five million workers depended on U.S. exports. Today, that number has reached 12 million.

The fastest growing markets for U.S. goods and services are in developing countries. Between 1990 and 1995, exports to developing countries increased by nearly $100 billion, creating roughly 1.9 million jobs in the United States. This increase in U.S. exports to the developing world is no accident. Most of the foreign assistance that we spend on developing countries today is tight toward making them good customers tomorrow. The American economy is growing today mainly because other countries want and can afford to buy our products and services.

U.S. foreign assistance now focuses on encouraging six reforms in developing countries.

First, we encourage reform of developing countries' overall economic policy. For example, in the Czech Republic, we assisted in the transition from a command economy to a free market. The United States helped the Czech Republic create a healthy economic environment for investors, which included a balanced government budget, low inflation, and low unemployment. With over 10 million mostly urban and well-educated consumers, reforming the Czech economy has meant a 11 percent increase in U.S. exports through 1993 and 1994.

Second, we encourage developing countries to dismantle laws and institutions that prevent free markets from working. In Guatemala, the increased buying power of Guatemalans has meant a 19 percent increase in U.S. exports to Guatemala.

Third, we are helping to privatize state-dominated economies. This dismantling of state-run industries is an important means of attracting foreign investment. A $3 million U.S. government to investment to support privatization in the Indonesian energy sector has led to a $2 billion award to an American company for Indonesia's first private power contract. In fact, the U.S. foreign assistance budget has enabled U.S. companies to dominate the global market for private energy.

Fourth, U.S. foreign assistance encourages developing countries to establish business codes, regulated stock markets, fair tax codes and the rule of law. Foreign assistance helps create the stable business environments that U.S. companies need in order to cooperate effectively.

Fifth, we are helping to educate a new class of consumers in developing regions. When the United States helps educate a population, we help develop the skills needed in modern society, and we reduce the demand for goods and services that are not eco-friendly. Economic assistance serves as an engine for our future economic growth.

Mr. LEAHY. So, Mr. President, let us go on with this debate, as we will. As I said, I support the amendment of the distinguished Senator from Arizona. But let us understand that there are issues here beyond what might be in the applause line at a town meeting back home or in that subcommittee meeting when you say, “By God, we are taking the money away from those foreigners and putting it right here in America.” We are not doing that really. When we cut back on all our programs for development and for democracy around the world, we cut back on the potential of American jobs in export, we cut back our own security, we increase the potential that our men and women will be sent into trouble spots worldwide, but also we ignore our moral responsibilities to a country with 5 percent of the world's population using over 50 percent of the world's resources.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

Mr. MCCONNELL. Mr. President, I ask unanimous consent to add Senator HUTCHISON and Senator COHEN as cosponsors of this amendment.

Mr. MCCONNELL. Mr. President, I ask unanimous consent to add Senator HUTCHISON and Senator COHEN as cosponsors of this amendment.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. The rollcall vote was ordered.

The motion to lay on the table was agreed to.

The amendment (No. 5017), as modified, was agreed to.

Mr. LEAHY. I move to reconsider the vote.

Mr. MCCONNELL. Mr. President, for the information of Members of the Senate, Senator COVERDELL has an amendment pending which we are going to lay aside and immediately go to an amendment to be offered by the distinguished Senator from Maine. I see Senator COVERDELL on the floor. I yield the floor.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, for the information of Members of the Senate, Senator COVERDELL has an amendment pending which we are going to lay aside and immediately go to an amendment to be offered by the distinguished Senator from Maine. I see Senator COVERDELL on the floor. I yield the floor.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, just from a housekeeping point of view from this side of the aisle, if we have Democrats who have amendments, I wish they would contact me. We want to be as cooperative with the distinguished chairman as possible and get these in. I would be happy to go to third reading in the next 15 minutes, if we could. I do not think that is possible. But I urge Senators to move as quickly as possible if they have amendments and get them up and on deck.

Mr. MCCONNELL. Mr. President, very quickly, there are 28 amendments that we are currently aware of. At least seven of those we now know we can accept. So we should be able to move along here with dispatch.

I see the Senator from Georgia is on the floor. Mr. President, I yield the floor.
Mr. COVERDELL addressed the Chair.  The PRESIDING OFFICER. The Senator from Georgia.

AMENDMENT NO. 5018

Mr. COVERDELL. Mr. President, I ask unanimous consent to add Senator THURMOND and Senator HATCH as co-sponsors to amendment No. 5018.  The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COVERDELL. Mr. President, I ask for the yeas and nays on amendment No. 5018.  The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Coveredell amendment be temporarily laid aside.

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

AMENDMENT NO. 5019

(Purpose: To promote the improvement of the lives of the peoples of Burma through democratization, market reforms and personal freedom)

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

The legislative clerk read as follows:

The Senator from Maine (Mr. COHEN), for himself, Mrs. FEINSTEIN, Mr. CHAFEE, and Mr. MCCAIN, proposes amendment numbered 5019.

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

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

The amendment is as follows:

On page 188, strike lines 3 through 22 and insert the following:

POLICY TOWARD BURMA

SEC. 569. (a) Until such time as the President determines and certifies to Congress that Burma has made measurable and substantive progress toward the implementation of human rights practices and implementing democratic government, the following sanctions shall be imposed on Burma:

(1) LATERAL ASSISTANCE.—There shall be no United States assistance to the Government of Burma, other than:

(A) humanitarian assistance,

(B) counter-narcotics assistance under chapter 8 of part I of the Foreign Assistance Act of 1961, or crop substitution assistance, if the Secretary of State certifies to the appropriate congressional committees that:

(i) the Government of Burma is fully cooperating with U.S. counter-narcotics efforts, and

(ii) the programs are fully consistent with United States human rights concerns in Burma and serve the United States national interest, and

(C) assistance promoting human rights and democratic values.

(2) MULTILATERAL ASSISTANCE.—The Secretary of the Treasury shall instruct the United States executive director of each international financial institution to vote against any loan or other utilization of funds of the respective bank to or for Burma.

(b) NEW INVESTMENT SANCTIONS.

(1) The term "international financial institutions" shall include the International Bank for Reconstruction and Development, the International Finance Corporation, the Multilateral Investment Guarantee Agency, the Asian Development Bank, and the International Monetary Fund.

(2) The term "new investment" shall mean any of the following activities if such an activity is intended to agree or pursuant to the exercise of rights under such an agreement, that is entered into with the Government of Burma or a non-governmental entity in Burma, on or after the date of the certification under subsection (b):

(A) the entry into a contract that includes the economical development of resources located in Burma, or the entry into a contract providing for the general supervision and management of such a contract;

(B) the purchase of a share of ownership, including an equity interest, in that development;

(C) the entry into a contract providing for the participation in royalties, earnings, or profits in that development, without regard to the form of the participation; provided that the term "new investment" does not include the entry into, performance of, or financing of a contract to sell or purchase goods, services, or technology.

Mr. COHEN. Mr. President, this is one of the so-called Burma amendments. I will take a few moments to explain the nature of what I am seeking to achieve.

I am offering this amendment on behalf of myself, Senator FEINSTEIN, and Senator CHAFEE, and Senator MCCAIN.

Let me begin, Mr. President, by stating that nothing that we do or say on the floor of the Senate today is going to magically bring democracy, freedom and prosperity to the long-suffering people of Burma.

Burma's history, since gaining independence after World War II, has been a series of oppressive regimes unable to set the Burmese economy on its feet. Under the Burmese military junta, the State Law and Order Restoration Council, or SLORC, and democratic opposition groups within Burma.

When decades of isolation and economic mismanagement gave way in the late 1980's to a transitional period under military rule, there was a slight glimmer of hope that Burma might finally be moving toward a more bright and democratic future. But stolen elections, police-riot against one of the so-called Burma amendments. I will take a few moments to explain the nature of what I am seeking to achieve.
her aspirations for a democratic and prosperous future for the Burmese people.

But the question is, does the approach laid out by the subcommittee increase America's ability to foster change in Burma and strengthen our hand and allow the United States to engage in the type of delicate diplomacy needed to help a poor and oppressed people obtain better living standards, political and civic freedoms, and a brighter future as a dynamic Asian state—one of the next of the so-called Asian Tigers?

I think, Mr. President, with all due respect, the answer is no. By adopting the subcommittee language the Senate will be sending the following message: That the United States is ready to relinquish all of its remaining leverage in Burma;

That America is shutting every door and cutting off all of its already-depleted stake in Burma's future;

That the Congress is ready to further bind the hands of this and any future administrations, taking away those tools of diplomacy—incidents, both in a positive and negative sense—which are crucial if we ever go on to hope to effect change in a nation whose words and actions already carry diminished clout.

All of us deplore the behavior of the Burmese junta. We all sense the plight of the Burmese people. We know that the United States must support the forces of democratic change in Burma. I fully support the appropriation in this year's foreign operations bill to aid the democrats in the struggle.

I think we need to recognize the reality of the situation in Burma and our influence over there. Burma is not identical to previous situations in which the United States has successfully pressured governments who are antithetical to our values of democracy and freedom.

First, let me say Burma is not South Africa. Burma is not South Africa. Back in the 1970's and 1980's, the oppressive nature of the apartheid regime in South Africa led the Senate to impose heavy sanctions and isolation to end the regime. In order to do that, we had the support of not only our Western European allies but of the frontline nations, those surrounding South Africa, who also lent their support and joined in the effort to bring an end to apartheid.

Unlike South Africa in the 1970's and 1980's, Burma is not surrounded by nations ready to shunt it. As a matter of fact, Burma's neighbors and other states in the region reject the view that isolating Burma is the best means to encourage change. They are pursuing trade and engagement, and will do so regardless of what we do or say. Those nations over there who are closest and with Burma's proximity and who maintain their relations with Burma, seeking to bring about change over a period of time. Isolating Burma is simply not going to work, and we will not have the support of our allies. We will not have the support of our Asian friends.

Second, Burma is not Iran. Do not make that comparison to Iran. The Revolutionary Islamic Government of Iran, replaces its former terrorism and promoter of sectarian unrest throughout the Middle East and beyond. Not only does Iran flout the rights of its own citizens, it sponsors international terrorism, works to undermine the governments and pursues the development of nuclear weapons. As a result of this, Iran is largely a pariah state. While we might have disagreements with our friends and allies around the world regarding our Iranian policy or our policy toward Iran, there is general recognition that the revolutionary government there is pursuing policies contrary to the interests of regional stability and peace.

There is no such consensus on the Burmese junta. While many of their neighbors express irritation about the refugee flow caused by the SLORC's ongoing battles with the various ethnic groups, they view the efforts to oust SLORC as a threat to peace and stability in the region. The subcommittee's proposal will not make American policy more effective or make possible a more cooperative policy or regional consensus in dealing with SLORC.

Let me say that Burma is not China. I do not happen to be a particular supporter of the Clinton administration's China policy in general. A central tenet of the policy is that the United States can threaten sanctions on Chinese exports to the United States in order to convince the government of Beijing to live up to its agreements. We have had a longstanding debate over our policy with respect to China. I know many people might disagree with the administration's proposal.

I recall, for example, when President Bush was in office, there was strong opposition coming from the Democratic side to having anything to do with China, because we wanted to impose sanctions because of their terrible record on human rights. I recall many Members stood on this floor and talked about the butchers of Beijing, kowtowing to the Chinese, and imposing this policy of sanctions. President Clinton, when he was candidate Clinton, adopted that policy. Then, when he took office, he saw it was not going to work. We did not have the support of our allies. We did not have the support of our other friends in Asia.

So the administration changed its policy toward China, and it is because of that we have some leverage; we have considerable leverage because the Chinese export many billions of dollars of goods to this country. So now, by engaging the Chinese, we are able to exercise some influence in some areas of concern to us, but their state, including human rights, but also with respect to our intellectual property rights, which we feel we have been violated time and time again.

So we cannot compare this to China because we do not have that kind of policy leverage over Burma. We do not have the kind of export-import relationship with Burma that we have with China, so we do not have the leverage to help in bringing about change. If all of the rest is suggesting, it is important we create a Burma policy in tune with the realities of Burma today and not the examples of South Africa, Iran or China. The alternative that I offer today sets a different American policy which upholds our values and, at the same time, expresses our interests in regional stability. It does, however, make American values and interests clear in a way that gives the administration flexibility in reacting to changes, both positive and negative, with respect to the behavior of the SLORC.

In addition, I hope that the amendment I propose would not only allow for exceptions to the subcommittee's proposal, but I want to create some conditionality here, Mr. President. I propose to allow exceptions to the policy of no assistance to Burma in three critical areas:

First, humanitarian assistance: We do not want to impose sanctions that are basically going to be directed against the people, the Burmese people. That is only going to impoverish them more. So I would have no sanctions across the board in terms of including humanitarian assistance.

Second, there is an exception for counternarcotics effort. The counternarcotics provision, I think, is important, because, as Senator McCaskill has pointed out on so many occasions, the real victims of a failure to crack down on the narcotics trade in Burma are the millions of Americans who are harmed, both directly and indirectly, by our Nation's epidemic drug abuse.

Third, there is an estimated one-tenth of the world's production of heroine. So, does it make sense for us to eliminate all efforts to have a counternarcotics program in Burma? Are we not serving our national interests by at least maintaining some policy consistent with trying to stop the flow, interdict the flow, find other alternatives for the Burmese people to replace their crops with other types of crops?
Mr. President, I have traveled in recent years throughout Southeast Asia, and I have discussed foreign policy, certainly, with many of the leaders there. Frankly, they do not see eye to eye with our policies. That does not mean, necessarily, that we cannot form our policies to the way in which they view the situation in Burma, but it does mean that we should look on each and every occasion to consult with and, when possible, cooperate with the intentions of the government, if we hope to effect change in Burma.

It seems to me that we can get on the floor, point to the oppression of the Burmese junta, and we can satisfy ourselves that we are trying to punish them. But if, in fact, we do not have the support of our allies, and we do not have the support of those neighbors in the region friendly to us who are seeking to work with us on a multilateral basis, then we cannot use the embargoes we might impose here and produce no visible effect or improvement on behalf of the Burmese people.

Burma is located in one of the most dynamic regions of the world. It is the most dynamic region of the world. I suggest, Mr. President, that we have seen the flowering of democracy and freedom in parts of the world where values were quite alien to those that we support. We have seen developments, for example, in South Korea and Taiwan that have proven democracy can evolve out of formally authoritarian regimes. The same thing can happen in Burma. The best way to do that is to adopt a policy which gives the President some tools to influence the situation. The subcommittee’s proposal is all sticks, no carrots. What we seek to do is give the President some limited flexibility to improve the situation in Burma. I hope my colleagues will recognize this is not an effort to contradict what the subcommittee seeks to achieve, but rather provides the President with flexibility, it does not matter whether you support or not.

Someone asked me whether or not I was carrying the water of the administration. Let me say, Mr. President, I have never considered myself to be a waterboy for anybody. I have never carried water for any administration, if I thought it was simply seeking to accommodate the administration. I think there is only one team. There is not a Republican or Democratic team; there is only one team when it comes to foreign policy. We all ought to be on the same side.

We ought to try to develop a bipartisan approach to foreign policy. I am not speaking to carry the water of the administration more than I have in the past, when I was accused of not acting on behalf of an administration. What we need to have is a policy which this President or, what I hope to be President, will carry the credibility that has the flexibility to achieve the goals that we all desire, and that is the promotion of democracy and humanitarian relief.

Mr. McCONNELL. I thank my colleagues in Maine for his thoughtful presentation.

I know there are some others on the floor who would like to speak. Let me make a few observations here at the outset of the debate. My friend from Maine mentioned that we had consulted with leaders in the area. The one leader that we have not consulted with is the duly elected leader of Burma, Aung San Suu Kyi. Her party won the election. She is the legitimately elected head of a Burmese Government that has not been allowed to function. It has not been allowed to function because the State Law and Order Restoration Council simply disallowed the election, put her under house arrest until July 1995, and she still effectively is in that state. They say she is not under arrest anymore, but, in fact, she stays at home most of the time. That is the safest place to stay. She has to sort of smuggle out messages to the rest of the world.

So the one leader we have not consulted, Aung San Suu Kyi, has an opinion about the proposal in the foreign operations bill. The duly elected leader of Burma, the one who won the election, Western-style supervised election in 1990, thinks that the only thing that will work are sanctions.

Mr. JOHNSTON. Will the Senator yield to the point of view?

Mr. McCONNELL. Not yet. Mr. President, let me say that in terms of the pain to American business, there are only two companies, both of them oil companies, that are in there and plan to stay. Everybody else is pulling out. Of the oil companies, not to deal with this regime. Eddie Bauer pulled out, and Liz Claiborne pulled out. The retailers do not want to have anything to do with this crowd, which exists for the sole purpose of terrorizing its own citizens. They have a 400,000-person army, armed to the teeth, not because of any expansionist goal, but to suppress and abuse their own citizens. That is all they do. So if you want to do business in Burma, you cut a deal with SLORC, which is the State Law and Order Restoration Council and you enrich them.

So in terms of the pain to American business, if this sanctions measure went into effect, it would affect only two companies—not like South Africa, in which my friend and colleague from Maine supported the South African sanctions bill, as did I. My friend from Maine voted to override the President’s veto, as did I. A lot of others did too, and, in fact, a good number of Senators who are on this debate. My good friend from Maine supported the South African sanctions bill, as did I. My friend from Maine voted to override the President’s veto, as did I. A lot of others did too, and, in fact, a good number of Senators who are on this debate. My good friend from Maine supported the South African sanctions bill, as did I. My friend from Maine voted to override the President’s veto, as did I. A lot of others did too, and, in fact, a good number of Senators who are on this debate. My good friend from Maine supported the South African sanctions bill, as did I.

It has been 6 years since the election. This administration did not pay any attention to the election, and neither is the Clinton administration. The problem I have with the proposal of my friend from Maine is that the approach in the underlying bill is the way to go. Maybe the other people in Indonesia, Korea, Philippines, and other places do not think it is the way to go, but the one who won the election, the Western-style supervised election in 1990, thinks that the only thing that will work are sanctions.

Mr. JOHNSTON. Will the Senator yield to the point of view?

Mr. McCONNELL. I thank my colleagues. I yield for a quick observation.

Mr. LEAHY. I think it would be safe to say that if past performance is any indication—and I think it is an indication there would not be any help in stopping the heroin traffic by the other countries in ASEAN—there would be a serious narcotics enforcement effort by this crowd running Burma.

Mr. LEAHY. If the Senator will yield, I think I know the answer.

Mr. McCONNELL. I yield for a quick observation.

Mr. LEAHY. I think it would be safe to say that if past performance is any indication—and I think it is an indication there would not be any help in stopping the heroin traffic by the other countries in ASEAN—there would be a serious narcotics enforcement effort by this crowd running Burma.

Mr. McCONNELL. The Senator from Vermont is right on the mark. Since SLORC seized power, opium production has doubled and seizures dropped 80 percent. The warlord, Khun Sa, has had a complete safe haven. That is the kind of attention to the election, and neither is the Clinton administration. The problem I have with the proposal of my friend from Maine is that the approach in the underlying bill is the way to go. Maybe the other people in Indonesia, Korea, Philippines, and other places do not think it is the way to go, but the one who won the election, the Western-style supervised election in 1990, thinks that the only thing that will work are sanctions.

So I say to my friend from Maine, and I know it is well-intentioned and popular with the other people in Indonesia, Korea, Philippines, and other places do not think it is the way to go, but the one who won the election, the Western-style supervised election in 1990, thinks that the only thing that will work are sanctions.

So I say to my friend from Maine, and I know it is well-intentioned and popular with the other people in Indonesia, Korea, Philippines, and other places do not think it is the way to go, but the one who won the election, the Western-style supervised election in 1990, thinks that the only thing that will work are sanctions.

So I say to my friend from Maine, and I know it is well-intentioned and popular with the other people in Indonesia, Korea, Philippines, and other places do not think it is the way to go, but the one who won the election, the Western-style supervised election in 1990, thinks that the only thing that will work are sanctions.

So I say to my friend from Maine, and I know it is well-intentioned and popular with the other people in Indonesia, Korea, Philippines, and other places do not think it is the way to go, but the one who won the election, the Western-style supervised election in 1990, thinks that the only thing that will work are sanctions.
of cooperation we are getting from the State Law and Order Restoration Council, which runs Burma with an iron hand.

Now, some will suggest that unilateral sanctions are a radical step. Well, there is no authoritarianism anywhere. The PPARC in the last week or so. So the movement is beginning.

If America will lead, there will be a lot of followers, not initially with ASEAN, I agree with my friend from Maine. They have the biggest investment there. I can see why they do not want to change the status quo. They are doing just fine. It is probably a lot easier for countries that do not have huge investments there to choose not to invest if they do not already have big investments. Certainly, it is not going to be much of a hit to U.S. business there. But it is a beginning. It is a beginning.

We have pursued unilateral sanctions against Libya, Iran, and Cuba. So we have done this before. It is not completely unique. It is not a radical step. It has been 6 years, Mr. President, since the election over there—6 years of terrorism and murder, and the ASEAN countries are doing business and everybody else is ignoring it.

It seems to me, at this point, it is not reasonable to assume that this sort of constructive engagement is going to improve. There has been no improvement—none in 6 years. First, the Bush administration and then this administration either (a) has ignored the problems we tried to engage in constructive engagement.

There are plenty of other Senators who would like to speak. I just wanted to lay out for the Senate, as we begin the debate, what the committee position suggests is not a particularly radical step. This is truly one of a handful of pariah regimes in the world. If the United States doesn’t lead, who will?

I yield the floor.

Mr. THOMAS. Mr. President, I rise in full support of the Cohen amendment to the Burma provisions of H.R. 3540.

As the chairman of the Subcommittee on East Asian and Pacific Affairs, I strongly object to the present language in the committee substitute amendment. My problems with the provision are both procedural and substantive.

First, on the procedural issue, this matter is clearly one for an authorizing committee to consider, not—with all due respect—an appropriating committee. In the case of the limitation is clearly legislative in nature; it has absolutely nothing to do with funding. Consequently, it has no business being included in an appropriation.

Second, if enacted into law, the provision would be subject to a point of order on that ground alone, and would have been formerly in the Senate too until the recent Hutchinson precedent.

Therefore, we are left in a position of imposing unilateral sanctions, and unilateral sanctions are just like no sanctions. There has been no substantive and detrimental impact—to the tune of many millions of dollars—on several United States businesses with investments in Burma.

Consequently, the provision and its possible ramifications are a matter which the Senate should consider. The provision was referred to the Banking Committee by the authorizing committees of jurisdiction: the Committee on Banking and the Committee on Foreign Relations.

To date, Mr. President, neither committee has had that opportunity. The Banking Committee, by bringing on the Burma sanctions several weeks ago. At that hearing, the committee heard from only the first of three witness panels; the first panel consisted of supporters of the legislation, while the second and third consisted of the administration—which is opposed to the bill—and sanctions opponents. The remainder of the hearing has been indefinitely postponed. Under those circumstances, I do not believe that it can be said that the Banking Committee has had an opportunity to fully consider the matter.

As for the Foreign Relations Committee, neither the full committee nor my subcommittee has held a hearing on Burma provisions in this Congress. We were prevented from holding hearings on the Burma sanctions bill [Mr. MCCONNELL] Senator from Kentucky because the Parliamentarian ruled it was referable only to Banking. Yet despite the fact that the provision strikes at the very heart of bilateral relations with Burma, neither Senator MCCONNELL or his staff has even discussed this matter with me or the chairman of the full Foreign Relations Committee. Which should not be the case. It should be decided only after careful and considered deliberation, something lacking in this case, and not by a last-minute attachment to appropriations legislation.

Substantively, I believe the sanctions provided for in the bill are a completely ineffectual way to get Burma’s attention. We all know very well that economic sanctions only work if they are multilateral. We’ve seen that proven true time and time again. It is clear that in this case, we would be the only country imposing sanctions. All of the ASEAN countries, especially those which border Burma, have told us point blank that they will not join us in imposing sanctions. They will continue their policy of constructive engagement with Burma, and they told a recent United States mission to the area that imposing sanctions would cause them significant change in our relationship with Burma. Although I will readily admit that our present relationship with Burma is not especially deep, the imposition of mandatory economic sanctions would certainly damage the whole relationship we have. Moreover, it would affect our relations with many of our allies in Asia as we try to corral them into following our lead. Finally, and I have heard precious little from the manager of the bill on this, it would have a substantial and detrimental impact—to the tune of many millions of dollars—on several United States businesses with investments in Burma.

On the contrary, we’re doing everything we can to increase U.S. business there because we believe that’s the best way to influence China; this seeming truism is the principal reason why we continue to renew China’s most-favored-nation status each year. Most Senators have apparently concluded that the same is true for Vietnam. Why, then, are we taking a different position with regards to Burma?

Mr. President, I am the first to agree that democracy needs to be restored in Burma, that SLORC has to go, and that Daw Aung Sun Su Kyi and her party are the rightful government of that country. Unfortunately, this bill is not going to bring us one step closer to bringing that about. All it is going to do is hurt U.S. companies, put us out on a limb without the support of our allies or other countries in the region, and make us look somewhat foolish.

For these reasons, I oppose the committee amendment and support the Cohen amendment. I strongly urge my colleagues to do likewise.

Several Senators addressed the Chair.

THE PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I rise in full support of the Cohen amendment to the Burma provisions of H.R. 3540.
respects to the Cohen amendment. It had some significant differences, and we had a broad support I believe for that amendment. But, Mr. President, we have determined—Senator Nickles and I, and other supporters of this amendment—the different between the Johnston-Nickles amendment and the Cohen amendment were not sufficient so as to divide our forces. And we believe that essentially this amendment incorporates what we think is the central thrust of our amendment. So, therefore, we will accept it, and I urge my colleagues to do so.

Mr. President, this is a difficult question. No one else has asked the SLORC, the group that is running Myanmar, or Burma. It is true they are a bad regime. They are not an Iran in the sense that they do not practice state terrorism. They are not a Nazi Germany in the sense that they engage in genocide. But they are plenty bad, Mr. President, and we do not defend them.

The question is: Would it be effective to do what Senator McConnell has proposed? Would it be effective? Would it help achieve the end? Mr. President, I think it would do precisely and exactly the opposite.

Mr. President, to cut off American participation in Burma—not foreign participation but American participation—would be exactly the wrong thing. First of all, it is no sanction because Americans are less than 30 percent of foreign investment in Burma today and the total of foreign investment is less than Burmese send back—Burmese expatriates from around the world send back to their own country. The reason for this is because under the former leader of Burma, General Ne Win, who was there for over two decades, Burma was one of the most hermetically sealed countries on the face of the Earth. People did not go outside Burma. People did not come inside Burma. People were closed off. It was the only economy but society that practiced the most cruel kind of repression; no doubt about that. It has only been in the last few years, Mr. President, that Burma has opened up at all. They have begun to let a little bit of light in. Indeed, Unocal, which is an American company, is in there together with Total, which is a French company, to develop the gas fields. Actually they want to send the gas to Thailand. The Thais are very strong supporters of this, as you might expect.

And the question is: Is it good to have an American company, or would it be better to have Total, the French company, have the contract? Really that is the question proposed by the McConnell approach. I submit it is better to have an American company there.

Mr. President, I talked to the President of Unocal. He personally has been talking to these people in what we call the SLORC, the State Law and Order Restoration Council, the group that is running Burma. Whether or not he has been successful, or whether or not he is beginning to be successful, you can argue. But I can tell you, Mr. President, that the President of Unocal—an American—it is better to have him in there than to have only the French because the French and the Europeans are not interested in human rights matters. I mean they never helped on China. They never helped on other countries around the world. It is always the United States who does the propagation of democracy and human rights. We have a Louisiana company there that will not help.

The South Koreans are ready, willing, and able. And, as a matter of fact, it is grooms to take their place in Burma. I ask you, Mr. President. Do you think that the South Koreans are going to be in talking about human rights and democracy? Mr. President, it is much more likely that Americans will do so. When you have a country that has been so sealed off from Western influences, from civilizing influences, any influences, all these years, it is important to let the light in—the cleansing light of democracy, the cleansing light of Western civilization, the dynamic forces of the free market. It is better to let those in.

Then you have something with which to sanction. If, just as they are letting the light in, you suddenly shut the light off, there is neither a sanction to be had nor a loss for the Burmese in continuing with their course of conduct.

My colleague from Kentucky says that there has been no improvement at all; that they have not responded at all. Mr. President, I would say that is debatable. We asked the Burmese to do a couple of things, both of which they did. We asked them to release Aung San Suu Kyi. They did, as my colleague from Kentucky says. She is not under house arrest. She stays at home because it is the safest place. Maybe so. But we asked them to do that, and they did in fact respond. That is not much but it is something we asked them to do, and they did it.

We asked them to release the Members of Parliament. Most of them have been released. Several hundred have been released. There are a number which remain in prison. They say there is no Member of Parliament in prison, and rather cynically they are able to justify that by saying they decertified those Members of Parliament.

So I do not see how to make the case that the Burmese are responding completely, or responding in good faith, or that there is great reason to hope. But, Mr. President, there is some progress and some measurable progress where there was none before. When Ne Win was running that country, you could not even get American news media in; a member of the news media. Now, Mr. President, there is at least reason to hope.

My friend from Kentucky says Aung San Suu Kyi, that brave woman who did in fact win the election, has backed his position. Mr. President, I tried to read everything that she has said. I stand second to none in my admiration for her. She is a very brave woman. She has risked her personal safety to stand up for freedom and democracy in Burma. And I hope eventually that she will be successful.

But I am not aware—I was going to ask my colleague from Kentucky—if she has endorsed the specific language of the McConnell amendment. Has she endorsed this specific language?

Mr. McCONNELL. I would say to my friend from Louisiana that I believe the answer to that is yes.

Let me read the quote, have not seen her language, but I did read that “Foreign investment currently benefits only Burma’s military.” These are direct words from Aung San Suu Kyi. “Foreign investment currently benefits only Burma’s military and some totally confident that she supports the approach that I have recommended.

Mr. JOHNSTON. Mr. President, I thank the Senator for responding on that. I think the answer to my question is—and I think the Senator was substituting—that Aung San Suu Kyi has neither seen nor endorsed this language, that she in fact endorsed the approach that I have recommended. Mr. Cohen has in his amendment. It is sanctions. One of the central questions is this. I made up a little poem. I am not as good at poetry as the Senator from Maine is, but my little poem is this:

A sanction will not a sanction be if it hurts the sanctioner and not the sanctionee.

What that means is if all you do is cost American jobs and influence by substituting, for Unocal, Total, a French company, when Unocal is trying its best to influence the SLORC, influence the government, doing what it can, and all you are doing is getting the Americans out and putting in the French, getting the Americans out and putting in the South Koreans, then I submit that is no sanction at all. I am not aware—Mr. Cohen was told by my friend from Kentucky that there is precedent for this because we have taken unilateral sanctions against Iran and Libya and Cuba.
First of all, I think these three countries are greatly distinguishable, the first two practicing terrorism all around the world, and in the case of Cuba, shooting down American planes over international airspace. Whatever else you say about Burma, they do not practice state terrorism, nor do they threaten their neighbors.

Moreover, my friend from Kentucky says that sanctions sometimes work and sometimes do not, and he talks about the example of South Africa. They did, in fact, work in South Africa where you had a united world. The whole world was united against South Africa. In the case of Burma, the United States, to my knowledge, has not one, single ally. The nations of the area, the ASEAN countries, actively oppose sanctions and actively hope that we will engage Burma not just because they want to trade with Burma, and they do, but because they believe that to sanitize the regime, to encourage a dialog, to bring democracy to Burma is by beginning to engage that country.

The European Union 2 weeks ago voted for unilateral sanctions. Not even the Danes, whose diplomat there died in prison under very suspicious circumstances, are willing to engage in sanctions against Burma. The Cohen amendment seeks to have our administration get other nations of the world to engage in multilateral sanctions. Multilateral sanctions will work. If we can engage the other countries of the region and of the world to engage in multilateral sanctions, we will work. If we can engage the other countries of the region and of the world to engage in multilateral sanctions, we will work. If we can engage the other countries of the region and of the world to engage in multilateral sanctions, we will work. If we can engage the other countries of the region and of the world to engage in multilateral sanctions, we will work.

We passed the Cohen amendment and we lack the help to bring democracy to Burma.

Mr. MCCONNELL addressed the Chair.

Mr. BOND addressed the Chair. The PRESIDING OFFICER (Mr. THOMAS). The Senator from Kentucky.

Mr. MCCONNELL. Very briefly, I just wanted to make a couple of observations with regard to the comments of my good friend from Louisiana.

Aung San Suu Kyi has a cousin, an official spokesperson, who resides in the United States and heads an organization called the National Coalition of Government of the Union of Burma. He is, in effect, Aung San Suu Kyi’s spokesman in our country. He is here because he has to be here. He cannot be over there and continue to breathe. I have a copy of letter dated July 12, 1996, from him on the very issue that we are debating here this morning. Dr. Sein Win says:

The immediate imposition of economic sanctions against the ruling military junta is urgently needed. I do not take the imposition of sanctions on my country lightly.

He understands what we are talking about here.

I and the democratic forces working to liberate our country know that foreign investment serves to strengthen SLORC. It is providing SLORC with the means to finance a massive army and intelligence service whose only job is to crush international dissent.

He goes on saying:

The situation in my country has deteriorated into free fall.

He concludes by saying:

I urge you to stand on the side of 42 million freedom-loving, peace-loving, peace-loving, peace-loving people and impose economic sanctions against this rogue regime.

I certainly agree with my friend from Louisiana that the State Law and Order Restoration Council is no threat to its neighbors. It is not. It is a threat to its own citizens. That is what this is, a regime of terrorism against the Burmese people. If we do not impose sanctions unilaterally, who is going to start this? Who is going to take the lead if the United States does not? Sooner or later, if the international community is going to notice what is going on there and take some steps, it is going to happen because of American leadership.

Mr. President, I know the Senator from Missouri is anxious to speak. I will come back to this later. I yield the floor.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I rise today in support of the amendment by my colleague from Maine. I am very concerned about the impact of the provisions in the underlying bill. Like most, if not all, of my colleagues, I would agree and agree wholeheartedly that the present conditions in Burma, or Myanmar, are deplorable. The conditions of SLORC cannot and should not be condoned. As I have said in the past on many occasions, their claim to govern is an illegitimate claim. Their hold on power through oppression and denial of human rights is one that I, and I believe everyone else in this body would like to see come to end as soon as possible.

Aung San Suu Kyi and her party won an election in 1990 and I am confident that win again if another election were held today. SLORC came to power solely due to its ability to coerce. Period. End of story.

The question that we are now trying to answer is, how do we respond to the situation? How can the United States be influenced to move forward and bring about change in Burma and to bring the democratically elected government of Aung San Suu Kyi back to Burma?

One approach that is taken in the foreign operations appropriations bill is to try to achieve change in Burma through total unilateral sanctions—unilateral sanctions. This approach assumes that such actions will influence and pressure SLORC to change its behavior.

I have to commend my colleagues for their eagerness, their dedication and the leadership of the Senator from Kentucky to try to see that we do something to bring about change in Burma, but I am not convinced that cutting off what little contact we do have with that country will serve the positive purpose we seek. That action, in my opinion, will do nothing to bring about change in Burma. Such sanctions would be ineffectual in achieving their purpose and would solely deny the Burmese people, the ones we are trying to assist in this whole debate, the positive effect of closer and deeper American engagement.

What would be accomplished by implementing sanctions unilaterally on a country where U.S. investment is relatively insignificant, minor, almost unimportant and would be quickly taken up by our competitors? We must remember that all of the nations of Asia and much of Europe, including France, Germany, and the United Kingdom, disagree with this policy of sanctions.

The Senator from Kentucky has given us quotes from Aung San Suu Kyi and her spokesperson, in which they talk about foreign sanctions. If all countries who are now trading with Burma could be enlisted, then there could be a major impact. But I can tell you from talking to—and mostly from having talked to—the leaders of the countries that are the neighbors of Burma, that is not going to happen.

Burma is just beginning to open its doors to the outside world. There are neighboring countries and other countries in the world anxious and willing to go in. The openings is a unique opportunity that we have not seen before, an opportunity to help bring about change, to make things happen. Frankly, I am not so much concerned, not so much concerned, not so much concerned, not so much concerned, not so much concerned, not so much concerned.

The European Union 2 weeks ago voted for unilateral sanctions. Not even the Danes, whose diplomat there died in prison under very suspicious circumstances, are willing to engage in sanctions against Burma. The Cohen amendment seeks to have our administration get other nations of the world to engage in multilateral sanctions. Multilateral sanctions will work. If we can engage the other countries of the region and of the world to engage in multilateral sanctions, we will work. If we can engage the other countries of the region and of the world to engage in multilateral sanctions, we will work. If we can engage the other countries of the region and of the world to engage in multilateral sanctions, we will work. If we can engage the other countries of the region and of the world to engage in multilateral sanctions, we will work. If we can engage the other countries of the region and of the world to engage in multilateral sanctions, we will work.
out? I cannot see how punishing United States firms by threatening to keep them out of Burma is an effective way to bring about change. United States presence, U.S. firms are the ones on the ground who can help spread American values.

Obviously, our global competitors and Burma's neighbors see opportunities arising in Burma. I fear they are more interested in monetary gain, in many instances, from such change and not the opportunity to bring about the political change that we in the United States are seeking. I can imagine that European and Asian trade competitors would be wildly supportive and happy to see total sanctions unilaterally imposed by the United States on its own companies.

Another possibility we must start considering is the security issue of continuously isolating Burma. To do so could drive them into the arms of the Chinese. A strong security relationship between China and Burma is not, in my view, in the best interests of the United States. I fear to think what it would mean if such a relationship were to lead to a port in Southeast Asia for the Chinese Navy.

At the same time, the United States does not do much for Burma. We purchase a mere 7 percent of all Burma's exports and provide an insignificant 1 percent of its imports. We provide them no aid. We limit international financing by continuing to vote against loans to Burma through international financial institutions. Frankly, these votes are likely to be overridden by other voting countries who seek the opportunities that large-scale projects in Burma would provide. We have very little leverage even now with Burma. To isolate ourselves even further from that country would be to give up what little influence, what positive pressure for change we can bring.

The United States can either be at the table and foster meaningful dialog and negotiations, or we can walk out of the room. I believe that, recognizing the opportunity that SLORC is providing by opening Burma to foreign interests, staying and engaging the country's foreign leader is the best hope we have for fostering democratic change in Burma.

We all want to see change in Burma. We all feel that SLORC's actions are reprehensible and would like to see the legitimate government of Aung San Suu Kyi brought to power. I hope, while making efforts to bring about these results, we do not give up existing and future United States interests, not only in Burma but throughout Southeast Asia. I yield the floor.

The PRESIDING OFFICER. The assistant majority leader.

Mr. NICKLES. I compliment my colleagues for their excellent statement. I echo his comments. I also compliment Senator COHEN for his amendment.

Senator JOHNSTON and I have been working on a comparable amendment. It is almost identical. We are not going to offer that. I think it is important for people to have one alternative to the language in the appropriations bill.

On page 188 in the bill, it says we are going to have sanctions against Burma. If we do not have the language in the bill, Burma has been repressive. It has denied human rights. We need to make changes. So, how does the committee, or how does the language that we have before us in the bill, do that? First, it says, "No national of the United States shall make any investment in Burma." Some people, some companies, some U.S. citizens have already made investments. We are going to say no more investments; no investments, period. That is a very stark punishment. I am not sure it is punishment so much on Burma and officials in Burma as it is on officials of the United States and people of the United States. The language continues. It goes on and says we will deny United States assistance to Burma.

The Cohen amendment does that as well, but it is a little more targeted. Under the language that we have in the bill, it says United States assistance to Burma. For the Cohen amendment it says assistance is prohibited except for humanitarian assistance. We are trying to help some people. There has been repression over there. It also says we could continue to have assistance for counter-narcotics. Right now there are a lot of narcotics coming from Burma. Should we not have United States assistance, some undercover, some open, used to investigate sources of heroin and other drugs that might be leaving Burma and ultimately end up in the United States? The language that is in the bill before us would deny any assistance, including counter-narcotics efforts. I think that would be a serious mistake.

The idea of having a unilateral sanction, I think, is a mistake. I think, if we are going to have sanctions, they should be multilateral. If we are saying only the United States steps forward, no U.S. citizen shall invest, and no other country comes forward, there may not be any change whatsoever. Certainly, if we are going to have U.S. sanctions, I want my colleagues to consider—I will not be offering it at this time, but I was considering an amendment or not working. We want to have the changes in Burma, but do we make those changes when we have unilateral sanctions affecting our very small investments? I doubt it. Certainly they can be offset by other countries.

Can we say the word sanctions? I do not. Some of my colleagues say you have multilateral sanctions? Possibly. Sanctions are difficult in this day and age. When the Carter administration imposed a wheat embargo on Russia for some serious abuses, what happened is we lost markets to one of our weak competitors. In Russia, it was replaced by a lot of other countries—Australia, Argentina and other countries. They expanded their wheat base. They expanded to Russia. We do not buy as much from the United States. They buy from other countries. We just created another group of competitors in this particular one commodity. Did we change policy in Russia? I do not know. I do not think it was a real, triggering impact in making policy changes. I want to make the policy change.

Another important segment of the Cohen amendment is that it does give the President some discretion, some leverage, which will have influence on future decisions on Burma. Do we just want to punish them for past decisions, punish them or punish American citizens? I am afraid we will be punishing Americans more than we will be punishing the Burmese regime.

But more important, how do we change future behavior? I think the Cohen amendment does more toward changing future behavior because it says we are actually giving some discretion. If we do not see improvements, those sanctions will come about, but the President and the diplomatic efforts can be using those for leverage. There is not a lot of leverage when it says no national of the United States can make any investment, the United States can give no assistance whatsoever. I am afraid that will not influence anything toward the positive.

Frankly, it will cost the United States. It will be taking investments away from American citizens, I think unquestionably, and I doubt it would have the economic impact desired by my colleague from Kentucky.

I respect greatly the efforts of the Senator from Kentucky. I know he believes very sincerely in trying to effect change in Burma. I happen to share the goal of my colleague from Kentucky. I just think the method toward best achieving that would be through the amendment offered by my colleague from Maine, Senator COHEN. I compliment him on that amendment, and urge its adoption.

Mr. MCCONNELL. Mr. President, if I can say quickly to my friend from Oklahoma before he leaves, I appreciate his kind words about my work on this issue. If I heard him correctly—and I don't want to misstate his position—but I hear my friend from Oklahoma say that he thought assisting the regime there was a good idea? Maybe I misheard him.

Mr. NICKLES. Mr. President, no, I did not. I say to my colleague, I was referring to the section that says no assistance whatsoever to Russia. I do not want to conclude that to prohibit U.S. contributions involved in any way dealing with, I think—we have exceptions for drug interdiction. Can we spend money in
Burma for drug interdiction, drug identification, undercover or otherwise? I think we should have an opportunity.

Mr. MCCONNELL. The current law forbids that. We just last year imposed a prohibition on dealing with SLORC. So this would, in effect, weaken existing law.

I wanted to make sure my friend from Oklahoma knew that. Existing law says no U.S. cooperation with SLORC on the drug issue, frankly because we don't trust them. So the Cohen amendment would actually weaken existing law in terms of the U.S. relationship with SLORC. I just wanted to make that clear.

Let me make a few observations about the argument that the approach we are recommending is inevitably going to be unilateral in nature and nobody will follow us.

Already there is action in the European Parliament. Let me point out to my colleagues what action has been taken in the past month in the European Parliament.

First, the European Parliament has condemned torture, arrests, detentions, and human rights abuses perpetrated by SLORC. Obviously, that is an easy thing for that other parliament to do.

It supports the suspension of concessional lending to SLORC, a little tougher step.

Third, the European Parliament has called on members to suspend GSP for exports to Burma because of forced labor conditions.

And fourth, Mr. President, and most important, the European Union has called upon its members to suspend trade and investment with Burma.

The July 1996 European Union resolution restricts visas to SLORC officials and their families, something that is in the underlying bill and I hope we adopt.

The resolution restricts the movement of SLORC diplomatic personnel, suspends all high-level visits, demands full investigation and accountability for the death in custody of Denmark, Finland, Norway, and Switzerland's consul, Leo Nichols. Let me talk about Leo Nichols. Leo Nichols was Aung San Suu Kyi's best friend. He was the European consul who represented a number of European countries in Burma as a sort of local consulate official.

Leo Nichols was arrested a few months ago for the crime of possessing a fax machine, Mr. President. In Burma, if you are on the wrong side of this issue, you can be arrested for such things as possessing a fax machine. So Leo Nichols was arrested for possessing a fax machine and turned up dead.

They had a hard time getting the body. He was denied medication.

All of a sudden, Europe discovered Burma, because a European citizen got treated the same way the Burmese citizens are treated on a daily basis. All of a sudden, a European citizen got treated that way, and Europeans have all of a sudden gotten more interested in this issue.

So I raise this point to suggest that if America has the courage to take this step unilaterally, we will not be alone for very long. As a matter of fact, the rest of the world is getting interested in this issue. Secretary Christopher called me from Indonesia the day before yesterday, to talk about this issue. Obviously, he supports the amendment of the Senator from Maine, and that is certainly OK.

Mr. COHEN. If the Senator will yield, I don't believe he does. He does not express support for this amendment. Mr. MCCONNELL. I am sorry. I retract that. Let's put it this way. The Secretary of State would like a proposal, I think, that gives the administration wide latitude to manage this issue as they see best, and I hope it is not a misstatement of the Senator's amendment that it does give the administration a good deal of latitude.

Mr. COHEN. It gives the administration some flexibility. They would like more, Mine does not give them quite as much as they want.

Mr. MCCONNELL. I certainly would not want to misstate the position of the administration, but I am confident in saying the Secretary of State would prefer not to have unilateral sanctions. I think the Senator from Maine would agree with that.

I have been a little surprised the administration has not gotten interested in this issue, but I think they are getting more interested in the issue.

The point I was going to make before my friend from Maine stood up was what Secretary Christopher pointed out to me is it was discussed for an hour the other night at the ASEAN meeting. Previously, they acted like Burma was not there. Nobody talks about it. It is being forced on to the agenda for the first time in the part of the world that is least interested in doing anything about the regime, for all the obvious reasons. They have the biggest investment there.

So this is not going to go away, Mr. President. I don't know what is going to happen on the vote on the Cohen amendment, but it is not going to go away until SLORC goes away and until the results of the election in 1990 are honored.

I don't want to misrepresent at all the position of the administration on the Cohen proposal. All I can say is it is exactly what the administration and the National Security Council asked me to accept on Monday, but they will have to speak for themselves. This amendment, by the way, is not directed at the Clinton administration. The Bush administration was worse, from my point of view, on Burma than this administration has been. At least they discuss it occasionally.

So, Mr. President, let me just conclude this little by saying I don't think we will be alone very long if we have the courage to take this step.

I yield the floor.

Mr. LEAHY addressed the Chair.

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

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

Mr. LEAHY. Mr. President, I am perfectly willing to yield to whomever wants the floor. If no one is seeking the floor, I will suggest the absence of a quorum, Mr. President.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. COHEN. Mr. President, I understand there are a number of Senators who would like to speak on this measure who cannot come to the floor at this time. So I am going to suggest the absence of a quorum in a moment, but then agree to lay aside this amendment so that other amendments that may be pending can be considered.

Mr. MCCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky?

Mr. MCCONNELL. Mr. President, there is going to be further debate on this amendment. But it is my plan, when Senator COHEN has completed, if there are no other speakers at this moment, to lay this amendment aside. I understand Senator SMITH is ready to offer an amendment that he will need a rollcall vote on. We will move to the Smith amendment.

Mr. COHEN. Could I just indicate for the record, during the course of the debate this morning the question of the administration's position was raised. I have since been apprised that the administration does lend its support to the Cohen amendment, which prior to the beginning of the discussion of this matter it did not. So perhaps they have been watching C-SPAN and have tuned in to see the better part of wisdom in supporting the Cohen amendment.

Mr. President, I ask unanimous consent that the letter, signed by Barbara Larkin, Assistant Secretary of State for Legislative Affairs be printed in the RECORD.

The letter having been no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF STATE, Washington, D.C.

Dear Senator Cohen:

I wanted to inform you that, at the request of the Senate Foreign Relations Committee, the letter signed by Secretary Cohen and which you and others have offered to Section 569 (Limitation on Funds for Burma) of H.R. 3966, the Foreign Operations Appropriations bill. We believe the current and conditional sanctions which your language proposes are
consistent with Administration policy. As we have stated on several occasions in the past, we need to maintain our flexibility to respond to events in Burma and to consult with our friends and allies about appropriate responses to ongoing and future development there.

We support a range of tough measures designed to bring pressure to bear upon the regime. We will continue to urge international financial institutions not to provide support to Burma under current circumstances. We maintain a range of unilateral sanctions that do not promote U.S. commercial investment in or trade with Burma. We refrain from selling arms to Burma and have an informal agreement with our G-7 friends and allies to do the same.

On the international level, we have strongly supported efforts in the UN General Assembly and the International Labor Organization to condemn human and worker rights violations in Burma. At the UN Human Rights Commission this month, we led the effort against attempts to water down the Burma resolution. We have urged the UN to play an active role in promoting democratic reform through a political dialogue with Aung San Suu Kyi.

The Office of Management and Budget advises that from the standpoint of the Administration’s program there is no objection to the submission of this report. We note, however, that the working of two of the sanctions as currently drafted raises certain constitutional concerns. We look forward to working with you and the conference to address these.

We hope this information is useful to you. Please do not hesitate to call if we can be of further assistance.

Sincerely,

BARBARA LARKIN,
Assistant Secretary,
Legislative Affairs.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that the order for the bill be rescinded.

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

Mrs. FEINSTEIN. Mr. President, I rise to urge my colleagues to support the Cohen-Feinstein-Chafee-McCain amendment with respect to Burma.

Before I begin, I want to express my admiration for the distinguished manager of the bill, Senator MCGONNELL, who has almost singlehandedly brought this issue to the floor. He has been doggedly pursuing adjustments to our Burma policy for many months, and has focused the attention of the Senate and the administration on this issue in a way that would not have happened otherwise.

There is clearly no division, I think, at least among this body for many months, and the SLORC regime in Burma. It is an oppressive antidemocratic regime, and it has systematically deprived the people of Burma of the right to govern themselves. There is no disagreement on that point. I think, nor on the desirability of restoring democracy in Burma.

The key question, though, we need to ask, is what is the most effective way to advance the goal? In order to answer that question, we need to have a clear understanding of what leverage we have, or lack of, on Burma. We also need to have a clear understanding of how other interests in the region will be affected. The key problem with the Burma issue, I think, is that if we pass the bill before the Senate, is that it presumes we can unilaterally affect change on Burma.

I have come, as I have watched world events, to believe that unilateral sanctions make much sense. It is absolutely essential that any pressure we seek to put on the Government of Burma be coordinated with the nations of ASEAN and our European and Asian allies. If we act unilaterally, we are more likely to have the opposite effect—alienating many of these allies, while having no real impact on the ground.

One of the key aspects of the amendment offered by the Senator from Maine is that it requires the President to report on democratic opposition with members of ASEAN and other nations having major trading and investment interests in Burma, a comprehensive multilateral strategy to bring democracy and to improve human rights and the living standard in Burma.

This strategy must include the promotion of dialog between the SLORC and democratic opposition groups in Burma. Only a multilateral approach is likely to be successful. Knowing that the ASEAN countries, who are moving now toward more engagement with Burma, not less, will not join us in sanctions at this time, it is clear that such a policy will not be effective. For example, on the Unocal pipeline, if we apply unilateral sanctions, the Unocal pipeline, which is now a joint venture between France and the United States company, will only be taken over by either Japanese interests—I am told Mitsui is interested—or South Korean interests. Therefore, what point do we really prove?

The Cohen-Feinstein amendment does recognize that there are steps we can and should take at this time. It does ban bilateral assistance to Burma, but it does so with three important exceptions. First, it allows humanitarian assistance, which is clearly a reasonable exception in the case of natural disaster or other humanitarian calamity. Second, it allows assistance that promotes democracy and human rights, and which makes sense, since that is what we are trying to promote in Burma. Finally, it allows an exemption for counternarcotics assistance, if the Secretary of State can certify that the Government of Burma is fully cooperating with the United States counternarcotics effort, and that such assistance is consistent with United States human rights concerning Burma.

This last exemption goes to perhaps, one of the key aspects of this amendment. Aung San Suu Kyi and her colleagues have demonstrated a consistent interest in Burma. Only a multilateral approach is likely to be successful. Knowing that unilateral sanctions change on Burma.

Mr. HELMS. Mr. President, with all due respect to the able Senator from Maine, whom I do respect, I have a problem with his amendment. His amendment is based on the premise that the United States should wait until a future time—nobody knows when—a future time to impose tougher sanctions against the illegal SLORC regime in Burma. The Cohen amendment for conditional sanctions prescribes for a ban on new investment only “if the President [of the United States] determines and certifies to Congress that,
[at some future date,] the Government of Burma has physically harmed, re-arrested for political acts, or exiled Daw Aung San Suu Kyi or has committed large-scale repression of or violence against the democratic opposition.

Mr. MCCONNELL. That is right.

Mr. HELMS. That is right.

Mr. MCCONNELL. Nothing. So I thank the chairman for his support for this cause.

Mr. HELMS. I thank the distinguished Senator from Kentucky for the very great work he is doing. I thank the Chair.

BURMA SANCTIONS

Mr. MCCAIN. Mr. President, I am pleased to join Senator Cohen as an original cosponsor of his amendment to improve the language on Burma sanctions contained in the foreign operations bill. This amendment is constructive and a better approach to addressing the problem that Burma poses for American foreign policy.

All of us in this body want the people of Burma to enjoy their human rights. But we must avoid a policy that will only make us feel good, but that is unlikely to achieve the goals it is intended to accomplish. Mr. Cohen proposes an approach advocated by the Appropriations Committee, while well-intentioned, is too precipitous. Imposing unilateral sanctions on Burma immediately and lifting them only at such time as the SLORC allows a democratically elected government to take power may even provoke a reaction from the Burmese regime which is the opposite of what the committee intends.

Burma's regional and investment partners do not share the intensity of our concern for democracy and definitely do not agree with the committee imposition of sanctions.

The New York Times Monday reported the attitudes of nations attending the weekend meeting of the Association of South East Asian Nations (ASEAN). The Indonesian Foreign Minister is quoted as saying, "ASEAN has one cardinal rule, and that is not to interfere in the internal affairs of other countries," which is a change from those in the United States pushing for sanctions. ASEAN took the first step in admitting Burma as a member, giving it official observer status.

ASEAN's reaction is important because these are the nations, along with the People's Republic of China and the other nations of Asia, whose views most concern the ruling authorities in Burma. The United States accounts for less than 10 percent of foreign direct investment in Burma. The United States accounts for only 7 percent of Burma's exports and United States imports account for only 1 percent of Burma's total imports. Both Thailand and Singapore are bigger investors in Burma than the United States, as are France and Britain. Given these circumstances, it is hardly surprising that United States opinion carries less weight in Burma than it does elsewhere in the world.

Proponents of immediate and sweeping sanctions have invoked the example of South Africa. Indeed, Burma may actually exceed South Africa in its repression. After all, as repugnant as the system of apartheid was, South Africa did provide at least a minority of its people with democratic rights while Burma systematically denies these rights to all its citizens. Burma certainly deserves the condemnation of all freedom-loving people.

However, Burma is unlike South Africa in a number of ways which make sanctions unlikely to yield the same result.

First, United States policy toward South Africa was coordinated with our allies and that nation's most important trading partners, particularly South Africa.

There was no serious prospect that when our companies pulled out of the South African economy others would readily take their place, thereby undermining the effect of sanctions and making their chief victim American companies. Second, South Africa was much richer than Burma is today.

Per capita income in South Africa was $2,000 when we imposed sanctions. In Burma today it is $200, one of the lowest rates in the world. South Africa has a stake in the economy. Burma has just begun to develop an interest in attracting foreign trade and investment. Third, Burma is an overwhelmingly rural economy, with manufacturing accounting for 9.4 percent of GDP and 8.2 percent of employment.

Fourth, the South African regime and the elite that supported it had historical connections to the nations censoring it. It was not only affected materially by the sanctions imposed on it, but many in South Africa who treasured their ties to the West were dismayed by their international isolation.

Burma has a long history of self-imposed isolation. Beginning in 1962, the leaders of Burma believed that their interests were best served by rejecting the pressures of the outside world. Even today, after Burma began an economic opening to the world, that opening is decidedly modest. Tom Valley of Harvard has pointed out that Vietnam, a nation struggling with its own market reforms, approved more investment in 6 months than Burma did in 8 years.

We are right to call for the institution of the democratically elected government of the National League for Democracy. In 1990, the people of Burma participated in a democratic election, and overwhelmingly supported the National League for Democracy. The Burmese military thwarted that victory and remains in place today as a standing insult to the proposition of democratic self-rule. They have since ruled the nation with an iron fist. But as despotic as they are, the generals who now control Burma constitutes the de-facto government.

The amendment offered by Senator COHEN is an attempt to recognize both the rights of the Burmese people and the realities of power and history. It attempts to narrow the scope of our legislative efforts, and give the President, who, whether Democrat or Republican, is charged with conducting
our Nation's foreign policy, some flexibility. This amendment has the explicit support of the administration.

It has a number of specific advantages beyond giving the administration more flexibility. Conditioning an investment in a significant deterioration in the human rights situation in Burma, namely the arrest of Aung San Suu Kyi or a general crackdown on the democratic opposition, is a key element which commends the alternative to the current prohibition. The Congress is great interest in the safety and welfare of Aung San Suu Kyi. However, I believe it may have erred in not including such a targeted sanction in his own bill. If the language in the bill were signed into law, a ban on U.S. investment would come into effect immediately. If the prospect of a United States investment sanction is restraining them at all, I see no reason why the Burmese authorities would not reassert Suu Kyi once the sanction is imposed. What would they lose that would they have to lose in once again rounding up pro-democracy activists by the hundreds? The Cohen approach preserves our options while at the same time making perfectly clear the action that consequences would take if the situation deteriorates.

In the meantime, the Cohen amendment imposes three out of the four Mcconnell sanctions: prohibition of foreign assistance except humanitarian and counternarcotics assistance, U.S. opposition to multilateral lending, and the denial of U.S. visas to members of the regime. While doubts remain about the efficacy of even these limited sanctions, they will at a minimum demonstrate American displeasure with the situation in Burma. More importantly, a Senate vote in favor of the administration-supported Cohen amendment will demonstrate the unity and resolve of American policy toward Burma.

The concerns made by Senator COHEN to the prohibition on foreign assistance are, I believe, very constructive.

Last year, Senator KERRY and I fought to permit counternarcotics assistance for Burma. Ultimately, we failed, but the Cohen substitute, if passed, will once again permit this vital assistance. As my colleagues know, the United States has not provided assistance of this type to Burma simply because in fact that Burma is the source of more than 60 percent of the heroin on United States streets. Burma is the largest opium producer in the world. If we are ever to get a handle on the heroin problem in our own country, in addition to addressing demand, we will have to work with the Burmese. Engaging in the battle and achieving some degree of success will result, at the very least, in driving down the supply of opium and driving up the price.

To address the concerns of those who point to the possibility that counternarcotics assistance in the hands of the SLORC might give them the means to subdue its ethnic minorities, Senator COHEN's amendment requires the Secretary of State to certify that any proposed counternarcotics program is consistent with United States human rights concerns.

The effect of going to a ban on assistance in Senator COHEN's amendment is humanitarian assistance. The committee amendment makes no allowance for humanitarian assistance. If the intent of the sanction on humanitarian assistance is to withdraw legitimacy from the regime, I believe it has limited value in this respect would be vastly outweighed by the practical ineffectiveness of unilateral sanctions. I am unconvinced that getting funding for Feed the Children and World Vision is going to make Burma any more disposed toward democracy.

I know that many Senators would rather not impose any sanctions on Burma. But the committee has decided to weight the importance of United States-Burma policy. The SLORC's repression of the Burmese people's pursuit of their God-given rights have made congressionally imposed sanctions on Burma inevitable. Senator COHEN has formulated an approach that I believe is respectful of the prerogatives of the President, and more likely to positively influence the situation in Burma than will the sanctions adopted by the committee. I commend him for his work on this issue and encourage my colleagues to vote for the COHEN amendment.

I ask unanimous consent that a letter from the State Department to Senator COHEN in support of his amendment be printed in the RECORD. There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. Department of State, Washington, D.C.


Dear Senator Cohen: The Administration welcomes and supports the amendment which you and others have offered to Section 569 of this bill regarding sanctions against the regime in Burma. Section 569 is similar to a bill, S. 151, offered by the distinguished Senator from Kentucky, which I have had the honor to cosponsor, and others have done as well. This is very simply a test of how we will respond to democracy denied.

For the longest while now, from the time, I would suppose, of Woodrow Wilson's "Fourteen Points," the United States has actively encouraged the spread of democracy and democratic institutions in the world, rightfully thinking that the world would be a safer and better place. We have seen in the course of this century events that would not have been thought possible at the outset.

Here at the end of the century, we see events that would not have been thought possible. Russia has had two presidential elections, the first in Russian history. Mongolia has had free elections. The distinguished Senator from Virginia was on the floor speaking just the other day about his experience as an observer. Not only did Mongolia have a free election, but they had observers from around the world and, principally, the United States to attest to that fact.

The movement towards democracy is not universal. It has never taken strong hold on the continent of Africa, and yet it now appears in Eurasia and in South Asia. The Republic of India has just had its 11th, I believe, national election since independence, an unbroken sequence of democratic elections, with a five-year interval of national emergency but it was for a relatively short period of time and ended with the constitution intact.

The Government of Bangladesh has just had a free election between two formidable women political leaders who are descendants, in one form or another, of leaders previously deposed and shot, events that are too common in post-colonial nations. But they have
had a free election and picked an impressive new Prime Minister to form a government.

British India, as it was called, extended down to the Bay of Bengal on the eastern side and included not only Bangladesh but what is now Myanmar, formerly Burma. The choice between the term Burma and Myanmar is a choice of languages, Myanmar is a Burmese term. It is a multiethnic state, with eight major ethnic groups, as all those states are, each with many languages and historically has had very strong disagreements on the periphery with the governments at the center in what was Rangoon. The name has been changed, which is a perfectly legitimate thing to do, by the military regime whose initials form the unenviable acronym SLORC, as if "SLORCing" out of the black lagoon.

This is a regime which has not simply failed to move towards a democratic government, but has overthrown a democratic government, imprisoned the democratically elected leaders, a Nobel Prize-winning Prime Minister, sir.

Burma is largely a Buddhist nation. Tensions between the numerous ethnic groups resulted in a long and not happy post-colonial experience.

I was once our Ambassador to India, and I revisited Mandalay, where we had a one-man consulate. I was being driven around. I came to the area of the city where there were Chinese language signs. I asked the Burmese driver, "Are there many Chinese here in Mandalay?" He said, "Well, not many now, but before independence, the Indians and the Chinese owned everything around here. And that's why we had to have socialism." It was simply a form of expelling persons, moving in the general melee of the 19th century colonial Asia.

After a series of decent enough governments, possibly too passive from one event to another, the army seized control. Twenty years of a hard dictatorship followed, with a military junta headed by a general playing golf in the shadow of a pagoda, while a nation, a potentially rich nation, all but starved.

It is an experience we have seen before, nothing new, but it was cruelly inappropriate to Burma. I visited it at that time. Clearly, a land capable of great agricultural product, an industrial-capable people, ruined by government. They stayed ruined a long time, until they rose and realized, no, and in 1990, a free election at long last was held in Burma. The National League for Democracy won 82 percent of the vote, but the military junta did not step down.

This was not the beginning. This did not just happen suddenly. There was a movement. There was a democratic government that has been cut out in the jungles for a generation. I think if I had one photograph that would say to me more than anything else about our century, it would be a jungle clearing. I expect it would be up in the Shan state, where some 60 or so young men, aged 18, 19, 20—and this is at a time, about 15 years ago, when Ne Win was still in power.

Senator KENNEDY and I had made efforts to go to Burma, but the junta was leading today. There in perfect English, perfectly formed letters, a white sign with black letters, script that must have been 30 feet long—these young men were holding this sign which said "KES KEN

D E N D Y AND MOYNIHAN." They were out in the jungle and they knew, and it mattered that they knew. It kept them going. What we think matters so much in the world on these matters.

The junta, the regime that overthrew the democratic government—having stepped aside, then a coup immediately followed. The results of the election have not yet been implemented. The democratic regime, the one that emerged, overwhelmingly supported by an oppressed people who have resisted that oppression, who have understood it, who looked abroad for any signs of support and seen in the United States, in Taiwan, the United States, support, emboldened, encouraged, and have risen to claim their rights as a people, only to have it crushed by a military regime, SLORC? No, sir.

This is the time for the United States to stand and for what is best in our Nation, in our national tradition, what is triumphant in the world. This is not a time to allow the overthrow of the democracy. This is a time to be treated. This is a time for the Connell provision for Burma. And I thank the Chair for your courtesy. I yield the floor.

Mr. JOHNSTON. Will the Senator yield for a question?

Mr. MOYNIHAN. Yes.

Mr. JOHNSTON. Mr. President, there is no peer in the Senate, in fact, in the country, of the Senator from New York in his knowledge of history. Therefore, I wondered what is the basis for this hope that other countries, particularly Asian countries, would join in a unilateral action started by the United States?

Can the Senator tell me, outside of maybe the South African situation, where we have had luck with having others joining us unilaterally? If we cannot get the Europeans to join us with Libya, an international terrorist threat that has been thrown in the world, how are we going to get them to join with sanctions against Burma?

Mr. MOYNIHAN. I do not claim that this is something easily done or we have done it lonely. I think that is something which can be done. I think the Republic of South Korea is so little interested in how we feel about matters of Burma, there are ways to suggest to the Republic of South Korea that it might well reconsider its position. Not for nothing do we have the United States Army divisions in Korea. If they think that is not really in their interest, that can be arranged, too.

It is not dispute the Senator's point. I simply make the argument that a matter of principle is at stake here. If it is costly, so be it. Principles are precious.

Mr. JOHNSTON. If I may follow further on the example you mentioned, South Korea. If you turn the clock back to 1962, when General Ne Win took control, he had control for over a quarter of a century. At that time, Burma was a relatively prosperous country. South Korea was not prosperous and was—

Mr. MOYNIHAN. Was devastated.

Mr. JOHNSTON. A totally repressive regime. The same. I think, would be said for our friends, the Taiwanese.

Mr. MOYNIHAN. Yes.

Mr. JOHNSTON. The difference between our treatment of the three is that we isolated Burma, and General Ne Win isolated himself, whereas, because of the cold war, we embraced the Taiwanese, we embraced the South Koreans. Today, having been isolated for over a quarter of a century, Burma was not to be categorized like it was, maybe only worse than 30-odd years ago, whereas South Korea and Taiwan have developed into thriving, prosperous democracies.

Now, does the Senator see any lesson to be learned from this difference in treatment?

Mr. MOYNIHAN. Yes. Both Taiwan and South Korea have now established freely elected governments. If they were suddenly to be overthrown by a military coup, our position would have to be, in my view, very different. But it is just such a situation in Burma.

I have a letter here from the Office of the Prime Minister of the National Coalition Government of the Union of Burma, which says:

Dear Senator MOYNIHAN: I have been closely following the Burma sanctions bill on the Senate floor and I am extremely alarmed about the proposal put forth by Senator COHEN. As you are no doubt aware, the Senate vote is crucial because it will send a signal to both the prodemocracy movement and the military junta in Burma that the United States view the struggle for democracy in Burma.
Mr. President, I ask unanimous consent that this letter be printed in the Record.

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


Senator DANIEL PATRICK MOYNIHAN, U.S. Senate, Washington, D.C.

DEAR SENATOR MOYNIHAN: I have been closely monitoring Burma sanctions in the Senate and I am extremely alarmed about the proposal put forward by Senator Cohen. As you are no doubt aware, the Senate vote is crucial because it will send a signal to both the pro-democracy movement and the military junta about how people in the United States view the struggle for democracy in Burma.

Given the reality in Burma, the National Coalition Government categorically opposes Senator Cohen’s legislation. The Senate cannot afford to send a wrong signal and there is no other time than now to express its support for the democracy movement through the imposition of economic sanctions.

Let me be clear, investments will not bring about better living conditions and democracy to the people because in Burma investments pay for the soldiers, buy the guns and the ammunition that is used to violently suppress the Burmese people. Daw Aung San Suu Kyi has called for the imposition of economic sanctions because it will hurt the ruling military junta. She has categorically expressed her wish that investments in the country cease until a clear transition to democracy has been established. The National Coalition Government fully supports Daw Aung San Suu Kyi’s call for sanctions and that is why we support Section 569 of the Foreign Operations Appropriations Act. “Limitation on Funds for Burma,” as tabled by Senator Mitch McConnell and co-sponsored by you.

There can be no middle ground here. As it stands now, the Burmese people are not benefiting from any investment coming into the country. These funds are tightly controlled by the military junta and serves to strengthen the oppression of the Burmese people. No entrepreneur can start a business in Burma without enriching either the members of the junta, their close associates or relatives. The common people do not benefit from investments. I look forward to welcoming U.S. businesses helping rebuild our country once a democratically elected 1990 Parliament is seated in Rangoon.

The National Coalition Government also opposes any funding to the military junta in connection with narcotics control. I cannot see a logical reason for the United States to fund a military regime that conspires with and provides a safe haven to the heroin kingpin, and that has been imprisoned in Rangoon. I also know that the Burmese Army is partners in transporting the heroin that is devastating the streets of America.

I place my trust in the United States Senate to do the right thing. Each vote for sanctions is a vote for the democracy movement in Burma and our people who are struggling to be free.

Sincerely,

SEIN WIN,
Prime Minister.

Mr. MOYNIHAN. I yield the floor.

Mr. MCCONNELL. Mr. President, I know my friend from New York is in a conference and needs to return to it. I just wanted to commend the Senator for his longstanding interest and support for what we are trying to achieve in the underlying bill and further elaborate on the observation of Senator J. H. Stennis. I do not think we will be going this alone very far without both the European Parliament and the European Union, this month, July, have begun to get interested in this issue because of the arrest and subsequent apparent killing of a man named Leo Nichols, who was a consul official for a number of European countries and also happened to be, as my friend from New York knows, one of Aung San Suu Kyi’s—

Mr. MOYNIHAN. He was murdered because he was found in possession of a fax machine.

Mr. MCCONNELL. So the Europeans are interested. One of his own hands has been treated like the citizens of Burma have been treated for years.

There is an indication that the European Parliament this month, I say to my friend from New York, called upon the members to suspend trade and investment with Burma. We will be the leader of the parade.

Mr. MOYNIHAN. When the United States leads, others will follow. I am proud to be associated in this regard. Mr. President, I ask unanimous consent to have printed in the Record an editorial from the Washington Post on this issue, “Burma Beyond the Pale.”

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

[From the Washington Post, J. July 20, 1996]

BURMA BEYOND THE PALE

On JUNE 22, James “Leo” Nichols, 65, died in a Burmese prison. His crime—for which he had been jailed for six weeks, deprived of needed heart medication and perhaps tortured with sleep deprivation—was ownership of a fax machine. His true sin, in the eyes of the military junta, was friendship with the beautiful and resource-rich country of Burma into the ground, was friendship with Aung San Suu Kyi, the courageous woman who won an overwhelming victory in democratic elections six years ago but has been denied power ever since.

Mr. Nichols’s story is not unusual in Burma. The regime has imprisoned hundreds of democracy activists and press-ganged thousands of children and adults into slave labor. It squanders huge sums on arms and aids heroin exporters. But because Mr. Nichols had served as consul for Switzerland and three Scandinavian countries, his death or murder might play an important role in demobilizing popular support for the regime. The European Parliament condemned the regime and called for its economic and diplomatic isolation, to include a cutoff of trade and investment. Two European brewers, Carlsberg and Heineken, have said they will pull out of Burma. And a leading Danish pension fund sold off its holdings in Total, a French company that has been using the American firm Unocal is the biggest foreign investor in Burma.

These developments underscore those who have said the United States should not support democracy in Burma because it would be acting alone. In fact, strong U.S. action could resonate and spur greater solidarity in favor of Nobel peace laureate Aung San Suu Kyi and her colleagues. Already, the Burmese currency has been tumbling, reflecting nervousness about the regime’s stability and the potential effects of a Western boycott.

The United States has banned aid and multilateral loans to the regime, but the junta still has plenty of friends. Is there now an opportunity to send a stronger message? The Senate next week is scheduled to consider a pro-sanctions bill introduced by Sens. Mitch McConnell (R-Ky.) and Daniel Patrick Moynihan (D-N.Y.). This would put Washington squarely on the side of the democrats. Secretary of State Warren Christopher, who will meet next week with counterparts from Burma’s neighbors, should challenge them to take stronger measures. The United States ought to put its principles first. There is no reason to believe that with America leading, the world would follow. That is what this is about.

I yield the floor.

Mr. CRAIG. Mr. President, I want to discuss some concerns I have about section 569 of the Foreign Operations Appropriations bill, H.R. 3540—limiting funds for Burma. Before I begin outlining my concerns, I want to thank my colleague from Kentucky, Senator McConnell, for pursuing this issue. While we may disagree on the details of the best policy to pursue with Burma, we wouldn’t even be having this important discussion without his leadership.
on this issue. In addition, I doubt that we would be pursuing a much needed comprehensive, multi-national policy toward Burma. Without such an effort, we could certainly find ourselves on the floor of the Senate in the future, reacting to our catastrophic event in Burma, having done nothing constructive in the interim.

Mr. President, Burma is a nation I have never visited or studied. I do not come to the floor today to debate this issue as an expert on Burma. However, I know, just as you do, a little about its poor record on human rights. What we need to debate here is the efficacy of mandatory unilateral sanctions in the case of Burma.

While we all hope for some small signs of change, I think we all share the concern that hope is not enough to live on—especially for the Burmese people. We recognize the problem there and want to develop a policy to address that problem.

An opportunity will be slow in coming. However, while patience and persistence will rule the day, we need to nurture an environment in which all Burmese people are respected and treated both humanely and fairly.

In short, we need to look at putting forward a policy that will encourage the changes we seek. In addition, that policy should not negatively impact U.S. nationals and business—without the benefit of establishing changes in Burma.

The United States represents a small percentage of foreign investment in Burma. It is my understanding that depending on the survey, the U.S. ranks anywhere from third to seventh. Regardless, the private investment presence there is not on a grand scale that would likely have any crippling effects on the operations of the current government in Burma, the State Law and Order Restoration Council—commonly referred to as the “SLORC.”

In addition, indications from our trading partners in Europe and the region do not demonstrate movement toward the application of sanctions.

Cutting off this trade by prohibiting American companies and American jobs. Unilaterally forcing American companies out of Burma at this time will simply provide an economic opportunity for other nations, who will quickly step forward to assume the contracts and business opportunities of the departing American companies.

American companies have taken risks and borne all the startup costs for the contracts they hold in Burma. If their departure results in replacement by companies from our trading partners in Europe and the region, any influence we might have wielded in this negotiating game is lost. All indications at this time lead me to believe that any gap left by U.S. companies in Burma will quickly be filled by others.

In addition to the loss of that private level of interaction between Americans and Burmese, the benefit of jobs for Burmese citizens with American companies is also lost.

Mr. President, in order for the United States to move toward a free society, an American presence should be felt. This is best done by private investment in the local economy. Private investment and other nongovernmental cultural exchanges can provide an important link with the people of Burma.

Mr. President, let me be perfectly clear, I do not support oppressive actions such as those taken by the SLORC in its efforts to prevent the citizens of Burma from exercising their basic human and political rights. Likewise, I do not support abandoning the 43 million people who live in Burma by withdrawing all American presence. Many times, unilateral sanctions hurt only those at the bottom of the economic scale, the intended targets are those at the top.

Mr. President, at the core of this debate is the efficacy of unilateral sanctions as a tool of foreign policy to encourage change. And, more specifically, unilateral sanctions in the case of Burma. I feel very strongly that mandatory, unilateral sanctions are not the most effective tool of foreign policy.

I do not support impacting private industry because if the proposed policy will not yield the intended response. We must all realize that while we seek change, Burma is not South Africa, nor is it Iran. We face a unique situation, and the effectiveness of mandatory unilateral sanctions must be judged independently.

Mr. President, it is very important, not only for the United States but for other nations as well, to evaluate the situation in Burma and what ways we can work collaboratively and together, that will encourage the improvements in human rights and will move Burma toward a free and democratic society.

I support amending section 589 of this bill to address the concerns I have outlined here today. We can encourage humanitarian relief, drug interdiction efforts, and promote democracy. I believe that these activities, in addition to denying multilateral assistance through international financial institutions and the establishment of a multilateral strategy will provide the best roadmap to reach these goals.

Mr. McConnell. Mr. President, I think that concludes—at least for this phase—the number of speakers we have on the Cohen amendment. Senator Smith is here to offer an amendment.

Senator Leahy and I would like to use this opportunity, before Senator Smith lays down his amendment, to get approval of amendments that have been cleared by both sides. There are eight amendments.

With the permission of the Senator from Maine, I ask unanimous consent that the Cohen amendment be temporarily laid aside.

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

AMENDMENTS NOS. 5020 THROUGH 5026, EN BLOC

Mr. McConnell. Mr. President, I seek amendments, en bloc, to the desk and ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kentucky [Mr. McConnell], proposes amendments, en bloc, numbered 5020 through 5026.

Mr. McConnell. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 5020

(Purpose: To allocate foreign assistance funds for Mongolia)

On page 119, strike lines 6 and 7 and insert in lieu thereof the following:

“(b) of the funds appropriated under title II of this Act, including funds appropriated under this heading, not less than $15,000,000 shall be available only for assistance for Mongolia. Of the amount not less than $6,000,000 shall be available only for the Mongolian energy sector.”

“Funds made available for assistance for Mongolia shall be made available in accordance with the purposes and utilizing the authorities provided in chapter 11 of part I of the Foreign Assistance Act of 1961.”

AMENDMENT NO. 5021

(Purpose: To restrict the use of funds for any country that permits the practice of female genital mutilation)

At the appropriate place, insert the following:

FEMALE GENITAL MUTILATION

SEC. 5021. (a) LIMITATION.—Beginning 1 year after the date of the enactment of this Act, the Secretary of the Treasury shall instruct the United States Executive Director of each international financial institution to use the voice and vote of the United States to oppose any loan or other utilization of the funds of their respective institution, other than to address basic human needs, for the government of any country which the Secretary of the Treasury determines—

(1) has, as a cultural custom, a known history of the practice of female genital mutilation;

(2) has not made the practice of female genital mutilation illegal;

(3) has not taken steps to implement educational programs designed to prevent the practice of female genital mutilation;

(b) DEFINITION.—For purposes of this section, the term “international financial institution” shall include the institutions identified in section 533(b) of this Act.

AMENDMENT NO. 5022

(Purpose: To earmark funds for support of the United States Telecommunications Training Institute)

On page 107, line 23, strike “should be available” and insert “shall be available only”.

AMENDMENT NO. 5023

(Purpose: To delete a section of the bill relating to a landmine use moratorium)

On page 184, line 6, delete the word “MOR-ATORIUM” and everything that follows through the period on page 185, line 3.
Mr. LEAHY. Mr. President, this amendment deletes a section I included in the bill entitled "Moratorium on Antipersonnel Landmines." This section simply reaffirmed current law. Having received the assurance of the Armed Services Committee that the House conferees on the fiscal year 1997 Defense Authorization bill will recede to the Senate on the certification requirement relating to the landmine use moratorium that is in the House version of that bill, I am striking this section on the floor.

The Tunisian Government should recognize that it only hurts itself by acting this way. By attempting to silence its critics, especially individuals who do not advocate violence, it creates resentment and closes out alternative forms of expression, which can lead to violence. This is the antithesis of democracy.

This amendment requires the Secretary of State to report on actions taken by the Tunisian government to improve respect for civil liberties and to treat these concerns with the seriousness they deserve, and that judges are susceptible to pressure in politically sensitive cases.

The Tunisian Government should recognize that it only hurts itself by acting this way. By attempting to silence its critics, especially individuals who do not advocate violence, it creates resentment and closes out alternative forms of expression, which can lead to violence. This is the antithesis of democracy.

Mr. LEAHY. Mr. President, my amendment, which is cosponsored by Senator INOUYE, adds Tunisia to the list of countries that are eligible to receive excess defense equipment from the United States. I am offering this amendment because of Tunisia's support for the Middle East peace process, its geographical location between Libya and Algeria, and the fact that its armed forces do not have a history of engaging in violations of human rights.

Recently, Tunisia opened interest sections with Israel. This was a courageous step, and it is important that the United States affirm its support for Tunisia's positive role in the Middle East peace process. Additionally, Tunisia is located in an unstable and dangerous part of the world. Colonel Qaddafi is unpredictable, and he has made no secret of his displeasure with Tunisia's actions vis-à-vis Israel. Algeria, on Tunisia's western border, is struggling with civil unrest stemming from clashes between the secular government and a fervent fundamentalist movement.

So while I am extremely concerned about the proliferation of conventional weapons in this volatile region, I understand the administration's purpose and I am prepared to support modest amounts of excess defense equipment to Tunisia.

However, this amendment also takes into account the serious human rights concerns that I and others have about the Tunisian judiciary. The State Department and respected international human rights monitors, civil liberties are severely curtailed in Tunisia. Lawyers, journalists and human rights activists are frequently harassed, intimidated, and sometimes tortured for expressing their political opinions.

Nebj Hosni, a well-known human rights lawyer, has been accused of various misdeeds and imprisoned, after an unfair trial. Mohamed Mouadda, leader of the largest opposition party in Parliament, has been similarly silenced. Dr. Moncef Marzouki, former president of the independent Tunisian Human Rights League, has been reported to be in danger of his passport being revoked. These are only three examples, but they illustrate a disturbing pattern.

In addition, the State Department reports that the Tunisian judiciary is not independent of the Executive Branch, and that judges are susceptible to pressure in politically sensitive cases.

The Tunisian Government should understand the administration's purpose and I am prepared to support modest amounts of excess defense equipment to Tunisia.

Mr. President, 40 percent of IDA lending goes to Africa, where the population is expected to more than double in the next 50 years. It would be unconscionable for the richest nation to cut its contribution to the largest source of funding for the poorest people in the world. In this bill we have cut our contribution to IDA's replenishment. With the budget cuts we are facing there is only so much we can do in any single year. I hope the Europeans will recognize the significance of what we are doing, and relent on the procurement restrictions in IDA-financed projects. That is why I am asking them to go even farther to pressure in politically sensitive cases.

The administration supported that. The United States was instrumental in creating the International Development Association, which provides concessional loans to the poorest countries in the world. In this bill, we have cut our contribution to IDA $308 million below what the President requested.

The request for fiscal year 1997 was $934 billion, and that only covers the arrears we already owe. The money in this bill for IDA is $74 million below the current level.

This amendment will bring our contribution to IDA up to the current level. But let me note that the President's request, but it will at least show that we intend to do everything possible to prevent further erosion of support for IDA.

Some may think it does not matter if we maintain our leadership in IDA. They should talk to our economic competitors. They know that IDA is a worthwhile investment, because of the contracts that are opened up for our companies from IDA-financed projects and, even more importantly, the foreign markets IDA helps create. They know their ability to influence IDA policies is a direct function of their contributions. As we cut our contributions, their influence wanes, their influence grows.

It is influence many people here would miss, because with the Congress has had a major role in making IDA lend year on year becomes more open and subject to public scrutiny, and in eliminating wasteful policies. Money buys influence in these institutions, there is no two ways about it.

Mr. President, 40 percent of IDA lending goes to Africa, where the population is expected to more than double in the next 50 years. It would be unconscionable for the richest nation to cut its contribution to the largest source of funding for the poorest people in the world. In this bill we have cut our contribution to IDA's replenishment. With the budget cuts we are facing there is only so much we can do in any single year. I hope the Europeans will recognize the significance of what we are doing, and relent on the procurement restrictions in IDA-financed projects. That is why I am asking them to go even farther to pressure in politically sensitive cases.

Some may think it does not matter if we maintain our leadership in IDA. They should talk to our economic competitors. They know that IDA is a worthwhile investment, because of the contracts that are opened up for our companies from IDA-financed projects and, even more importantly, the foreign markets IDA helps create. They know their ability to influence IDA policies is a direct function of their contributions. As we cut our contributions, their influence wanes, their influence grows.

It is influence many people here would miss, because with the Congress has had a major role in making IDA lend year on year becomes more open and subject to public scrutiny, and in eliminating wasteful policies. Money buys influence in these institutions, there is no two ways about it.

Mr. President, 40 percent of IDA lending goes to Africa, where the population is expected to more than double in the next 50 years. It would be unconscionable for the richest nation to cut its contribution to the largest source of funding for the poorest people in the world. In this bill we have cut our contribution to IDA's replenishment. With the budget cuts we are facing there is only so much we can do in any single year. I hope the Europeans will recognize the significance of what we are doing, and relent on the procurement restrictions in IDA-financed projects. That is why I am asking them to go even farther to pressure in politically sensitive cases.

Some may think it does not matter if we maintain our leadership in IDA. They should talk to our economic competitors. They know that IDA is a worthwhile investment, because of the contracts that are opened up for our companies from IDA-financed projects and, even more importantly, the foreign markets IDA helps create. They know their ability to influence IDA policies is a direct function of their contributions. As we cut our contributions, their influence wanes, their influence grows.

It is influence many people here would miss, because with the Congress has had a major role in making IDA lend year on year becomes more open and subject to public scrutiny, and in eliminating wasteful policies. Money buys influence in these institutions, there is no two ways about it.

Mr. President, 40 percent of IDA lending goes to Africa, where the population is expected to more than double in the next 50 years. It would be unconscionable for the richest nation to cut its contribution to the largest source of funding for the poorest people in the world. In this bill we have cut our contribution to IDA's replenishment. With the budget cuts we are facing there is only so much we can do in any single year. I hope the Europeans will recognize the significance of what we are doing, and relent on the procurement restrictions in IDA-financed projects. That is why I am asking them to go even farther to pressure in politically sensitive cases.

Some may think it does not matter if we maintain our leadership in IDA. They should talk to our economic competitors. They know that IDA is a worthwhile investment, because of the contracts that are opened up for our companies from IDA-financed projects and, even more importantly, the foreign markets IDA helps create. They know their ability to influence IDA policies is a direct function of their contributions. As we cut our contributions, their influence wanes, their influence grows.

It is influence many people here would miss, because with the Congress has had a major role in making IDA lend year on year becomes more open and subject to public scrutiny, and in eliminating wasteful policies. Money buys influence in these institutions, there is no two ways about it.

Mr. President, 40 percent of IDA lending goes to Africa, where the population is expected to more than double in the next 50 years. It would be unconscionable for the richest nation to cut its contribution to the largest source of funding for the poorest people in the world. In this bill we have cut our contribution to IDA's replenishment. With the budget cuts we are facing there is only so much we can do in any single year. I hope the Europeans will recognize the significance of what we are doing, and relent on the procurement restrictions in IDA-financed projects. That is why I am asking them to go even farther to pressure in politically sensitive cases.
Mr. President, there is one final aspect to this I want to mention. There has been a lot of talk about what percentage of IDA procurement American companies receive. Considering IDA alone, it is about 10 percent, largely because the chairman of the subcommittee, Senator McCONNELL, for accepting this amendment.

AMENDMENT NO. 5026

On page 348, line 10 through line 13, strike the following language: “That comparable requirements of any similar provision in any other Act shall be applicable only to the extent that funds appropriated by this Act have been authorized: Provided further,’.”

Mr. McCONNELL. Mr. President, in this group of amendments, there is a Amendment numbered 5026, an amendment on authorization.

Mr. LEAHY. Mr. President, we have no objection to those. The PRESIDING OFFICER. Without objection, the amendments are agreed to. en bloc. The amendments (Nos. 5020 through 5026) were agreed to.

Mr. McCONNELL. Mr. President, I move to reconsider the vote. Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCONNELL. Mr. President, I yield the floor.

AMENDMENT NO. 5027

(Purpose: To strike funds made available for the Socialist Republic of Vietnam)

Mr. SMITH. Mr. President, I send an amendment to the bill and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows: The Senator from New Hampshire [Mr. SMITH] proposes an amendment numbered 5027.

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

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

The amendment is as follows: On page 148, line 10 through line 13, strike “provided further,” and all that follows through the colon on line 21.

Mr. SMITH. Mr. President, this is really a very simple amendment. I will not take too much of the Senate’s time to discuss it. Oftentimes, little things that seem rather insignificant get tucked inside these bills that ought to be looked at more carefully, and they do cost the taxpayers a considerable amount of money. I think this is an example of one of them.

The amendment that I am offering removes a provision that now exists in the committee bill that provides up to $1.5 million in taxpayer assistance for the Communist Government of Vietnam for economic assistance. I want to point out to my colleagues that this is not humanitarian foreign aid. This is not the type of assistance that is above and beyond what we would call humanitarian aid.

Very specifically, the bill language states:

Funds appropriated for bilateral economic assistance shall be made available, notwithstanding any other provision of law, to assist Vietnam to reform its trade regime through, among other things, reform of its commercial and investment legal codes.

The committee report language, I say to my colleagues, is even more revealing. It is more specific. It says: “The initiative seeks to assist the Government of Vietnam’s efforts to develop trade relations with other nations through reforming its legal system and trade regime so as to provide the necessary framework for commercial transactions, foreign investments and trade.”

I might just say that, depending on your point of view, it may or may not be an open question, is, should the taxpayers of the United States of America provide that help when, in fact, there are companies who will stand to gain substantially if this trade does take place? In other words, understand that the money from the American taxpayers will be spent for the cause of making a Communist nation more attractive to corporate America. A Communist nation—that does not go to the people of Vietnam. This goes to no humanitarian aid here; this goes to the Communist Government of Vietnam.

Mr. President, I believe this is wrong, pure and simple. That is why I am offering this amendment to strike this provision. Very difficult time. A lot of cuts—we are trying to balance the Federal budget. When you talk about $1.5 million, that may not seem like a lot of money; it is a lot of money where I went to school, a lot of money in most families in America unless you hit the lottery—$1.5 million to the Communist Government of Vietnam. We do not provide that kind of dollars to Cuba or North Korea. Why are we doing it to Vietnam?

The majorities of Americans have been very clear over and again to this Congress in making their voices heard—reduce foreign aid spending. This is hardly the time to start a new foreign aid program for a Communist country. I know those who disagree with me will lay the opposite, but the truth of the matter is, this is the camel’s nose under the tent. This is the beginning of foreign aid to a Communist country; $1.5 million is so small when you look at some of the other line items in the foreign aid bill, but it is a substantial sum of money for many, many families in America today who, I am sure, would love to have just a very small part of that $1.5 million to help with their budgets, perhaps their fuel oil, or paying for the mortgage, or feeding their children.

Why are we providing this money? Why are we putting $1.5 million tucked in, hidden in the language of this bill, as a foreign aid project, where we are doing this? Who stands to gain? What is the purpose of this? This is not a case—I want to make this very clear—this is not a Vietnam bathing situation; it has nothing to do with LOW’s and MIA’s. It has nothing to do with MFN. It has nothing to do with how you feel about normalization, or opening up diplomatic relations with Vietnam. That is not the issue. We have already debated that, let us not get into that corner. But Vietnam is not a struggling democracy out there like some of the Eastern European countries who are trying to come out now from under the cloak of communism. The taxpayers do not need U.S. help the Government in its relationship with Cuba by applying the sanctions tighter to Cuba, criticized President Clinton and criticized Senator Helms and others for doing that. This is not a democracy that is getting this $1.5 million. It is a Communist government, not the people, the Communist Government of Vietnam. They just finished holding their Communist Party meetings in Hanoi last month. So they are still there. They are still repressive. They still have people in forced labor camps. There is still repression.

Why do we provide from the pockets of the American taxpayers $1.5 million to encourage that investment of corporations from America? Again, that debate has been lost. Corporations are investing in Vietnam. Let them pay their own money to invest in Vietnam. They will get a return for their money. They will stand to gain substantially if this money in some of the largest corporations in America to the tune of $1.5 million.

Again, I want to point out that this is not humanitarian aid. This is not helping kids who have lost their limbs in the war. It is people getting an education, helping people who may have illnesses. That is not what this is about. We have done that before, and I have supported some of that because I believe that in war innocent people do suffer. Unfortunately, that is the case and in the case of Vietnam, that was the case. Innocent people suffering on both sides of the war, and I have supported humanitarian aid for some of those people. But the committee provision represents nonhumanitarian aid for the Government of Vietnam. There is a big, big difference.

I want to again repeat it for emphasis because it is the essence of the argument: This is nonhumanitarian aid. This is helping the government, the Communist repressive regime of Hanoi, to do better business with American business.

I want to point out, Mr. President, that in the same bill that we are debating here on the floor, there is a provision which prohibits foreign aid to the Socialist Republic of Vietnam. Considering IDA alone, it is about 10 percent, largely because the chairman of the subcommittee, Senator McCONNELL, for accepting this amendment.
countries like Vietnam that are in default. It says here—this is again the same bill, the exact same bill, Mr. President, under "limitation on assistance to countries in default," section 122. "No part of any appropriations contained herein shall be used to furnish assistance to any country which is in default during a period in excess of 1 calendar year in payment to the United States of principal or interest on any loan made to such country by the United States pursuant to a program for which funds are appropriated under this act."

Let me just say that this provision has been law for 20 years. Every year it is in the committee bill and every year it is passed and signed into law. I am sure it will again happen this year. Why is it in there? It is in there because we do not want to reward countries who owe us money that have not paid us back by giving us more. That is why it is there.

So I want to draw the attention of my colleagues to a report from the Agency for International Development dated July 3, 1996, which I have sent around to every Senator's office. I hope every Senator will look at it because it is important.

According to this report which I just cited, Vietnam has been in violation of this law, the law that I just referenced, since May 29, 1976, 1 year after the North conquered and conquered the South. When it toppled the South, we all remember the helicopters, the people falling off rooftops and falling off helicopters in that terrible tragedy, when the tanks from the North roared through Saigon, when it toppled the South, North Vietnam automatically owed us money. The United States by the Government of South, North Vietnam automatically owed us money, and, C, that has not been made. But the question is, should we be asked to reward those who decide to trade, some of the hundreds of billions of dollars ahead of this if we want to put $1.5 million somewhere. It is still unresolved.

I am told that negotiations to resolve this debt have been underway between the United States and Vietnam for sometime now, but no timetable for an agreement is in sight. So with $150 million of outstanding debt being held up, not being paid, we now slide quietly, ever so slightly, sleight-of-hand, tucked into this bill a little paragraph that says: "Here is another $1.5 million. We are going to reward you. You owe us $150 million. You are still a repressive Communist regime. You repress your people. And now we are going to trade with you, and that is fine. That decision has been made. I don't agree with it. The decision has been made. But the question is, should those who decide to trade, some of the largest corporations in America, should they be given another $1.5 million of taxpayers' money to further their interest in this country and to a country, A, that is Communist, B, that is repres- sive to its people, and, C, that has not paid its debt back to the United States of America? That is the basic question.

I know that there are a lot of big issues out here on this bill and other bills that we face here in Congress, but these little issues, so-called, really are a lot bigger than they appear to be. That was not easy. We had to read this, let me just say there are other countries that are on this list of countries that owe us money, and they are in violation of the Brooke amendment. They are such countries as Syria, Afghanistan, Sudan, Somalia, and others. So the question you have to ask yourself is, should we reward this country with another $1.5 million—just under the table: Here it is? Why should we be asked to make an exception for Vietnam in this bill for nonhumanitarian assistance? What is the reason? Why was this tucked in the bill without debate, without any information regarding the background of this surface? Why should we make an exception for Vietnam among other nations in the world? Where is the money? Why should we be asked to circumvent the intent of Congress?

My colleagues, that is what we are doing, because it is very clear in the legislation, very clear, as I said, under section 122 of this act. Any appropriation contained in this act shall be used to furnish assistance to any country which is in default.

So the language is placed in the bill, "notwithstanding any provision of law," which basically wipes this off for the country of Vietnam—no explanation, no rationale, just tucked in the language. So why are we doing it in this manner?

In conclusion, Mr. President, we should not be authorizing a new foreign aid program on an appropriations bill for the first time in this clandestine, undebated, secretive manner. That is the issue. That is what we are doing. This is neither the time nor the way to start an economic assistance program to promote trade with Vietnam regardless of the amount of money involved. These things tend to grow. We all know that once an economic aid program begins—the Senator from North Carolina, who is in the Chamber, knows full well once a bureaucracy is started, once an aid program is begun, it is pretty hard to keep it from getting an increase, let alone eliminated. It reminds me of the Market Access Program which the majority of my colleagues have voted to scale back.

So we should keep in mind this is not a case where the taxpayers have to fund this. No. 1 IMF, the International Monetary Fund, has helped Vietnam. United States dollars go into that. The World Bank, United States dollars go into that. They help Vietnam. The Asian Development Bank, they have already given Vietnam millions of dollars in loans to help their economy develop. United States dollars are supported by the United States tax dollars in part.

You can make a case that we should not do that, but I am not making that case. I am saying those are already out there. That is another issue. So why provide another $1.5 million in bilateral economic assistance when we are already contributing through multilateral organizations?

There are also private foundations helping Vietnam, helping in the reform of its commercial code, such as the Ford Foundation and IRI.

I can certainly think of, as I said before, a lot better use of $1.5 million. I am simply asking that we delete it. My amendment simply deletes the dollars, and I do that because I think we can use it better. A, we can put it on the debt, which would be my first choice, or B, we might be able to use it for something else, for some other more needy cause. There are lots of causes out there that I think are deserving of dollars ahead of this if we want to put $1.5 million somewhere.

I think the American people would agree.

So, again, Mr. President, this is a small amount of dollars in a big bill and in a big budget. I agree with that. But it is not a small amount of dollars for the average American tax payer. If America today struggling to make ends meet. The problem is there are a lot of these little $1.5 million tucked away through the 13 appropriations bills as they weave their way through Congress. They all add up, as Senator Dirksen used to say, to real money. A million there, a million there. Then it is $1 billion, $1 billion here and $1 billion there. Then it is $1 trillion. I do not even know what comes after $1 trillion. What is it, quadrillion? I do not know.

But it adds up.

This is a small item. Granted, maybe it is not worth an hour of debate, somebody will say, but let me tell you something. If you take care of dollars, hundreds of dollars, thousands of dollars, millions of dollars, you will take care of billions and trillions. They will take care of themselves.

This is a very important statement we are going to make here. If this amendment is defeated, if my amendment is defeated, then what I have said is that providing additional taxpayer aid to the country of Vietnam, a Communist nation like Cuba, is more important than helping children, helping the sick, helping people with AIDS, helping people who need help with their education, their student loans or retiring, helping to retire the national debt.

Again, I cannot emphasize more strongly how I feel that it is wrong to put this in this legislation. So let me, at this point, Mr. President, before yielding the floor, ask for the yeas and nays on my amendment.

The PRESIDING OFFICER (Mr. Asarco). Is there a sufficient second?

The yeas and nays were ordered.

Mr. SMITH. I yield the floor.

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President and Members of the Senate, on a bipartisan
basis, by big majorities, we have in recent years voted, first, to lift the sanctions against Vietnam, and then to open diplomatic relationships with Vietnam because we believe it is important to engage Vietnam not only in civil society, but to bring them into the community of nations. We have had that debate, and this has been successfully completed as far as those of us who wish to engage Vietnam are concerned.

How do we complete the circle? How do we help Vietnam become the kind of nation we want it to be? Or to put it another way, what do we want Vietnam to do? I think if there is one thing we want Vietnam to do it is to follow the rule of law, to be a law-abiding country rather than to be a Communist country.

The two are at opposite ends. To be Communist is not to be a rule-of-law country. To be a rule-of-law country is the opposite. So what we have done here is, working with the Vietnamese, to authorize AID to spend up to $1.5 million, not in aid to Vietnam but to give to the American Bar Association, the American Law Institute, and the U.S.-Vietnam Trade Council to help send experts to help Vietnam develop the rule of law. Not one cent of this goes to the country of Vietnam, Mr. President—not one cent. What we will do is what we did with Eastern Europe, and as a matter of fact this initiative, which was my initiative in the committee, is patterned after that which we undertook with Eastern Europe. And the fall of communism in Eastern Europe, they found that they had no legal system in Poland, in Czechoslovakia, et cetera. And the American Bar Association sent over lawyers and judges and other people to help them develop their system, to help them develop a legal system, a commercial code, a bankruptcy code, a criminal code—all of the codes; and then to train the judges to help run the system. That is what we want to do for Vietnam. The Vietnamese have welcomed this. I spoke to the United States-Vietnam Trade Council. I said the thing you can do to best ensure investment in Vietnam, to ensure you will be brought into the community of nations, is to develop a legal system to follow the rule of law. They were willing and now are anxious to have this kind of aid.

Within the last 2 weeks, a group of legal scholars from Vietnam were here in Washington and I visited with them, including the head of the Vietnamese bar association as well as Vietnamese judges. They are eager and anxious to learn how to put together a legal system modeled on the American system. If there is anything we want for Vietnam, how can anyone in this body be against Vietnam adopting the rule of law? How can anybody in this body be against training Vietnamese judges to follow the law, Western-style law, propounded by the American Bar Association? I just do not understand.

The reasoning seems to be this. Vietnam is a repressive regime, says my friend, Senator SMITH. Therefore, do not give them aid in following the rule of law. That does not compute, to say you are repressive therefore we are not going to help you be less repressive; you are repressive, therefore we are not going to bring your citizens legal protection. It does not compute.

Let me also say the whole predicate for this, which is the so-called Brooke amendment, which says you do not give foreign aid to a country that owes you money—in the first place this is waived for a broad number of countries: Colombia, Bolivia, Peru, Nicaragua, a host of African countries, Eastern European countries. Beyond that, the good news is on the $150 million that is owed by the Vietnamese—which, by the way, was incurred largely before this regime came in—we have come to closure and agreement, as I understand it, on all but about $8 million of that $150 million. And there has been a commitment to settle the whole thing.

The Vietnamese are trying to do what they can. They have agreed to resolve and most has been resolved. And even when it is not resolved, with other countries it is waived. But besides that, it is not true that the question is, will it help Vietnam? You bet it will help Vietnam. It will help Vietnam to have them develop a legal system. And that should make it easier for companies to invest there.

What is wrong? Do we want this Communist country to stay Communist? Or do we want them to have a legal code? It is as simple as that. For the life of me, I do not understand the reasoning that says it is wrong to help Vietnam follow the rule of law. I think that is a non sequitur and I hope the Senate will roundly reject the Smith amendment.

THE PRESIDING OFFICER. The Senator from New Hampshire.

Mr. SMITH. The amendment before the Senate, I ask unanimous consent to add Senator THOMAS as a cosponsor to my amendment.

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

Mr. SMITH. Mr. President, I ask the Senator to respond. The Senator from Louisiana is correct in terms of waivers being applied in the past for countries. I think he mentioned Colombia and Peru. That is true. And in most cases where such waivers have related to narcotics, in the sense that we wanted to try to help them to stop the flow of narcotics into this country, I think if any Senator wanted to look up the background on that, they would find out that is the reason for the waiver. I think in most cases they were voted on, these waivers, in the Senate, and not tucked into a foreign operations bill.

Let me also say I am all for Vietnam coming into the rule of law. I hope it happens before the end of my speech. But is it happening? If they supported the rule of law they would have free elections. The last time I looked I do not think there are free elections in Vietnam. If they supported the rule of law they would not be imprisoning people throughout their country without charging them with anything.

So, to say we are going to put $1.5 million of taxpayers’ money into this trade council to get into Vietnam to encourage them to live by the rule of law, we could make the same argument with Cuba. How about North Korea or Libya? Why do we not pump a few million dollars in there and see if we can get them to abide by the rule of law? Let me also respond to the position regarding assistance. For Eastern Europe, we do provide that kind of assistance. But Eastern Europe is not Vietnam. Eastern Europe broke out from under the yoke of communism. They are struggling democracies. They have gotten out from under this Communist tyranny. It is true and I support it. It is true we should provide and support providing moneys to help those countries to set up a rule of law and to set up a viable free enterprise, free market system, and to continue to grow, to grow from under communism which they are doing so well right now. That is a different situation.

They first must make the decision that they want the rule of law. When they make the decision that they want the rule of law, then they deserve help. And they made that decision when they threw the Soviet Union out, when they broke up the Soviet Union and threw out the Communist tyranny. Vietnam has not made that decision, unfortunately. Not only have they not made it, they have criticized us pretty openly in recent times, criticized the President of the United States, criticized this Senator, Senator HELMS, and others on the so-called Helms-Burton amendment here regarding our treatment of Cuba.

Mr. JOHNSTON. Will the Senator yield on that point?

Mr. SMITH. Certainly.

Mr. JOHNSTON. The Senator is aware that Vietnam is anxious to have aid from the American Bar Association in helping them develop the rule of law. We have not had that kind of request from Libya and Cuba and others. They are anxious to develop the rule of law. They want the American Bar Association in there to help them do that. That is what this is all about. Is that not true?

Mr. SMITH. I do not know that you can say emphatically and without any doubt that Vietnam is ready to embrace the rule of law. I think, if I understand this amendment and I understand the debate here, it is more likely those groups are trying to get through these dollars to embrace the rule of law and to make it easier for companies who do business there to do so under some legal system. That is what we are trying to get through. I do not think Vietnam has embraced the rule of law and said we will embrace the rule of law if you provide us this $1.5 million.
My point is, I say to my friend, the issue here is really: Have they made the decision and is it fair for us to put $1.5 million in aid in there when we have this money that is already owed us? Why make an exception? That is the issue.

Mr. JOHNSTON. If my friend will yield, what Vietnam has said is that they are anxious to have this aid. I mean this legal help from the ABA and the International Law Institute. They are anxious to have this aid because they feel that this is an important part of this system.

They are in the process of developing a commercial code, a civil code, training their judges in criminal codes. Part of it is helping them draft the laws, and part of it is in training the lawyers and the judges, and they want this. They were in my office just 2 weeks ago. What is wrong with that?

Mr. SMITH. Let me tell you what I think is wrong with it. You are hoping that this works, and it may. No one can answer the question today. But it didn't work in Europe until after communism fell. I don't think that you can bifurcate law saying what is here on one side, business law, is good and not abiding by the rule of law in terms of its terms of imprisoning people without having them charged. I don't think you can bifurcate those things and say this is OK and we will just overlook this.

Mr. JOHNSTON. Is my friend saying he will not give aid to help them change the legal system until the legal system is already changed?

Mr. SMITH. No.

Mr. JOHNSTON. At that point, they don't need any help.

Mr. SMITH. What I am saying is I think the right approach is to say to Vietnam, "You owe us $150 million. Let's work out a payment schedule instead of avoiding it and ducking it. Let's work out a payment schedule to return the $150 million that you owe us," and once that schedule is set up and we begin to see payments coming back for that, then we can work with them to try to help them set up a legal code that not only applies to helping big business or business do business in Vietnam, but also helps the people of Vietnam who are suffering at the hands of a system that does not really have a rule of law.

Mr. JOHNSTON. On that point, how would my friend say that we should give that aid? What would be the method of helping them set up that legal system?

Mr. SMITH. I think we would say to the Vietnamese Government, "We want you to repay."

Mr. JOHNSTON. I understand. But after they made that decision and you say it is right then to help them set up a legal system, would you not use the American Bar Association and the International Law Institute, the United States-Vietnam Trade?

Mr. SMITH. The American Bar Association, I say to my friend, certainly has the financial capability to send lawyers to Vietnam to sit down and discuss with them how they might set up a legal system without having $1.5 million of the American taxpayers' money. The American Bar Association donates tens of millions of dollars to political campaigns, frankly in my friend's home state and elsewhere. I think they certainly have the capability of $1.5 million to go over there, if that is important to them, to set up this business structure.

But it would help also that instead of just setting up one business structure to see to it that profits can be made, I hope they also will work on helping these poor, unfortunate souls who sit in prisons for years and years and years without even having charges brought against them because there is no legal system. That is my point.

This is not a situation where we go back and replay the normalization argument or the MFN argument or diplomatic relations argument. That is not this approach. We are needed to make a statement that this country is still a hard-line Communist regime.

I have been there. I love the Vietnamese people. I have traveled all over Vietnam. I have friends there, people I have known. All of the Vietnamese people that I met, I think they would benefit from a good legal system in that country. I don't think just providing $1.5 million in aid is the way to get it. That is the issue.

The issue is very simple. You either support $1.5 million in foreign aid to a country that still owes us $150 million that is a hard-line Communist regime or you don't. If you feel that is justified, then you vote against my amendment.

I yield the floor. Mr. President.

Mr. HELMS addressed the Chair. The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I came to the floor in another amendment, which, as I understand, has been laid aside so this amendment could be considered.

I have listened with interest to both sides, and I almost have no dog in this fight, but I have to agree with the distinguished Senator from New Hampshire. The American Bar Association, if it is so interested in this program, could raise $1.5 million, or whatever it is, before they go to lunch today, get on the telephone, these old cats in this country know how many million are in a trillion? These are the people who ran up this debt for the young people of this country to pay. Not one was certain about the answer. There are 1 million in a trillion. Mr. President, as the distinguished occupant of the Chair knows.

Mr. JOHNSTON. I have run up this debt by saying, "This is a good thing to do, let's let the taxpayers pay for it." 'This is a good thing to do, let's let the taxpayers pay for it." 'This is a good thing to do; oh, this is going to pay for itself.'

How many times have I heard that? Senator Smith said these "temporary programs." I bet you 75 percent of the programs that are started by the Federal Government and approved by the Congress are identified as "temporary Federal programs."

For example, the Agency for International Development, when it was approved by Congress back in the fifties, was a temporary Federal program. So was ACDA. So is this one and that one, and so forth. All of them are "temporary programs" still going strong with hundreds of employees being paid for by the taxpayers.

I think that is the point that Senator Smith is making. Ronald Reagan said it, "This is a good thing to do, let's let the taxpayers pay for it." "This is a good thing to do, let's let the taxpayers pay for it." "This is a good thing to do; oh, this is going to pay for itself."
in providing the fullest possible accounting.

We strongly support your amendment to H.R. 3540. We appreciate your continuing leadership on issues of importance to veterans.

Sincerely, 

JOHN F. SOMMER, J.R., 
Executive Director.

Mr. SMITH. Mr. President, other than that, I have no further comments.

Mr. HELMS. If the Senator will yield, if he has no objection, I wish he would make me a cosponsor of his amendment.

Mr. SMITH. Mr. President, I ask unanimous consent to add Senator HELMS as a cosponsor.

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

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I wish to speak against the Smith amendment which would prohibit funding for economic assistance to Vietnam. I just visited Vietnam and believe that this amendment would move us in exactly the wrong direction as we attempt to encourage economic and political change in Vietnam.

There is a tremendous entrepreneurial spirit among the people of Vietnam. All along the narrow, winding streets you will find small stores crammed in next to each other, selling everything under the Sun—books, postcards, clothes, car parts. The people of Vietnam very clearly want to have their own businesses. They want to trade. They clearly want a market economy, but they need help to develop it. The foreign operations bill provides funding for us to provide assistance to teach them economic and legal reforms. This type of assistance will only encourage the country to move farther away from socialism and closer to a Western-style market system.

Moreover, this is just the type of reform that the United States business leaders in Hanoi told me they need to see in Vietnam. It is very much in American commercial interests to have investment and especially legal reforms in Vietnam. U.S. businesses are losing money now, but they continue to do business there because they believe change is coming to both the country and the region as a whole and that change will be profitable for them. The type of assistance this bill provides for will encourage that change to come sooner rather than later.

By prohibiting economic assistance to Vietnam, the amendment we are discussing would needlessly stifle budding, indigenous market reforms and hurt United States companies at the same time.

It was truly an amazing sight to see the people in Vietnam in the streets, Vietnamese and American businessmen working and chatting together in a friendly way. That would have been impossible to imagine 20 years ago. I hope this amendment is not accepted and that we do what we can to encourage Vietnam’s development. I yield floor.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, several Senators have been coming over and bringing up amendments and speaking to them and I believe that this amendment would move us in exactly the wrong direction as we attempt to encourage economic and political change in Vietnam.

Mr. LEAHY. Mr. President, I am happy to give another stirring speech if it would help, as I know I will have the unexpressed attention of the distinguished Senator from New Hampshire but otherwise may find it difficult keeping both eyes open, but I would rather other Senators present their amendments so we could, as much as I know everyone prefers staying and working on this amendment, so we could get out of here on this thing. Without that cloakroom looking for other amendments.

I must say, in seriousness, we need to make policy sometimes directly and sometimes indirectly on this bill. We do affect the authorization as well as the appropriation on this bill because we do not have a piece of authorizing legislation to work from.

I urge Senators to understand what has happened as we have allowed ourselves to be captured by our rhetoric. The way the Reagan administration, I recall Senators still in this body who would say they strongly applaud President Reagan’s efforts to curtail foreign aid. And yet, of course, President Reagan supported nearly $25 billion in foreign aid. Now, that same rhetoric, they say, “We have to do something; now that the Clinton administration is here the foreign aid has risen.” Well it is now down around $10 or $11 billion under the current administration. So, as I understand it, the Senate is looking for other amendments.

Mr. LEAHY. Mr. President, what is the pending amendment?

The PRESIDING OFFICER. The pending amendment is amendment No. 5027, offered by the Senator from Vermont (Mr. CAMPBELL). The pending amendment?

Mr. KERRY. Mr. President, what is the pending amendment?

The PRESIDING OFFICER. The pending amendment is amendment No. 5027, offered by the Senator from New Hampshire, Mr. SMITH.

Mr. KERRY. I will take a few minutes to speak to that amendment. I will not spend a lot of time on it.

I strongly oppose the amendment of the Senator from New Hampshire but that is another story. I want to convey to my colleagues that I think the concern expressed by the Senator from New Hampshire is misplaced in this particular instance, and that the real
interests of the United States are to continue forward in helping to build a legal code and trade code in Vietnam that is based on our notions and precepts about both the legal systems and trade.

Mr. President, the Senator from New Hampshire argues that we should not go forward with this legal program—legal reform program in Vietnam, which is what it is—because he says Vietnam is in violation of the Brooke amendment. Mr. President, there is an amendment that limits U.S. aid to countries that are in default to the United States on money owed. The default that he is referring to is a default that goes back to the question of debt emanating from the war, back in the 1960's.

Indeed, the United States and Vietnam have already had a number of rounds of negotiations on this debt. The debt does exist. I am not suggesting it does not. However, Vietnam has agreed to pay the debt. They have agreed to pay the money. It is a debt that has been owed to us from the time that certain property was expropriated during the war. The debt is about $150 million in total. As I say, they have agreed to pay that debt, with the exception of about an $8 million amount that remains in discussion over the question of USDA loans.

So, Mr. President, we have really resolved the major part of the issues with respect to this total debt. In addition to that, we have, in the past, on a number of different occasions, waived the Brooke amendment when it has been in the national interest to do so. We waived the Brooke amendment with respect to narcotics assistance in Colombia, with respect to Peru and Bolivia, for development assistance for Tanzania, for other African countries, and also for Nicaragua.

Mr. President, the Brooke amendment is not really what is at issue here. The issue is, Do we or do we not want to move forward with improving our ability to have a legal system in Vietnam that is based on our notions and precepts of what the law is and means, and do we want to have a trade regime that meets the needs of our companies and the rest of the world in trying to do business with Vietnam which moves toward Western values and goals?

Mr. President, a number of years ago, I created the Fulbright Exchange Program for Vietnam. We are now in the fifth year of that program, and it has been an enormous success. We brought Vietnamese academics, officials, and others to the United States. We have trained them in some of the best schools, some of our best economic institutions, as well as some of our legal institutions. I think we are now at a point where we are seeing many American professors in law and trade and economics going to Vietnam and teaching in that country.

So to suddenly take out of this bill a very small amount of money that is geared to trying to increase the ability to reform the legal system and economic structure of Vietnam would literally be to turn our backs on 30-plus years of aspirations with respect to that country. We are trying to do now, peacefully, what we invested $8,000,000-plus American lives to do during a 10-year war. It just does not make sense to turn away from the legal reform program that would be created by this bill, which is the logical, needed follow-on to the Fulbright program.

Vietnam wants our help in developing its legal code. What an extraordinary thing. What a great opportunity. For us now to suggest that is not a more peaceful and sensible way of approaching the process of changing a system of values and cultural—do I not know what is better than that. It seems to me that, recognizing that the full debt has been accepted in principle, the only contentious issue within the debt is $8 million of USDA money, it would simply be wrong to turn our backs on that debt.

I hope my colleagues will join in opposing this amendment and in affirming that it is in our interest to continue to invest in the legal and economic reform of Vietnam and to bring Vietnam into the world community with respect to trade laws and regulations, property laws and rights, and all of the means of accountability for those companies that are or will be doing business in Southeast Asia.

I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

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

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

The PRESIDING OFFICER. The Senator from North Carolina [Mr. HELMS], for himself, Mr. LOTT, and Mr. GREGG, proposes an amendment numbered 5028.

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

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

The amendment is as follows:

On page 198, between lines 17 and 18, insert the following:

RESTRICTIONS ON VOLUNTARY CONTRIBUTIONS TO UNITED NATIONS AGENCIES

SEC. 1. (a) Prohibition on Voluntary Contributions for the United Nations.—None of the funds appropriated or otherwise made available by this Act may be made available to pay any voluntary contribution of the United States to the United Nations or any of its specialized agencies (including the United Nations Development Program) if the United Nations attempts to implement or impose any taxation on the United States persons or borrows funds from any international financial institution.

(b) Certification Required for Disbursement of Funds.—None of the funds appropriated or otherwise made available under this Act may be made available to pay any voluntary contribution of the United States to the United Nations or any of its specialized agencies (including the United Nations Development Program) unless the President certifies to the Congress 15 days in advance of such payment that the United Nations or such agency, as the case may be, is not engaged in, and has not been engaged in during the previous fiscal year, any effort to develop, advocate, promote, or publish any proposal concerning taxation or fees on United States persons in order to raise revenue for the United Nations or any of its specialized agencies.

(c) Definitions.—As used in this section:

(1) The term “international financial institution” includes the African Development Bank, the Asia Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank, the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the International Monetary Fund, and the Multilateral Insurance Guarantee Agency; and

(2) The term “United States person” refers to—

(A) a natural person who is a citizen or national of the United States; or

(B) a corporation, partnership, or other legal entity organized under the United States, or any state, territory, possession, or district of the United States.

Mr. HELMS. Mr. President, this amendment is cosponsored by the distinguished majority leader and the distinguished Senator from New Hampshire, Senator GREGG.

Mr. President, on January 15 of this year, the Secretary General of the United Nations, Boutros Boutros-Ghali, while speaking at Oxford University over in England, of course, outlined a series of revenue-raising operations of the United Nations' day-to-day activities. Mr. Boutros Boutros-Ghali then went on the British Broadcasting Corporation suggesting
that the United Nations should be allowed to collect taxes directly from American citizens and citizens of all other sovereign states so that the United Nations "would not be under the daily financial will of member states." There was quite a tempest about that idea, and it was not in a teapot.

Let me say at the outset that I know Mr. Boutros Boutros-Ghali, not well, but Dot Helms and I went to New York and had dinner with him and his wife and stayed overnight and we had a very enjoyable evening. Mr. Boutros Boutros-Ghali has his own ideas about things, and I have been known to have my own ideas about a few things. It is in that context that I want to comment a little bit about the Secretary General's proposed scheme.

Absurd as it is, it is not an isolated one. James Tobin, an international economist, back in 1976 proposed a U.N. tax on currency transfers, and Gustave Speth, President of the United Nations Development Program—and all through the bureaucracy, here and there, we always use initials, and that is UNDP— the United Nations Development Program, has called for a global human security fund financed from global fees such as the Tobin tax on speculative movements of international funds and international tax on the consumption of nonrenewable energy and a tax on arms trade. I am not making that comment just idly. That is an exact quote of what Mr. Speth proposed.

It is no coincidence that 1 week after Mr. Boutros Boutros-Ghali made his chilling announcement about the need and desire for giving the United Nations power of taxation, the former distinguished majority leader of the Senate, Bob Dole, and Senators Kerry, Shelby, and I introduced what was then S. 1519, which was a bill to forbid any U.S. payments to the United Nations if the United Nations attempts in any way to levy taxes on the American people. All right.

So, Mr. President, the pending amendment—by the way, what is the number of the amendment?

The PRESIDING OFFICER. The number is 5028.

Mr. HELMS. I thank the Chair. The pending amendment is based on S. 1519, to which I have just referred, and it, like S. 1519, prohibits all U.S. voluntary contributions to the United Nations if the United Nations should make an attempt to levy a direct tax on the American people.

Furthermore, the amendment requires the President of the United States to certify to Congress that no United Nations agencies, including the UNDP, are concocting any sort of scheme for a direct tax on the American people. I am very pleased and honored that the present majority leader of this Senate, Mr. Lott, and the Chairman of the Commerce, State and Justice Appropriations Subcommittee, Senator Gregg, have joined in offering this amendment.

If I could ask whoever is in charge of focusing the television cameras, I hope that they will focus on the chart at my side. You will see the bureaucracy of the United Nations. You will also see how we have entitled it. We call it "The United Nations—Big Mess." That is precisely what it is.

The United Nations is an enormous and unwieldy maze of independent fiefdoms whose bureaucracies are proliferating almost by the hour and whose costs are spiraling into the stratosphere and whose missions are constantly expanding far beyond their mandate. Worse, with its unyielding growth—just look at this bureaucracy, if you will—worse, with its unyielding growth and its misguided ideology, the United Nations is rapidly transforming itself from an institution of sovereign nations into a quasi-sovereign entity itself. This unchecked transformation and the Clinton administration's unwise over-reliance on the United Nations obviously represents a threat to American national interests. That is the reason I am standing here on this floor with this chart right beside me.

Mr. President, the 53,000—count them—53,000 international bureaucrats at the United Nations would find it worthwhile if they would spend just a few minutes reading the Constitution of the United States of America. Despite what these bureaucracies may hope and desire, the United Nations, not being a sovereign entity, cannot—cannot—levy taxes. We could be grateful that it is not a world government.

You see, the United Nations exists to serve its members, of which the United States is one. The United States is also the most generous member of the United Nations—not the other way around.

Yet, when you look at this chart—I wish that the thousands of people looking at this chart on television at this moment could examine it line by line. But judging from it, this insatiable U.N. bureaucracy has for 50 years now been impervious to any kind of real reform. It has grown and mushroomed "like Topsy."

That is why, from the standpoint of the U.N. bureaucracy, new taxes on the American people by way of international airline tickets, financial transactions, postcards sent from overseas—all of these and others—would provide a seemingly endless stream of resources from which, Heaven forbid, an ever-increasing number of new U.N. programs and new personnel and new bureaucrats could be undertaken.

Mr. President, if the Secretary General and his allies at the United Nations develop a program, and should they make the mistake of persisting in this U.N. tax scheme, there could very well be the 1996 version of the Boston Tea Party. This time it would be, I guess, in New York Harbor—because working Americans are already overtaxed beyond belief.

Today, the visible—the taxes that we can see—the visible tax burden for the average working family is a whopping 36.4 percent of their total income. Tax Independence Day, the day upon which American citizens stop working for the Internal Revenue Service and begin working to feed and clothe their families, is now May 7, a full week later than when Mr. Clinton took office.

In addition to this tax burden, every man, woman and child in the United States now owes an average of $18,649 as their share of the $5,173,226,283,802.71 debt. It should be no surprise, therefore, that the watchdog group known as the Americans for Tax Reform—a good group of people—and 14 Governors around the country, all Republicans, I might add, support the pending amendment.

The prohibition on U.N. taxation upon which this amendment is based speaks for itself. Yet the Secretary General and U.N. bureaucrats continue to raise the specter of more and more taxes on the American people.

So I guess it might be said that I am here today to try to help the American people make clear that even the consideration of U.N. tax authority is totally unacceptable. I do not want to hear any more about it, and I made that clear to Boutros Boutros-Ghali as nicely as possible. Passage of this amendment would send a clear message to Mr. Boutros Boutros-Ghali and the entrenched bureaucracy at the United Nations that what is necessary at the United Nations is real reform, not the taxation of the American citizens.

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

The PRESIDING OFFICER. The yeas and nays are ordered.

Mr. HELMS. I thank the Chair. I yield the floor.

Mr. GREGG addressed the Chair.

Mr. LEAHY. Mr. President, I wonder if the Senator will just answer a question. I realize he has yielded the floor.

I wonder if I might ask the Senator from North Carolina a question. I was just glancing over here and Mr. President, would the Senator tell me, in section (a), the first section, it speaks of the "United States persons or borrowers from any international financial institution." Does that mean that no money could go to them if they were to borrow money from, say, the New York City Bank or other international financial institution just to pay their payroll? If they borrow from an American bank that has international affiliates to pay whatever housekeeping bills, would that preclude us?

Mr. HELMS. Of course not. If the Senator had the amendment, he would know the answer to his own question.

"(c) Definitions. As used in this section—"

Mr. LEAHY. Would this require in any way cutting money to UNICEF?

Mr. HELMS. I did not understand the Senator. Look at me so I can read your lips.
Mr. LEAHY. I am sorry. Unlike others, I was trying to follow the rules by addressing, Mr. President, the question through the Chair. But does this require cutting of any funds to UNICEF? Mr. HELMS. There is no intention, expressed by the committee. Mr. GREGG addressed the Chair. The PRESIDING OFFICER. The Senator from Vermont has the floor. Mr. LEAHY. My last question. If it was found that they had borrowed money from international financial institutions as defined here, would we then have to withhold any contributions to UNICEF? If it was found that they were borrowing funds from one of the international financial institutions as defined—

Mr. HELMS. The answer to that is no.

Mr. LEAHY. In the amendment, would we then be precluded from contributions to them? Mr. HELMS. The answer is no. Mr. LEAHY. What would we be precluded under those circumstances from making contributions to? Because we have contributions to a specialized agency such as UNICEF. If we are not precluded from giving to UNICEF, what are we precluded from giving to? Mr. HELMS. Is the Senator really concerned about UNICEF? Mr. LEAHY. Mr. President, the Senator has had—

Mr. HELMS. Is so, I will be glad to exclude it.

Mr. LEAHY. Mr. President, this Senator has spent years supporting UNICEF. As I read this, we are unable to give money to UNICEF. Let us be clear. There are a lot of other things in here. Whatever agency provides funds for river blindness, we would be precluded from that. We would be precluded from others.

The Senator has an absolute right to have such an intention, but I just want to make sure we understand precisely what we are doing. If they borrow funds from any of these international financial institutions, I would assume this would then preclude our dollars to UNDP, UN Environmental Program, the World Food Program, International Atomic Energy Agency, UNICEF, and others. Am I correct?

Mr. HELMS. The answer is no. Mr. LEAHY. What does it preclude us from giving?

Mr. HELMS. If the Senator wants to read the amendment—

Mr. LEAHY. I have. Mr. HELMS. I ask the clerk to read the amendment. Apparently the Senator has forgotten.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

Amendment No. 5028. On page 198, between lines 17 and 18, insert the following:

Mr. LEAHY. Mr. President, let me read then what we have here. It says, “None of the funds appropriated or otherwise made available by this act may be made available to pay any voluntary contribution of the United States to the United Nations or any of its specialized agencies.” That prohibition follows, as I read this, “* * * if the United Nations * * * borrows funds from any international financial institution,” as defined in here. I am not arguing that point. I just want to make sure we understand what the amendment would originate in the committee of the distinguished Senator from North Carolina, the committee he chairs.

Mr. HELMS. You did not finish reading, Senator. If you had gone ahead and finished what you were reading, you would have discovered that this whole thing is based on Boutros-Ghali’s and others’ recommendation that the United Nations be given sovereignty to tax the American people and other sovereign countries. That is what this whole section is.

Mr. LEAHY. Mr. President, the idea that anybody is trying to give the Secretary General, whoever he might be, of the United Nations, the ability to impose taxes on the United States is about in the league of all these black helicopters that appear in the middle of the night and bring U.N. troops around to take over whatever parts of the United States they are about to do. That is not about to happen.

I just want to make sure we understand voting funds and be cutting off our ability, if the United Nations has borrowed from any of these international organizations, our ability to make payments to the U.N. Environment Program, the World Food Program, International Atomic Energy Agency, UNICEF, the International Fund for the Advancement of Women, the International Fund Against Torture, the U.N. Environmental Program, and on and on.

That may be wise policy. My suggestion would be that perhaps, as such policy, it should be debated and included in an authorization bill which would originate in the committee of the distinguished Senator from North Carolina, the committee he chairs. Should he wish to do that in such an authorization bill, he ought to, rather than try to attach it onto this appropriations bill. But he is, of course free, as any Senator is, to bring up anything he wants.

I just want to make sure we know exactly what it is we are voting for. I just wanted the Record to be clear so Senators, those who have positions in favor of some of these independent agencies like the International Fund Against Torture or the World Heritage Agency or the International Fund for the Advancement of Women or UNICEF, or any of those, probably many others I do not have off the top of my head, they must know that, for whatever it is worth.

Mr. LEAHY. Mr. President, if the Senator would read my lips, as the statement goes. Nothing in here kicks in unless the United Nations engages in, during
the fiscal year, "* * * any effort to de-
velop, advocate, promote or publicize
any proposal concerning taxation or
fees on United States persons in order
to raise revenue for the United Nations
or any of its specialized agencies.
Nothing kicks in. The Senator under-
stands that. I said again, if he
wants us to eliminate UNICEF, I will
be glad to do that. It would be a mean-
ingless gesture, but—

Mr. LEAHY. Mr. President, I appre-
ciate the suggestion of the distin-
guished Senator from South Carolina
to read his lips.

Mr. HELMS. North Carolina, I say to
the Senator.

Mr. LEAHY. I know Presidential can-
didates said that, and said they would
not raise taxes: "Read my lips, there
will be no new taxes." But because I
know what happened when we followed
that, I would rather just read the
words. And the words said, "None of
the funds appropriated or otherwise
made available under this act may be
made available to pay any voluntary
contribution of the United States to
the United Nations or any of its spe-
cialized agencies," which include the
ones I have mentioned, if the United
Nations borrows funds from any inter-
national financial institution.

If the U.N. borrows money to make
its payments from these international
institutions because the U.S. and oth-
ers are in arrears in their dues, then we
are not allowed to give money to the
World Heritage Agency, the Inter-
national Fund for the Advancement of
Women, the International Fund
Against Torture, the U.N. Environ-
ment Program, UNICEF, and Lord knows
how many others. That is all I am say-
ing. I am not reading anybody's lips. I
am just reading the words of the
amendment.

Mr. HELMS. The Senator is not read-
ing all of it. This amendment will not,
of course, unless there is an effort for the United Nations to tax
American citizens. That is all it is. I
think it says that.

Furthermore, I think, if the Senator
will recall, the United Nations tried to
ger the borrowing authority from these
lending institutions last year, I believe
it was, to pay some debts, and that was
denied. So that is a moot question.

The PRESIDING OFFICER. Is there
further debate?

Several Senators addressed the
Chair.

The PRESIDING OFFICER. The Sen-
ator from New Hampshire [Mr. Gregg]
is recognized.

Mr. GREGG. Mr. President, I rise in
support of the amendment. As has
been mentioned, I believe last year, the
U.N. Secretary did state he intended to
pursue the option of imposing a tax on
airline tickets, currency exchanges, post-
age, energy sources and other pro-
grams. Of course, to raise additional
funds for the United Nations. Mr. Boutros Boutros-Ghali stated: "It will be the role of the Secretary General"—
and he, of course, is the Secretary Gen-
eral—"to bring this project to success-
ful fruition in the 21st century."

So we have an unequivocal state-
manship coming from the leader of the
U.N. that it is the intention of the
United Nations' leadership to pass a
tax, even though it is not subject to tax. What an irony. You
mayor of New York City, which is
$111,000. That is compared with a coun-
parable non-United Nations individual
salary for a mid-level accountant is
$84,500. The average salary for com-
parable non-United Nations individual
would be $41,000, or half of it.

On top of all this, U.N. salaries are
not subject to tax. What an irony. You
have this Secretary General of the
United Nations saying that he wants to
assess a tax against American citizens
when he doesn't pay taxes, nor do the
people who work for him, even though
they are stationed in the United
States. In fact, U.S. citizens working at
the U.N. pay no U.S. income taxes. It is, to
say the minimum, ironic.

We now, finally, have an inspector
general to take a look at the money
that is being spent there. In the first
report, the inspector general found
about $6 million was wasted. The insp-
ector general only got to look at a
small slice of the U.N. activity.

We, for example, know that they put
turnstiles in at the U.N. for security
reasons, I guess, but they had to pull
the turnstiles out. Because the staff of
the U.N. protested because the turn-
stile were keeping track of when they
came and went. It became very clear
fairly quickly that most of them were
coming very late and leaving very
early, so they took the turnstiles out.

The U.N. for years has been a dump-
ing ground of political patronage for
people around the world. If you have a
nation where the president or leader-
ship on the U.N., say, not pay any of a
few political cronies, they send them to
the U.N., put them on a U.N. salary and
the United States taxpayer picks up 25
percent of that cost.

Yes, we have significant arrearages
at the U.N., but we are, as a matter of
policy, at least in the Congress, stating
that we are not going to pay down
those arrearages until the U.N. has got-
ted its house in order, and it does not
have its house in order.

We addressed a letter, myself and
Senator Dole and Senator HELMS, to the
General Accounting Office to deter-
mine just what rights the Secretary
General has to assess taxes against
American citizens. We asked specifi-
cally:

Are there any circumstances under
which the U.N. revenue-raising propos-
al could be binding on U.S. citizens without an act of
Congress?

What is the process for approval of reve-


What is the status under U.S. domestic law
and relevant international law of each of the
U.N. revenue-raising proposals?

What funding sources are available to the
U.N. organization apart from contributions
from member states?

What authority does the U.N. have for each
of these sources?

We have not yet gotten an answer to
this request, but that answer is, of
course, critical to the determination of just
what rights American citizens have given away in chartering the U.N.
relative to the issue of taxation and the
policies of the U.N. and the ability of the U.N. to assess
taxes.

Thus, I think it is important that we
adopt this amendment so that we make
it clear that as a matter of law, the
Congress has spoken, that it does not
intend to tolerate attacks against
American citizens assessed by the U.N.
Therefore, I rise in strong support of
the amendment of the Senator from
North Carolina. I appreciate his leader-
ship on this matter, and I yield back
the remainder of my time.

The PRESIDING OFFICER. The Sen-
ator from Alaska.

Mr. MURKOWSKI. Madam President,
I ask unanimous consent that the
Burma debate be set aside while I offer
an amendment.

Mr. McCONNELL. The amendment of
the Senate from Alaska is one that I
believe is going to be accepted, and I
therefore ask unanimous consent that
the pending amendment be laid aside
so Senator MURKOWSKI can send his
amendment to the desk.

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

Mr. LEAHY. Madam President, I
wonder, once we have disposed of the
amendment of the Senator from Alas-
ka, if we could have some idea of the
order of business.

Mr. McCONNELL. I say to my friend
from Vermont, as soon as Senator
MURKOWSKI's amendment is disposed
of, we will set votes on the Smith
amendment and the Helms amendment.

I ask unanimous consent the Senate
Proceed to two rolloc vote the Helms amendment and the Smith
amendment, with no second-degree amendments in order, at the conclusion of the disposition of the Murkowski amendment. The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. S529

(Purpose: To reaffirm the sense of the Congress regarding implementation of United States-Japan Insurance Agreement)

Mr. MURKOWSKI. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Ms. SNOWE). The clerk will report.

The legislative clerk read as follows:

The Senator from Alaska [Mr. MURKOWSKI], for himself, Mr. D'AMATO, and Mr. BOND, proposes an amendment numbered S529.

Mr. MURKOWSKI. Madam President, I ask unanimous consent that the reading of the amendment be dispensed. The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 198, between lines 17 an 18, insert the following:

SENSE OF CONGRESS REGARDING THE UNITED STATES-JAPAN INSURANCE AGREEMENT

(a) FINDINGS. --The Congress makes the following findings:

(1) The United States and Japan share a long and important bilateral relationship which serves as an anchor of peace and stability in the Asia Pacific region, an alliance which was reaffirmed at the recent summit meeting between President Clinton and Prime Minister Hashimoto in Tokyo.

(2) The Japanese economy has experienced difficulty over the past few years, demonstrating that it is no longer possible for Japan, the world's second largest economy, to use exports as the sole engine of economic growth, but that the Government of Japan must promote deregulation of its domestic economy in order to increase economic growth.

(3) Japan is the second largest insurance market in the world and the largest life insurance market in the world.

(4) The share of foreign insurance in Japan is less than 3 percent, and large Japanese life and non-life insurers dominate the market.

(5) The United States has had as its stated policy for several years the deregulation and liberalization of the Japanese insurance market, and has developed and adopted a new insurance business law as a means of achieving this publicly stated objective of liberalization and deregulation.

(6) The Governments of Japan and the United States concluded in October of 1994 the United States-Japan Insurance Agreement, following more than one and one-half years of negotiation. In the agreement, the Government of Japan reiterated its intent to deregulate and liberalize its market.

(7) The Government of Japan in June of 1995 undertook additional obligations to provide greater foreign access and liberalization to its market through its schedule of insurance obligations during the financial services negotiations of the World Trade Organization (WTO).

(8) The United States insurance industry is the most competitive in the world, operates successfully throughout the world, and thus could be expected to achieve higher levels of market access and profitability under a more open, deregulated and liberalized Japanese market.

(9) Despite more than one and one-half years since the conclusion of the United States-Japan Insurance Agreement, despite more than one year since Japan undertook new commitments under the WTO, despite the entry into force on April 1, 1996, of the new Insurance Law, the Japanese insurance market remains closed and highly regulated and thus continues to deny fair and open treatment for foreign insurers, including competitive United States insurers.

(10) The non-implementation of the United States-Japan Insurance Agreement is a matter of grave importance of the United States Government.

(11) Dozens of meetings between the United States Trade Representative and the Ministry of Finance have taken place during the past year.

(12) President Clinton, Vice President Gore, Secretary Rubin, Secretary Christopher, Secretary Kantor, Ambassador Barshesky and all indicated to their counterparts in the Government of Japan the importance of this matter to the United States.

(13) The United States Senate has written repeatedly to the Minister of Finance and the Ambassador of Japan.

(14) Despite all of these efforts and indications of the importance of the matter, Japan has failed to implement the United States-Japan Insurance Agreement.

(15) Several deadlines have already passed for resolution of the disagreement with the latest date set for July 31, 1996.

(b) SENSE OF CONGRESS. --It is the sense of the Congress that

(1) the Ministry of Finance of the Government of Japan should immediately and without further delay completely and fully comply with all provisions of the United States-Japan Insurance Agreement, including most especially those which require the Ministry of Finance to deregulate and liberalize the primary sector of the life insurance market, and those which insures that the current position of foreign insurers in Japan will not be jeopardized until primary sector deregulation has been achieved, and a three-year period has elapsed; and

(2) failing satisfactory resolution of this matter on or before July 31, 1996, the United States Government should use any and all resources at its disposal to bring about full and complete compliance with the Agreement.

Mr. MURKOWSKI. Madam President, I rise to offer an amendment to the foreign operations appropriation bill. I think it is timely that we have an expression of the Congress toward Japan's failure to follow the letter and the spirit of the United States-Japan Insurance Agreement.

For many years, Madam President, I have been an advocate of encouraging the Japanese to open up their markets, as we have opened our markets to Japanese firms, to ensure that we maintain our leadership position in an open-market concept.

It has been very difficult over the years for United States firms to do business in Japan. One of our more successful U.S. international markets has been through the competitiveness of the U.S. insurance industry. The industry has proven its ability to compete in numerous countries throughout the world, providing a degree of service and coverage at competitive costs. We seem to have a significant exception in our ability to do business in Japan.

It is interesting to note that Japan has the second largest insurance market in the world. However, most of Japan's market is shared by Japanese companies. Foreign and U.S. competition share less than 3 percent of the Japanese market. In comparison, Japanese and other foreign insurers have over 10 percent of the United States insurance market.

What we are talking about, Madam President, is addressing equity. The United States and Japan negotiated over a year and a half, beginning October 19, 1994, and the United States-Japan Insurance Agreement was signed in June 1995. Japan committed to a further liberalization under the World Trade Organization. In April 1996 Japan passed new insurance business laws.

Despite these commitments over this extended period of time, no progress has been made. The United States and Japan spent several months negotiating over the meaning of an agreement that they signed 19 months ago. This is traditional in many of the business customs in Japan. You negotiate endlessly, you meet the committee, and time marches on. As the Japanese have observed, time and time again, many such firms simply give up, go off and do something else, because they simply cannot afford to spend the much time trying to open the market.

During this timeframe, Japan threatened to relax rules in the one small sector where foreign companies have some market share, yet they continue to hold back, which serves as an anchor of peace and stability in the Asia Pacific region.
and the Ministry of Finance. I have that time and time again in many forums, business discussions, and in interactions with the Japanese side. Last month, I sent a letter to the chairman of the Finance Committee, Chairman D’Amato, and Chairman McConnell to express our legitimate concerns about the lack of action. We noted that “Congress has a responsibility to ensure that trade agreements are honored, and to act when they are not.” It is time to act, but we have not.

Madam President, this amendment and the resolution I am offering today would call on the Minister of Finance to fully comply with the provisions of the agreement. This is the voice of the Congress speaking. If the matter is not resolved by July 31 of this year, that would be the deadline that would direct the U.S. Government to use all of its resources to bring about compliance.

I also call on my colleagues and Chairman Roth to join me in pushing for the resolution, to hold hearings in the Senate Finance Committee if the issue is not resolved on the Japanese side. I urge my colleagues to support this resolution. I understand the floor managers will accept this.

Mr. ROTH. Madam President, the Senate’s unanimous vote in favor of the Murkowski amendment demonstrates once again the serious concerns Members of this body have about the lack of action by the Japanese Ministry of Finance to implement its obligations under the United States-Japan Insurance Agreement.

The Senate fully expects Japan to live up to its agreements. The Ministry of Finance’s behavior on this issue is particularly unfortunate because it undermines the credibility of the Government of Japan.

Congress has a responsibility to ensure trade agreements are honored, and to act when they are not.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 5029 offered by the Senator from Alaska.

The amendment (No. 5029) was agreed to:

Mr. MCCONNELL. Madam President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to:

Mr. MCCONNELL. Madam President, under a unanimous-consent agreement we entered into, we are about to have two rollcall votes. But Senator Leahy and I have several amendments. We would like to dispose of those first, which means we will have completed action on 15 amendments. There will be approximately 20 remaining. But the good news is only about four of those are going to require rollcall votes.

Mr. MCCONNELL. Madam President, I send five amendments to the desk, en bloc, and ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. McConnell] proposes amendment numbered 5030 through 5034.

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

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

The amendments are as follows:

AMENDMENT NO. 5030

(Purpose: To express the sense of Congress regarding the conflict in Chechnya and the lack of action by the Russian Federation to implement its obligations under the United States-Japan Insurance Agreement)

On page 198, between lines 17 and 18, insert the following:

SENSE OF CONGRESS REGARDING THE CONFLICT IN CHECHNYA

Sec. (a) CONGRESSIONAL DECLARATION.—The Congress declares that the continuation of the conflict in Chechnya, the continued killing of innocent civilians, and the ongoing violation of human rights in that region are unacceptable.

(b)SENSE OF CONGRESS.—The Congress hereby—

(1) Condemns Russia’s infringement of the cease-fire agreements in Chechnya;

(2) Calls upon the Government of the Russian Federation to bring an immediate halt to offensive military actions in Chechnya and requests President Yeltsin to honor his decree of June 25, 1996 concerning the withdrawal of Russian armed forces from Chechnya;

(3) Encourages the two warring parties to resume negotiations without delay so as to find a peaceful political solution to the Chechen problem; and

(4) Supports the Organization for Security and Cooperation in Europe and its representatives in Chechnya in its efforts to mediate in Chechnya.

Mr. HELMS. Madam President, my purpose in offering this amendment is to focus the attention of the United States once again on the terrible tragedy unfolding in Russia. The text of the amendment parallels the language of the resolution approved last week by the European Parliament condemning the violence in Chechnya and supports the sentiment of legislation passed by the Russian State Duma this week criticizing the actions of the Russian Government.

As I speak, Russian warplanes and heavy artillery continue to devastate civilian areas of Chechnya. While the attention of the Western news media has faded, the violence in Chechnya continues to worsen. Based upon pictures released by the Russian State Department, I accept estimates of up to 30,000 civilian casualties—primarily innocent men, women and children.

Madam President, by breaking the cease-fire in Chechnya, the Russian military has unleashed yet another terrible cycle of abuses on both sides of this conflict. A recent Russian news report tells of Russian soldiers cutting the ears off of dead Chechens as trophies. In an unprovoked act of hatred, Russian troops in Chechnya this week opened fire on buses of civilians, killing most and finishing off the survivors with bayonets. The Russian people have endured acts of terrorism possibly inspired by the fighting in Chechnya, and the Russian military suffered its own tragedy with the discovery of several tortured and executed prisoners of war.

Compounding the tragedy in Chechnya is the fact that President Clinton has failed to voice criticism or complaint of the Russian actions. He even found occasion at a United States-Russian summit in May to speak in defense of the Russian actions by comparing them favorably to our own Civil War. I understand Russia’s interest in maintaining its territorial integrity, but the current action is inexcusable.

If President Clinton will not speak for the Nation’s conscience then we in the Senate must. The Russian actions in Chechnya must stop. The massacre of innocents is unacceptable and will negatively affect relations between our countries.

Madam President, the military action in Chechnya has been conducted—and continues—with a degree of brutality and recklessness for civilian life that no democratic government can sustain. It is my great concern that, in addition to the killing of countless innocent civilians, the current action in Chechnya is bringing to an end the short journey Russia has made toward the development of a democratic government.

AMENDMENT NO. 5031

(Purpose: To require the United Nations vote report to include information about American foreign assistance)

On page 125, line 2, before the period insert the following: “Provided, That, of the funds appropriated under this heading, $2,000,000 shall be available for demining operations in Afghanistan.”

AMENDMENT NO. 5032

(Purpose: To require the United States to publish an annual report that reflects the U.S. assistance to the developing world)

On page 198, line 2, before the period insert the following:

SEC. (a) FOREIGN AID REPORTING REQUIREMENT.—In addition to the voting practice of a foreign country, the report required to be submitted to Congress under section 406(a) of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (22 U.S.C. 214a), shall include a side-by-side comparison of individual countries’ overall support for the United States at the United Nations and the amount of United States assistance provided to such country in that fiscal year.

(b) UNITED STATES ASSISTANCE.—For purposes of this subsection, “United States assistance” has the meaning given in the term in section 481(e)(4) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151(e)(4)).

Mr. FAIRCLOTH. Madam President, current law requires the Secretary of State to publish an annual report that tells the Congress how often foreign countries voted with the United States at the United Nations. Unfortunately, this report leaves out a key statistic, and that is how much foreign aid we are giving to the countries that vote against us.

This amendment requires the Secretary to include the amount of foreign aid
aid that these nations receive and a side-by-side comparison of voting records and foreign aid appropriations.

This amendment will assemble this important information in a convenient and easily accessed resource. It will assist those in Congress and in the public in their assessments of the merits of American foreign aid programs.

I believe that there is good reason to scrutinize these two statistics. The American taxpayers are told that foreign aid encourages support for American aims and diplomatic initiatives.

Analysis of the United Nations votes of foreign aid recipients, however, reveals the fallacy of this rationale; 64 percent of American foreign aid recipients voted against the United States more often than not in the 1996 session of the United Nations.

India, for example, received $156 million in foreign aid in 1996. India, however, declined to support American diplomatic initiatives as a gesture of appreciation and goodwill. The United States, on the other hand, supported 83 percent of its U.N. votes. India thus offered less support to the United States than Iran and Cuba.

The ten countries that voted against the United States most often at the United Nations will nonetheless collect $212 million from the American taxpayers.

The United Nations sent troops to Haiti to restore President Aristide and also sent $123 million in aid. Nonetheless, Mr. President, Haiti voted against the United States 60 percent of the time.

President Clinton engineered a $40 billion bailout for Mexico, and, yet, Mexico voted against us in 56 percent of its U.N. votes.

Mr. President, the countries that voted against us more than 50 percent of the time at the United Nations collected about $11 billion in American foreign aid. The American taxpayers worked millions of hours in fields and factories to earn that money.

Clearly, however, gratitude is not a popular response to a generous flow of funds from the pockets of the American people.

The American people deserve to know the effects of large streams of foreign aid. The taxpayers deserve to know that a limited number of foreign aid recipients may profit from our generosity. In fact, they thank the American people with their votes. Israel voted with us 97 percent of the time. Latvia voted with us 87 percent of the time. Hungary voted with us 83 percent of the time. This amendment will collect these statistics in a single and easily accessed resource.

This amendment thus adds an informative sunshine provision to the Foreign Relations Authorization Act. An informed Congress is best able to make intelligent decisions. I thus believe that it is important to bring this information together in a single report and hope that my colleagues will join me in support of this amendment.

AMENDMENT NO. 503

(Purpose: To require a GAO study and report on the grants provided to foreign governments, foreign entities, and international organizations by United States agencies)

On page 186, between lines 17 and 18, insert the following new section:

REPORT ON DOMESTIC FEDERAL AGENCIES FURNISHING UNITED STATES ASSISTANCE

SEC. 503. (a) IN GENERAL.—Not later than June 1, 1997, the Comptroller General of the United States shall study and report to the Congress on all assistance furnished directly or indirectly to foreign countries, foreign entities, and international organizations by domestic Federal agencies and Federal agencies.

(b) DEFINITIONS.—As used in this section:

(1) DOMESTIC FEDERAL AGENCY.—The term "domestic Federal agency" means a Federal agency primarily engaged in the provision of goods and services to private parties.

(2) FEDERAL AGENCY.—The term "Federal agency" has the meaning given the term in section 551(1) of title 5, United States Code.

(3) INTERNATIONAL ORGANIZATION.—The term "international organization" has the meaning given in the term in section 1 of the International Organization Immunities Act (22 U.S.C. 288).

(4) UNITED STATES ASSISTANCE.—The term "United States assistance" has the meaning given in the term in section 481a(4) of the Foreign Assistance Act of 1961 (22 U.S.C. 289c(4)).

Mr. FAIRCLOTH. Madam President, many people in this Chamber believe that all the foreign aid that we send to other countries is included in this one spending bill. This is not the case. I have discovered that domestic agencies are also in the foreign aid business.

This amendment will require the General Accounting Office to complete a report about grants to foreign entities by Federal Government agencies. This study will be limited to domestic agencies—those not engaged in foreign affairs or national security matters— and it will track the amount of aid to foreign countries outside the Foreign Operations budget.

I took to the floor of this Chamber last week to illustrate the stream of taxpayer dollars that flows to foreign nations through domestic Federal agencies.

I pointed out that the Environmental Protection Agency spent $184 million on 106 grants to foreign countries from 1993 to 1995. I revealed that the EPA sent $20,000 to the Chinese Ministry of Public Security. The Ministry of Public Security is a national police force that issued shoot-to-kill orders during the pro-democracy rallies in 1989.

The purpose of this EPA grant to the Ministry of Public Security was fire extinguisher maintenance. I hope that my colleagues will agree that a nation that developed nuclear technologies—which it sells to countries like Iran and Pakistan—can maintain fire extinguishers without the American taxpayers' money.

The EPA spent another $20,000 to fund methane emissions from livestock in Nepal. The EPA claims that the Congress is crippling its ability to protect our environment, and, yet, their budget can manage $2,000 for fringe benefits and $5,000 for travel expenses for researchers in Nepal.

The EPA spent $65,000 to Poland to study local environmental issues. The taxpayers will be delighted to learn about the uses of their hard-earned tax dollars: $18,000 for fringe benefits, $18,000 for travel expenses, and $6,000 for equipment costs. The EPA spent $300,000 to Bolivia, one of the largest drug-producers in South America, for an emissions inventory. The EPA approved $23,000 in travel expenses and, while these scientists are off on their international trips, EPA provided a generous $200 per diem.

This chart illustrates that these are not isolated cases: $319,000 to Mexico for a satellite landscape survey; $300,000 grant to Estonia to collect, analyze and disseminate environmental information for effective environmental decisionmaking; $50,000 to Sweden for a database and global distribution of a newsletter about energy-efficient lighting; $134,000 to Mongolia and $194,000 to Bolivia to study local environmental issues.

If this Congress intends to balance the Federal budget—and I believe that many of us do—we most certainly need to take a good look at the wasteful spending that benefits foreign countries.

EPA complains that cuts in its budget will devastate their efforts to protect the environment. The EPA argues that it cuts money for inspection and enforcement actions. However, the EPA still found $28 million for foreign countries.

I was elected to the Senate in 1992 on a pledge to bring common sense to Washington. Clearly, Mr. President, these grants defy common sense.

The Congress debates and passes a foreign aid budget—we sent over $12 billion abroad last year—that reflects our decisions about foreign aid. It is not the business of domestic agencies—agencies that complain that their budgets are too small—to send the taxpayers' money to foreign countries.

These grants are representative of a culture of waste that pervades the Federal Government. In fact, not only does the EPA send millions of taxpayers' dollars abroad every year, but oversight of these grants is nonexistent.

The EPA Inspector General reported last year that these grant officers essentially funnel the money overseas and close their eyes.

Domestic agencies need to attend to domestic matters.

Their budgets are separate from the foreign aid budget for good reason. Their responsibilities are in the United States, not in China or Mexico.

This amendment calls for a GAO report to examine the depth and scope of these problems.

I believe that this is the least that the taxpayers deserve and thus hope that my colleagues will join me in support of this amendment.
AMENDMENT NO. 5034

(Purpose: To clarify the use of certain development funds for Africa)

On page 105, beginning on line 12, strike "amount" and all that follows through "should" and insert "amount available to carry out chapter 10 of part I of the Foreign Assistance Act of 1961 (relating to the Development Fund for Africa)" shall.

Mr. JEFFORDS. Madam President, first, let me thank my colleague from Kentucky for the chairmanship of the committee, for the excellent job he has done in structuring a good and fair bill in the face of severe constraints. While it is not everything that any of us would like, he has been very attentive to the concerns of his colleagues and I appreciate his efforts.

I rise in support of the amendment offered by the senior Senator from Illinois. The Senate has been an effective, outspoken, and persistent defender of assistance to Africa throughout his congressional career. He, together with the senior Senator from Kansas, have been true friends of Africa, wielding a stick when appropriate and assuring that the United States followed through with the humanitarian and developmental assistance where appropriate. Africa has made dramatic strides over the last two decades, thanks in part to the constant efforts of these two Senators. They will be sorely missed both in this body and around the world.

The amendment before us is a modest one. It does not change the funding levels laid out in the bill. It does not earmark a specific dollar amount, but it does fund the Development Fund for Africa to the overall level of funding in the development assistance account. This amendment does not stake out a bigger pot for Africa, it merely ensures that Africa will receive the funding that both this committee and the administration should receive.

I appreciate the efforts that have been made by the chairman to restructure the foreign aid accounts and reduce earmarks. What this amendment seeks to do, however, is to ensure that aid to Africa, the world’s most needy continent, is sustained. Traditionally, funding for Africa has fallen victim to sudden needs elsewhere in the world. This amendment would protect Africa from suffering a disproportionate share of future cuts.

Our assistance to Africa is designed to help various nations achieve important goals over the long term. These goals cannot be reached if our financial support fluctuates wildly. The problems we are combating on the continent are entrenched, and will only be rectified if we have staying power. Unlike other areas of the world, we cannot hope to achieve our goals in Africa simply by doing short demonstration projects and assuming that the example will spark comprehensive reform. Reform in Africa takes significantly more work. But the rewards should be significantly greater as well. It has tremendous potential for political evolution, economic development, and growth of markets. In addition to reducing human suffering and bringing greater stability to a large area of the world, success in Africa will prove to be very important to us and our economy.

I appreciate the efforts that the chairman already has made to assist Africa in a priority. But I hope that he will agree to accept this amendment as a modest way to ensure this does not change.

Mr. SIMON. Madam President, I appreciate the efforts of Chairman MCCONNELL and Senator LEAHY for working to include the amendment offered along with Senators Kassebaum, Feinstein, and Mikulski on the Development Fund for Africa. We all share the conviction that aid to Africa should be a priority. Africa has two unfortunate distinctions: it is both the poorest and the most ignored continent. That is why, 8 years ago, Congress established the Development Fund for Africa to ensure aid for sub-Saharan Africa was given a high priority within our foreign aid budget. Unfortunately, aid to Africa has been cut when resources were sought for other purposes. We realized, however, that the United States has an interest and a duty to help out the impoverished in that region, and that the Development Fund for Africa was an important way to meet our commitment. It would be senseless now, with the measure of hope that we see in Africa, even while it still suffers from poverty, pollution, and the scourge of AIDS, to abandon our support for sub-Saharan Africa.

Our amendment does not add new money. It maintains the language worked out by Senators MCCONNELL and LEAHY, that protects aid to sub-Saharan Africa from being cut disproportionately in a development assistance account. I commend the chairman and ranking member of the subcommittee for their support for Africa, and I think this amendment can strengthen their efforts to see that aid to this region is maintained as an important priority. I look forward to working with my colleagues to see that aid to sub-Saharan Africa is protected in the conference report.

Mr. MCCONNELL. These amendments include a Helms amendment on Chechnya, a Brown amendment on demining Afghanistan, two Faircloth amendments on foreign aid and domestic agencies, and a Simon amendment on Africa.

The PRESIDING OFFICER. Without objection, the amendments are agreed to, en bloc.

The amendments (Nos. 5030 through 5034) were agreed to.

Mr. MCCONNELL. Madam President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. MCCONNELL. Madam President, I have a request from Senator McCain to speak for 5 minutes before the vote that we are about to have.

Mr. LEAHY. Madam President, I am certainly not going to preclude the Senator from doing that. I think we are going to be in a position soon where we are going to have a series of votes.

I ask unanimous consent that prior to the conclusion of the votes that will be held on this legislation there be 4 minutes equally divided under the control of the distinguished Senator from Kentucky and myself, so that the proponent and opponent would have 2 minutes prior to each vote.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. MCCONNELL. Madam President, my assumption is that the Senator from Arizona is on the way as we speak. I ask unanimous consent that the Senator from Arizona, Senator MCCAIN, be allowed to speak for 5 minutes before the votes that we are about to enter into.

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

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Might I inquire of the Senator from Kentucky, would the order of business following the two votes that are going to be taken soon be that when those votes are completed, Senator HATFIELD and I will be recognized to offer an amendment?

Mr. MCCONNELL. Madam President, it is my understanding that the Senator from North Dakota is willing to enter into a time agreement of 40 minutes on that amendment, and it would be my intention to lay aside the pending amendments and go to the Dorgan amendment as soon as we dispose of these rolloff votes.

Mr. DORGAN. The Senator from Oregon, Senator HATFIELD, and I are willing to enter into a time agreement. We simply ask that we be allotted 40 minutes to present our amendment. So any time agreement that is consistent with that requirement is satisfactory with us. We would be prepared to offer the amendment following the second vote.

Mr. MCCONNELL. Madam President, I am told on this side that an hour total time would be acceptable on this side. So I gather that would be my assumption is that the Senator from Arizona, Senator MCCAIN, be allowed to speak for 5 minutes before the vote that we are about to enter into.

Mr. MCCONNELL. Madam President, I have a request from Senator McCain to speak for 5 minutes before the vote that we are about to have.
Mr. MCCONNELL. Madam President, the time is 2:30. The Senator from Arizona is here now.

Mr. MCCONNELL. Madam President, I would object to any further efforts to delay the votes. So I think Senators can be assured that 10 minutes from now, there will be two votes, I will address the Smith amendment, and a vote on the Helms amendment. Both Senator Smith and Senator McCain have 5 minutes each. The manager of the bill cares not who goes first.

Mr. LEAHY. Will the Senator from Kentucky add to that so that people can know that we are going to vote at 2:30? The Senator from Arizona is here now.

Mr. MCCONNELL. Madam President, I thought the unanimous-consent agreement allowed the Senator from Arizona, Senator McCain, to address the Smith amendment, and a vote on the Helms amendment. Both Senator Smith and Senator McCain have 5 minutes each. The manager of the bill cares not who goes first.

Mr. LEAHY. To the Chair. Mr. SMITH addressed the Chair.

Mr. SMITH. Madam President, I hope that we are not going to make this amendment something that it is not in the debate here in the closing moments.

This amendment is very simple. It simply strikes $1.5 million out of the bill, saves the money, which is, in essence, $1.5 million in foreign aid to the country of Vietnam. Vietnam is a Communist country. It has nothing to do with diplomatic relations. It has nothing to do with any of the other issues—normalization, or other issues that we have had some differences here on in the past.

This is a question, and I think it is the ultimate question, of $1.5 million going to North Vietnam, or the country of Vietnam. These are dollars that are legislated. We held a discussion from the Senator from Louisiana, Senator Johnston—are going to be used by the American Bar Association to somehow make Vietnam suddenly a system that is going to be falling in line with our legal system here in America, or at least that is the ultimate goal.

The point is the American Bar Association donates tens of millions of dollars to candidates, mostly candidates on the other side of the aisle. They have plenty of money. There is no need to take $1.5 million of the taxpayers’ money to do this. The country of Vietnam, I say to my colleague, is $150 million in arrears.

The law which is in this very bill says very clearly under bilateral economic assistance that this is precluded; this is forbidden. Now they have made an exception in this provision, in this bill. That is what is wrong.

So the issue here is, do you believe that North Vietnam, a country that denies basic human rights to its people, should get $1.5 million that the American Bar Association can certainly spend on their own, if they want to promote a legal system in Vietnam that may or may not be patterned after the United States of America?

We have no guarantee this is going to happen. There are no guarantees whatever that if the American taxpayers spend $1.5 million, miraculously, Vietnam is going to adopt our legal system. It is absolutely outrageous. It is the most outrageous argument I have heard since I have been in the Senate. It is crazy.

Not only that, if we are really concerned about having a legal system in Vietnam that is like America, what about a legal system that would protect these poor unfortunate souls who are imprisoned all over Vietnam with no charges, who have been held in reeducation camps for years and years with no charges—just held there, no system, no trial, no nothing? That is what this issue is about.

If the people in the trade council want to trade with Vietnam, we have had that debate. Senator McCain and I have had that debate. This is not that debate. That is fine. The issue is not that. The issue is whether or not, in the interest of producing a legal system that somehow is going to reflect ourselves, our own legal system, that we should spend $1.5 million of the taxpayers’ money.

This is a new foreign aid program. It is the camel’s nose under the tent. It is $1.5 million of foreign aid to a Communist country that owes us $150 million in debts. They have not paid them. They have not tried to pay them. There has been no restructuring, or anything else, any attempt whatsoever.

That is the issue. It is not the responsibility of the American taxpayers to pay for this just because there is a group—if you look at the corporations, these are big corporations, not to mention the ABA. They are private money. We have the world banks and other international organizations that have helped Vietnam. We donate to those. We provide dollars. We give dollars to these international organizations. Why now have another $1.5 million of taxpayers’ dollars in new foreign aid go to this country? It is wrong. It is absolutely wrong.

No matter how you feel about the issue of trade with Vietnam, that is not the issue here. No, we do not give Vietnam another $1.5 million in foreign aid in the hopes that somehow they are miraculously going to adopt our legal system and have trial by jury and have this nice legal system patterned after the United States of America? It is absolute nonsense. Maybe they will or maybe they will not, but they will not use $1.5 million of the taxpayers’ money to do that. How about reforming Vietnam’s election laws to become a democracy? This is not what this is all about.

The argument about the nations of Eastern Europe who have come out from under the yoke of communism, that is the point. They came out from under the yoke of communism, and when they did, then we could help them as we have done. This is not the case here.

What is next? Maybe we ought to help the North Koreans. Maybe we ought to give them a couple of million bucks, and maybe they will—pattern their legal system after ours. How about Cuba? Maybe they will pattern it if we give them a couple million, too.

This is absolutely wrong. I am absolutely shocked that there would be a lot of opposition to an amendment to take $1.5 million out of this foreign operations bill for something like this.

So, in conclusion, the point is very simple. If you want to give $1.5 million of your foreign aid, the issue is, do you give them the money in the hopes that they are going to pattern their legal system after the United States of America, vote against the amendment.

Mr. McCAIN addressed the Chair.

Mr. MCCONNELL. Madam President, thank you very much.

It is important that the legal system in Vietnam may more aligned with Western business and Western investment and Western practices and democracy. I believe that the Vietnamese have agreed in principle to repay their debt. In fact,
they have assumed the debt that South Vietnam had incurred in some respects.

I am also informed by the administration that the only major dispute is over about $8 million of the $150 million debt. I think it is important. The language of the bill says that the committee urges AID to provide up to $1.5 million for the Vietnam legal reform initiative, and then it goes on to say that the committee is aware of the particular expertise of the American Bar Association, the International Law Institute, and the United States-Vietnam Trade Council, which strongly recommends that AID consider implementing the initiative through these organizations. So it is my understanding that the money would not go directly to the Vietnamese Government but to these organizations.

I believe that the distinguished managers of the bill can help me out. I believe that is the reason the language was included as it was, so that there would be development of trade relations and also assistance to provide the necessary framework for commercial transactions for foreign investment and trade.

So, as you know, there are many American corporations doing business over in Vietnam today. I am told that some are doing very well. Some are not doing very well. One of the reasons some are not doing very well is because of the lack of a legal framework. I am convinced that it may be in our national interest to see that happen.

Mr. SMITH. Madam President, is there any time remaining at all?

The PRESIDING OFFICER. There is 2 minutes on each side under the previous unanimous consent.

Mr. SMITH. I just would like to respond briefly to the last point that Senator McCaskill made.

In the committee bill in question here, the language that my amendment strikes is under the heading “Title II,” which is “Bilateral Economic Assistance, International Development, Development Assistance.” This is to furnish assistance to any country.

Now, here we have a situation where this is under economic assistance, so it is going directly to Vietnam because that is exactly what the language says.

The actual committee language reads: “Funds appropriated under this heading shall be made available to assist Vietnam, et cetera. That is what the language says. So that is what is happening. Maybe the intent is different. I do not question anybody’s intent here, but the language says that this money is to assist Vietnam. And that is what I object to.

Mr. McCaskill addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCaskill. Madam President, I would like to yield 1 minute to the distinguished manager of the bill in the hope that maybe he might clear this up. Could I ask the Senator from Kentucky if he can help us out. I am not trying to get him into a problem here.

Mr. McConnell. I say to my friend I am not sure I can.

Mr. Mccain. On page 27 of the report accompanying the bill that I am looking at—

Mr. McConnell. I think Senator Johnston, who is the author, ought to respond.

Mr. McCaskill. The way I read it, it says the committee “strongly recommends that AID consider implementing the initiative through those organizations.” I ask the Senator from Louisiana, is that an exact interpretation of the language in the bill?

Mr. Johnston. President, I say to my friend from Arizona that is precisely what is contemplated. That is precisely what the report language says.

The bill language says this would aid Vietnam, and, indeed, it does by aiding Vietnam to set up a legal system. But as the report language says, the committee is aware of the particular expertise of the American Bar Association, et cetera, and recommends that AID consider implementing the initiative through these organizations. So it explicitly calls for implementing the help to Vietnam’s legal system through the American Bar Association, the International Bar Association, the American Bar Association, the International Law Institute and the trade council.

Mr. Johnston. International Law Institute, yes, and the trade council.

Mr. McCaskill. International Law Institute and the trade council.

Mr. Johnston. International Law Institute, yes, and the trade council. So this does not go to Vietnam. It goes to these organizations which would help Vietnam set up the rule of law.

The PRESIDING OFFICER. All time has expired.

The question now is on agreeing to amendment No. 5027 offered by the Senator from New Hampshire, Mr. Smith.

The yeas and nays have been ordered.

Mr. CONRADE. Mr. President, I say to the Senator from New Hampshire that I think the amendment regarding the United Nations offered by our distinguished colleague and my successor as the chairman of the Foreign Relations Committee, Senator Helms, is going directly to Vietnam because that is exactly what the language says. The actual committee language reads: “Funds appropriated under this heading shall be made available to assist Vietnam, et cetera. That is what the language says. So that is what is happening. Maybe the intent is different. I do not question anybody’s intent here, but the language says that this money is to assist Vietnam. And that is what I object to.

Mr. McCaskill addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCaskill. Madam President, I wish to speak to the amendment regarding the United Nations offered by our distinguished colleague and my successor as the chairman of the Foreign Relations Committee, Senator Helms.

The amendment (No. 5027) was rejected.

Mr. Johnston. President, I move to reconsider the vote by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 5028

The PRESIDING OFFICER. Under the previous order, the question occurs on amendment No. 5028 offered by the Senator from North Carolina [Mr. HELMS].

There are 4 minutes equally divided.

Mr. LEAHY. Madam President, the Senate is not in order.

Mr. FORD. There must be respect for the Chair.

The PRESIDING OFFICER. We will not proceed without order in the Chamber.

Mr. McConnell addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. McConnell. It is my understanding there are 2 minutes on each side in relation to the amendment.

The PRESIDING OFFICER. That is correct.

Mr. McConnell. I yield the 2 minutes to the majority leader.

Mr. Lott addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey [Mr. Lautenberg].

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

The motion to lay on the table was agreed to.
I have the utmost respect for Senator Helms, but I have deep concerns about the amendment he proposes.

As one who participated in the San Francisco conference which drew up the U.N. charter, I have tried over the years to both support and improve the organization any way I could.

And the United Nations, I would argue, has accumulated a solid record of accomplishment. It has not lived up to all of its potential, but for every example that critics give of the U.N.'s failures, there are numerous countervailing examples of success—in brokering peaceful settlements to violent conflicts worldwide; in halting the proliferation of nuclear weapons; in protecting the international environment; and in immunizing the world's children and preventing the spread of disease.

The U.N.'s record is lofty, not only for itself, but for the world a truly better place. The United Nations has enabled the United States to avoid unilateral responsibility for costly and entangling activities in regions of critical importance, even as it yields new opportunities to support its allies and follow its principles.

U.S. leadership at the United Nations is threatened by our inability to pay our dues and meet our obligations. Amendments such as these only endanger our position further. I urge my colleagues to vote against it.

Mr. LEAHY. Is there time left?

The PRESIDING OFFICER. There are 30 minutes.

Mr. LEAHY. Madam President, this amendment says that if the United Nations could borrow money from an international lending organization, as defined in here, we would not be able to make our contributions to independent agencies. This amendment does not make our contributions to UNICEF, to the various environmental organizations, the protection of women, or other such organizations.

The PRESIDING OFFICER. All time has expired on the Senator's side.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina. The Senator has 1½ minutes remaining.

Mr. HELMS. Madam President, what these distinguished Senators from Vermont has said is not applicable at all. He knows—anybody who has read the amendment knows that nothing happens until the United Nations begins to talk to the people of American people. That is clear in the amendment. It does not need any obfuscation from the Senator from Vermont.

The PRESIDING OFFICER. Under the previous order, the question now occurs to me to ask amendments No. 5028 offered by the Senator from North Carolina, [Mr. HELMS]. The yeas and nays have been ordered. The clerk will call the roll.

The roll clerk called the roll.

Mr. FORD. I announce that the Senator from Louisiana [Mr. BREAUX] and the Senator from New Jersey [Mr. LAUTENBERG] are necessarily absent.

The result was announced—yeas 70, nays 28, as follows:

[Rollcall Vote No. 240 Leg.]

YEAS—70

Abraham Faircloth
Ashcraft Feingold
Baucus Frist
Bennett Gorton
Biden Graham
Brown Gramm
Bumpers Grasso
Byrd Gregg
Campbell Harkin
Chafee Heflin
Cochran Helms
Conrad Hutchinson
Covey Kas sibling
Craig Kassebaum
D'Amato Kempthorne
DeWine Kerry
Dodd Kohl
Domenici Kyi
Dorgan Levin
Ekon Lott

NAYs—28

Akaka Inouye
Bingaman Jeffords
Bradley Kennedy
Bryan Kerrey
Feinstein Lieberman
Ford Mikulski
Gleny Moseley-Braun
Hatfield Moynihan

Breaux Lautenberg

Not Voting—2

The amendment (No. 5028) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. MCCONNELL. Mr. President, there are several more amendments that have been cleared on both sides that Senator LEAHY and I would like to dispose of at this point before we go to the amendment to be laid down by the Senator from North Dakota, which is under a time agreement.

AMENDMENTS NOS. 5039 THRU 5044, EN BLOC

Mr. MCCONNELL. Mr. President, I send some amendments to the desk and ask for their immediate consideration.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kentucky [Mr. MCCONNELL] proposes amendments numbered 5039 through 5044, en bloc.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 5039

(Purpose: To require certain reports on the situation in Burma)

On page 188, between lines 22 and 23, insert the following new section:

(REPORTS ON THE SITUATION IN BURMA)

(a) LABOR PRACTICES.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Labor, in consultation with the Secretary of State, shall submit a report to the appropriate congressional committees on:

(1) Burma's compliance with international labor standards including, but not limited to, the use of forced labor, slave labor, and involuntary prison labor by the junta;

(2) the degree to which foreign investment in Burma contributes to violations of fundamental worker rights;

(3) labor practices in support of Burma's foreign tourist industry; and

(4) efforts by the United States to end violations of fundamental labor rights in Burma.

(b) DEFINITION.—As used in this section, the term appropriate congressional committees means the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on International Relations of the House of Representatives.

(c) FUNDING.—(1) There are hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1997, for expenses necessary to carry out the provisions of this section—$30,000 to the Department of Labor.

(2) The amount appropriated by this Act under the heading "DEPARTMENT OF STATE, INTERNATIONAL NARCOTICS CONTROL"

shall be reduced by $3,000.

AMENDMENT NO. 5040

(Purpose: To express the sense of the Congress that the United States should take steps to improve economic relations between the United States and the countries of Eastern and Central Europe)

At the appropriate place, insert the following new section:

SEC. 2. TRADE RELATIONS WITH EASTERN AND CENTRAL EUROPE.

(a) FINDINGS.—The Congress makes the following findings:

(1) The countries of Central and Eastern Europe, including Poland, Hungary, the Czech Republic, Slovakia, Romania, Slovenia, Lithuania, Latvia, Estonia, and Bulgaria, are important to the long-term stability and economic success of a future Europe freed from the shackles of communism.

(2) The Central and Eastern European countries, particularly Hungary, Poland, the Czech Republic, Romania, Slovakia, Slovenia, Latvia, Lithuania, Latvia, Estonia, and Bulgaria, are important to the long-term stability and economic success of a future Europe freed from the shackles of communism.

(3) The Central and Eastern European countries, particularly Hungary, Poland, the Czech Republic, Romania, Slovakia, Slovenia, Latvia, Lithuania, Latvia, Estonia, and Bulgaria, are important to the long-term stability and economic success of a future Europe freed from the shackles of communism.

(4) Trade with the countries of Central and Eastern Europe accounts for less than one percent of total United States trade.

The presence of the United States with more than 140,000,000 people, with a growing appetite for consumer goods and services and
AMENDMENT NO. 5042
(Purpose: To permit certain claims against foreign states to be heard in United States courts where no extradition treaty with the state existed at the time the claim arose and where no other adequate and available remedies)

At the appropriate place in the bill, insert the following:

SEC. 5. LIMITATION ON FOREIGN SOVEREIGN IMMUNITY.

(a) IN GENERAL.—Section 1605(a)(7) of title 28, United States Code, is amended to read as follows:

"(7) in which money damages are sought against a foreign state for personal injury or death caused by an act of torture, extrajudicial killing, aircraft sabotage, hostage taking, or the provision of material support or resources (as defined in section 2339A of title 28, United States Code, in respect of any such act) if—

(1) such act or provision of material support was engaged in by an official, employee, or agent of such foreign state while acting within the scope of his or her office, employment, or agency;

(2) the foreign state against whom the claim is brought—

(I) was designated as a state sponsor of terrorism under section 616(a) of the Export Administration Act of 1979 (50 U.S.C. App. 2401s); or

(II) was a state that supported terrorism as evidenced by its early entry into the Partnership for Peace or NATO; or

(III) had no treaty of extradition with the United States at the time the act occurred or was later so designated as a result of such act; or

(II) had no extradition treaty with the United States at the time the act occurred and no adequate and available remedies exist either within the scope of his or her office, employment, or agency; or

(b) SENSE OF CONGRESS.—It is the sense of Congress that

(1) Croatia should be recognized and commended for its contributions to NATO and the various peacekeeping efforts in Bosnia; and

(2) the United States should support the active participation of Croatia in activities appropriate to the claimant;

AMENDMENT NO. 5043
(Purpose: To express the Sense of the Congress regarding Croatia)

At the appropriate place, add the following new section:

SECTION 6. SENSE OF CONGRESS REGARDING CROATIA.

(a) FINDINGS.—The Congress makes the following findings:

(1) Croatia was politically and financially contributed to the NATO peacekeeping operations in Bosnia;

(2) The economic stability and security of Croatia is important to the stability of South Central Europe; and

(3) Croatia is in the process of joining the Partnership for Peace.

(b) SENSE OF CONGRESS.—It is the Sense of Congress that:

(1) Croatia should be recognized and commended for its contributions to NATO and the various peacekeeping efforts in Bosnia;

(2) the United States should support the active participation of Croatia in activities appropriate to the claimant;

(3) Croatia is in the process of joining the Partnership for Peace.

AMENDMENT NO. 5044
(Purpose: To express the Sense of the Congress regarding Romania)

At the appropriate place, add the following new section:

SECTION 7. ROMANIA'S PROGRESS TOWARD NATO MEMBERSHIP.

(a) FINDINGS.—The Congress makes the following findings:

(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 and presidential elections have been held in Romania, with 1996 marking the second nationwide presidential elections under the new Constitution;

(3) Romania was the first former Eastern bloc country to join NATO's Partnership for Peace program and has hosted Partnership for Peace military exercises on its soil;

(4) Romania is the second largest country in terms of size and population in Central Europe and as such is strategically significant;

(5) Romania formally applied for NATO membership in April of 1996 and has begun an individualized dialogue with NATO on its membership prospects and requirements;

(6) Romania has contributed to the peace and reconstruction efforts in Bosnia by participating in the Implementation Force (IFOR);

(b) SENSE OF THE CONGRESS.—Therefore, it is the sense of the Congress that:

(1) Romania is making significant progress toward establishing democratic institutions, a free market, and the rule of law;

(2) Romania is making important progress toward meeting the criteria for accession into NATO;

(3) Romania deserves commendation for its clear desire to stand tall in the West in NATO, as evidenced by its early entry into the Partnership for Peace, its formal application for NATO membership, and its participation in IFOR;

(4) Romania should be evaluated for membership in the NATO Participation Act's transition assistance program at the earliest opportunity; and

(5) The United States should work closely with Romania and other countries working toward NATO membership to ensure that every opportunity is provided.

The PRESIDING OFFICER. Without objection, the amendments are agreed to.

The amendments (Nos. 5039 through 5044), en bloc, were agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote.

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

The motion to lay the table was agreed to.

Mr. McCONNELL. If I may give a status report on behalf of Senator LEAHY and myself.

We have disposed of 24 amendments. There are two that have been laid aside that will be dealt with later. Senator LEAHY and I are aware of only 12 left, of which 3 may need rollcalls. One of the three has a time agreement, and that is of course, amendment of the Senator from North Dakota, Senator DORGAN, which I believe is triggered under a previous unanimous-consent agreement at this point.

The PRESIDING OFFICER. The Senator is correct. Under the previous agreement, the Senator from North Dakota, Senator DORGAN, under the unanimous-consent agreement, there are to be no second-degree amendments. The Senator from Massachusetts had, prior to that point, asked to offer a second-degree amendment that is acceptable to myself and Senator LEAHY.

I ask that the unanimous-consent agreement be modified to allow the Senator from Massachusetts to offer a second-degree amendment when appropriate.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DORGAN. Mr. President, the unanimous consent request provides that I now offer the amendment on behalf of myself and Senator HATFIELD and others that we have 40 minutes on our side in the 1-hour time agreement. The Senator from Delaware and the Senator from Texas have asked if they could intervene with an amendment that they intend to offer that would take 5 minutes on each side. I have no objection, by unanimous consent, to allowing them to go 5 minutes each. I understand their amendment would be agreed to. Following the 10 minutes, I ask that we then have the 1 hour, 40 minutes allotted to us to offer the amendment on foreign arms sales.

So, Mr. President, I make that unanimous consent request.

The PRESIDING OFFICER. Is there objection?
Mr. McCONNELL. Reserving the right to object, I say to my friend, I believe it is a freestanding bill, not an amendment. The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Texas is recognized.

PAM LYCHNER SEXUAL OFFENDER TRACKING AND IDENTIFICATION ACT OF 1996

Mr. GRAMM. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of S. 1675, and that the Senate proceed to its immediate consideration.

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

The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1675) to provide for the nationwide tracking of convicted sexual predators, and for other purposes.

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

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

AMENDMENT NO. 5038
(Purpose: To protect the public safety by establishing a nationwide system to track convicted sexual predators)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Texas [Mr. GRAMM], for himself, Mr. BIDEN, Mr. HATCH, and Mrs. HUTCHISON, proposes an amendment numbered 5038.

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

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

The amendment is as follows:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Pam Lychner Sexual Offender Tracking and Identification Act of 1996''.

SEC. 2. OFFENDER REGISTRATION.

(a) ESTABLISHMENT OF FBI DATABASE.—Subtitle A of Title XVII of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14001 et seq.) is amended by adding at the end the following new section:

SEC. 170102. FBI DATABASE.

"(a) Definitions.—For purposes of this section—

(1) the term "FBI" means the Federal Bureau of Investigation;

(2) the terms "criminal offense against a victim who is a minor", "sexually violent offense", "sexually violent predator", "mental abnormality", and "predatory" have the same meanings as in section 170101(a)(3); and

(3) the term "minimally sufficient sexual offender registration program" means any State sexual offender registration program that—"
CONGRESSIONAL RECORD — SENATE
July 25, 1996

S8778

STATE REGISTRATION SYSTEMS.—In a State that has a minimally sufficient sexual offender registration program, including a program established under section 170101, fingerprints to be collected by an law enforcement agency shall be provided by the FBI under this section shall be obtained and verified in accordance with State requirements. The State agency responsible for registration shall ensure that the fingerprints and all other information required to be registered is registered with the FBI.

Penalty.—A person required to register under this section who knowingly fails to comply with this section—

(i) in the case of a first offense—

(A) if the person has been convicted of an offense described in subsection (b), be fined not more than $10,000; or

(B) if the person has been convicted of more than 1 offense described in subsection (b), be imprisoned for up to 1 year and fined not more than $10,000; or

(ii) in the case of a second or subsequent offense, be imprisoned for up to 10 years and fined not more than $100,000.

PUBLICATION.—The information collected by the FBI under this section shall be disclosed by the FBI—

(1) to Federal, State, and local justice agencies in accordance with section 170101(d); and

(2) to Federal, State, and local government officials responsible for conducting employment-related background checks under section 3 of the National Child Protection Act of 1993 (42 U.S.C. 5119a).

NOTIFICATION UPON RELEASE.—Any State that has not established a program described in section 170101(a) must—

(1) Upon release from prison, or placement on parole, supervised release, or probation, notify each person who has been convicted of an offense described in subparagraph (A) or (B) of section 170101(a)(1) of their duty to register with the FBI; and

(2) Notify the FBI of the release of each person who has been convicted of an offense described in subparagraph (A) or (B) of section 170101(a)(1).  

SEC. 3. DURATION OF STATE REGISTRATION REQUIREMENT.

Section 170101(b)(8) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14071(b)(6)) is amended to read as follows:

LENGTH OF REGISTRATION.—A person required to register under section 170101(a) shall continue to comply with this section, except during ensuing periods of incarceration, until—

(A) 10 years have elapsed since the person was released from prison or placed on parole, supervised release, or probation; or

(B) for the life of that person if that person—

(I) has 1 or more prior convictions for an offense described in subsection (a)(1); or

(ii) has been convicted of an aggravated offense described in subsection (a)(1); or

(iii) has been determined to be a sexually violent predator pursuant to subsection (a)(2).

STATE BOARDS.

Section 170101(a)(2) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14071(a)(2)) is amended by inserting before the period the following:

victim rights advocates, and representatives from law enforcement agencies.

FINGERPRINTS.

Section 170101 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14071) is amended by adding at the end the following new subsection:

(g) FINGERPRINTS.—Each requirement to register under this section shall be deemed to also require the submission of fingerprints of the person required to register, obtained in accordance with regulations prescribed by the Attorney General under section 170102(h).  

SEC. 6. VERIFICATION.

Section 170101(b) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14071(b)(3)) is amended by adding at the end the following:

TRANSFER OF INFORMATION TO STATE AND THE FBI.—The officer, or in the case of a person placed on probation, the court, shall, within 3 days after receipt of information described in paragraph (1), forward it to a designated State law enforcement agency. The State law enforcement agency shall immediately enter the information into the appropriate State law enforcement record system and notify the appropriate law enforcement agency having jurisdiction where the person expects to reside. The State law enforcement agency shall immediately transmit all information described in paragraph (1) to the Federal Bureau of Investigation for inclusion in the FBI database described in section 170102.

SEC. 7. REGISTRATION INFORMATION.

Section 170101(b)(2) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14071(b)(2)) is amended to read as follows:

TRANSFERS OF INFORMATION TO STATE AND THE FBI .—

(1) To Federal, State, and local criminal justice agencies, employees of state and federal law enforcement agencies, and state and federal officials shall be transmitted to the appropriate State law enforcement record system and notify the appropriate law enforcement agency having jurisdiction where the person expects to reside. The State law enforcement agency shall immediately transmit all information described in paragraph (1) to the Federal Bureau of Investigation for inclusion in the FBI database described in section 170102.

SEC. 8. IMMUNITY FOR GOOD FAITH CONDUCT.

State and federal law enforcement agencies, employees of state and federal law enforcement agencies, and state and federal officials shall not be liable for good faith conduct under section 170102.

SEC. 9. REGULATIONS.

Not later than 1 year after the date of enactment of this Act, the Attorney General shall issue regulations to carry out this Act and the amendments made by this Act.

SEC. 10. EFFECTIVE DATE.

(a) In General.—This Act and the amendments made by this Act shall take effect effective 1 year after the date of enactment of this Act.

(b) Compliance by States.—Each State shall implement the amendments made by sections 3, 4, 5, 6, and 7 of this Act not later than 3 years after the date of enactment of this Act, except that the Attorney General may grant to States that is making good faith efforts to implement such amendments:

INELIGIBILITY FOR FUNDS.—(1) A State that fails to implement the program as described in sections 3, 4, 5, 6, and 7 of this Act shall not receive 10 percent of the funds that would otherwise be allocated to the State under section 506 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3765).

(2) Any funds that are not allocated for failure to comply with sections 3, 4, 5, 6, or 7 of this Act shall be reallocated to States that comply with these sections.

SEC. 11. SEVERABILITY.

If any provision of this Act, an amendment made by this Act, or the application of such provision or amendment to any person or circumstance is held to be unconstitutional, the remainder of this Act, the amendments made by this Act, and the application of the provisions of such to any person or circumstance shall not be affected thereby.

SEC. 12. APPROPRIATIONS.

Not later than 1 year after the date of enactment of this Act, the Attorney General shall issue regulations to carry out this Act and the amendments made by this Act, and the application of the provisions of such to any person or circumstance shall not receive 10 percent of the funds otherwise available to the Attorney General, to the extent provided by law for the operation of the Attorney General under Public Law 104-104, as amended.

EFFECTIVE DATE.

Not later than 1 year after the date of enactment of this Act, the Attorney General shall issue regulations to carry out this Act and the amendments made by this Act, and the application of the provisions of such to any person or circumstance shall not be affected thereby.

SEC. 13. PROHIBITION.

No funds that are not allocated for failure to comply with sections 3, 4, 5, 6, or 7 of this Act shall be reallocated to States that comply with these sections.

I thank my colleagues for letting this bill pass the Senate. I think it is vitally important that we identify and try to monitor sexual predators and I think we owe it to our society and to law-abiding citizens to do this.

I believe that this bill will provide societies with a very strong tool which will strengthen local law enforcement, give our families the ability to protect our children, and which will establish a data base that the Boy Scouts, the Girl Scouts, and other youth organizations can use to check out those who want to be trusted with our children.

I think this bill will save lives and I think it will provide greater comfort and greater security to our families. I am very proud of this effort and I thank Senator Biden for his leadership on this issue.

I yield the remainder of my time.

Mr. BIDEN. Mr. President, Senator GRAMM and I are now offering a substitute amendment to S. 1675, a bill originally offered in April by myself and Senator GRAMM along with Senators HUTCHISON, FAIRCLOTH, DOrgan, KYL, SHELBY, CAMPELL, MCCONNELL, McGRINER, and McCANN. This legislation strengthens and improves the Jacob Wettlinger Crimes Against Children and Sexually Violent Offender Registration Act.
The Jacob Wetterling Act, enacted as part of the 1994 crime law, requires States to enact laws to register and track the most violent, the most horrible—and least likely to be rehabilitated—criminals our Nation faces today. We are talking about those criminals who attack our children and criminals who sexually violate predators. These criminals must be tracked. And local law enforcement must know when these criminals are in their communities. This was the reason I worked to incorporate into law important provisions in the 1994 crime law. And I will also point out that almost all States have taken great strides to build an effective tracking system.

Now we seek to build upon this progress to meet three specific goals.

First, we must have a nationwide system that will help State and local law enforcement track these offenders as they move from State to State and will help by providing a back-up system for those States that are not participating.

Second, while most States have established or are about to establish these systems, if any States fail to act, we cannot allow there to be a "black hole" where sexual predators can hide and when it comes to the States. A nationwide system will track offenders if States do not maintain registration systems.

Third, we must ensure that the most serious sexual predators are required to remain registered with law enforcement officials for the rest of their lives.

All of these key goals will be met by this legislation. In addition, our amendment will offer some improvements which are made possible by the nationwide system this amendment will provide. For example, our bill will—

Require all offenders to verify their address on a regular basis by returning verification cards with their fingerprints and recent photograph.

Require that a nationwide warning is issued whenever an offender fails to verify their address or an offender can’t be located. We institute tough penalties for offenders who willfully fail to meet this requirement. We notify law enforcement officials not only when an offender moves to an area, but also when an offender moves out of their neighborhood.

To offer just one of the practical problems a national database will help local law enforcement address—Delaware law enforcement, because Delaware is so close to other States, will certainly need to know if a sexual predator lives just over the line in Pennsylvania. Today a national database can provide this important information.

To offer a real life example of why a nationwide system is needed—in Delaware, a sex offender was released last year. Fortunately, Delaware’s offender registration law requires this offender—Freddy Marine—to be tracked by Delaware law enforcement. Since his release, Marine has moved to another State. The nationwide system established by this bill will help make sure that if Marine moves back to Delaware—our State law enforcement will know, and knowledge is the key to effective enforcement.

In summary, the sex offender tracking and database is possible because States such as Delaware and Texas have done the hard work to build statewide registration systems. We now seek to build a system where all movement of sexually violent and child offenders can be tracked and we will go a long way toward the day when none of these predators will fall between the cracks.

I am glad that we can now offer and pass with the unanimous consent of the Senate this important legislation to provide a nationwide system for tracking sexual predators. I hope that our colleagues in the House of Representatives will take up and pass the companion bill to this legislation and enact these vital protections for our children.

Mr. President, the next step in the approach to start action which Senator Dorgan, I, Senator Gramm of Texas, and others were doing with the crime bill. We decided that we were going to nationalize it—it became known as the Jacob Wetterling Act, again named after a victim in this case—to make sure every State had the ability and the requirement, in order to get Federal funds, that they had a State registry so that we know the States and communities can know. It became known as Megan’s Law because of the celebrated tragic case in New Jersey. It was included in the original crime bill. What we did not do that Senator Grassley—I, Senator Grassley and I, in fact, we have registration, for example, in Delaware, and our State is registering sex offenders so people know whether a pedophile has moved into the neighborhood after having been released from the jail, that gives the community some protection. But there is no mechanism until we passed the Gramm-Biden law. We are going to rename the law. For the person in Delaware who is in a position where a pedophile who lived in Chester County, Pennsylvania literately 4 miles or 5 miles from Washington, D.C., moves across the line, there is no vehicle. There is no mechanism for the Pennsylvania authorities to notify the authorities in the State of Delaware.

The Senator from Massachusetts and I were talking about this. He points out that in his State, he has the same circumstance, if, in fact, you move from one State to another. As a matter of fact, his State does not even have a registry yet, which is one of his concerns he mentioned to me because it is sort of behind the rest of us. They are not moving.

The bottom line of this is real simple. We want people to know. We want a system to be available where it is a nationwide system that will help State and local enforcement people track offenders as they move from State to State, providing a backup system for tracking.

Second, while most States have established or are about to establish these systems, if any States fail to act, we cannot allow there to be a Pennsylvania black hole out there, a black hole that Massachusetts now, for example, is part of, because if folks who are pedophiles in Massachusetts are moving into Rhode Island, or any other State, in Massachusetts, there is nobody who knows. So we need a nationwide system.

Third, we have to assure that the most serious sexual predators are required to remain registered with law enforcement officials for the rest of their lives. This is not just being unnecessarily punitive. The recidivism rates are high, and the notification saves lives.

We require all offenders to verify their address on a regular basis by returning verification cards with their fingerprints and a recent photograph.

We require that a nationwide warning is issued whenever an offender fails to verify their address or can’t be located. We institute tough penalties for offenders who willfully fail to meet this requirement. We notify law enforcement officials not only when an offender moves to an area, but when they move from one State to another.

Let me offer one practical example of the need for this nationwide database. A sexual offender in Delaware named Freddie Marine is notorious. While in Delaware, every community was notified about his presence. He may be over in Maryland or New Jersey. He is as much of a threat to a child in New Jersey or Maryland as he was in Delaware. But no one knows. There is no way they can know.

So this nationwide database will provide that. It has been a pleasure. People kid—when they said, “This is the Gramm-Biden amendment, well, we will let this go through. It must be OK.” But the truth is the Senator from Texas and I work on these criminal justice issues, and we are more in agreement than not. I thank him for, quite frankly, pointing out this black hole that I referred to early on. It is a pleasure to work with him.

And I thank my friend, Senator Dorgan, for not only letting this go through but being on the ground floor when we put the Jacob Wetterling legislation together, and my friend from Massachusetts, who has been very concerned about the future of his State to move, as it should have, in making sure to help fill this black hole. I thank him very much.
(d) LENGTH OF REGISTRATION.—A person described in subsection (b) who is required to register under subsection (c) shall, except during ensuing periods of incarceration, continue to register—

(1) until 10 years after the date on which the person was released from prison or placed on parole, supervised release, or probation;

(2) for the life of the person, if that person—

(A) has 2 or more convictions for an offense described in subsection (b); 

(B) has been convicted of aggravated sexual abuse, as defined in section 2241 of title 18, United States Code; or 

(C) has been determined to be a sexually violent predator.

(f) COMMUNITY NOTIFICATION.—

(1) PERSONS CONVICTED OF AN OFFENSE AGAINST A MINOR OR A SEXUALLY VIOLENT OFFENSE.—In the case of a person required to register under subsection (c), the FBI shall, during the period in which the person is required to register under subsection (d), verify the person’s address in accordance with guidelines that shall be promulgated by the Attorney General. Such guidelines shall ensure that address verification is accomplished with respect to these individuals, and shall require the submission of fingerprints and photographs of the individual.

(2) SEXUALLY VIOLENT PREDATORS.—Paragraph (1) shall not apply to a person described in subsection (b)(3), except that such person must verify the registration once every 90 days after the date of the initial release or commencement of parole of that person.

(i) COMMUNITY NOTIFICATION.—

(1) IN GENERAL.—Subject to paragraph (2), the FBI may release relevant information concerning a person described in this section—

(I) to Federal, State, and local criminal justice authorities; and

(II) to any other person, or to any person’s next of kin, if the FBI determines that the release of such information may be consistent with the public interest.

(j) RELEASE OF INFORMATION.—The information collected by the FBI under this section shall be disclosed by the FBI—

(1) to Federal, State, and local criminal justice authorities for—

(A) law enforcement purposes; and

(B) any other person, or to any person’s next of kin, if the FBI determines that the release of such information may be consistent with the public interest.

(2) to Federal, State, and local governmental agencies responsible for conducting employment-related background checks under section 3 of the National Child Protection Act of 1993 (42 U.S.C. 5119a).
Title: Congressional Review of Arms Transfers Eligibility Act of 1996

Purpose: To provide congressional review of the eligibility of foreign governments to be considered for United States military assistance and arms transfers, and to establish clear standards for such eligibility including adherence to democratic principles, protection of human rights, press freedom, and participation in the United Nations Register of Conventional Arms.

Amendments:

- Amendment No. 5045
- Amendment No. 5046
- Amendment No. 5047
- Amendment No. 5048

The Senator from North Dakota [Mr. Dorgan], for himself, Mr. Hatfield, Mr. Bumpers, Mr. Jeffords, Mr. Leahy, Mr. Harkin, Mr. Pryor, Ms. Moseley-Braun, Mr. Feingold, Mr. Pell, Mr. Inouye, Mr. Wyden, Mr. Kennedy, Mr. Simon, Mr. Lautenberg, and Mrs. Feinstein, proposes an amendment numbered 5045.

The assistant clerk read as follows:

Title: Title 

This title may be cited as the “Congressional Review of Arms Transfers Eligibility Act of 1996.”

SEC. 01. SHORT TITLE.

This title may be cited as the “Congressional Review of Arms Transfers Eligibility Act of 1996.”

SEC. 02. PREEMINENCE.

The purpose of this title is to provide congressional review of the eligibility of foreign governments to be considered for United States military assistance and arms transfers, and to establish clear standards for such eligibility including adherence to democratic principles, protection of human rights, press freedom, and participation in the United Nations Register of Conventional Arms.

SEC. 03. ELIGIBILITY FOR UNITED STATES MILITARY ASSISTANCE OR ARMS TRANSFERS.

(a) Prohibition; Waiver. —United States military assistance or arms transfers may not be provided to a foreign government during any fiscal year unless the President determines and certifies to the Congress that for that fiscal year the government meets the criteria contained in section 04:

1. such government promotes democracy;
2. such government provides for the fair and free expression of political views;
3. such government upholds the human rights of its citizens;
4. such government maintains a stable and viable political system;
5. such government is actively engaged in the development of a democratic society and its institutions; and
6. such government has not sold, given, or otherwise transferred arms or military equipment to any third country that is not a democracy.

(b) Determination with Respect to Emergency Situations. —The President shall make a determination with respect to emergency situations.

The President shall submit to the Congress at the earliest possible date reports containing determinations with respect to emergencies under subsection (a)(3). Each such report shall contain a description of—

1. the nature of the emergency;
2. the type of military assistance and arms transfers provided to such government;
3. the cost to the United States of such assistance and arms transfers.

SEC. 04. CRITERIA FOR CERTIFICATION.

The criteria referred to in section 03(a)(1) are as follows:

1. promotes democracy —Such government—
(A) was chosen by and permits free and fair elections;
(B) protects and promotes the rule of law and human rights;
(C) protects the right of peaceful assembly, freedom of speech, and association;
(D) promotes respect for the rule of law, the protection of minority rights, and the right to a free press.

2. protects and promotes respect for the rule of law and human rights —Such government—
(A) respects the rule of law and the protection of minority rights;
(B) protects the right of peaceful assembly, freedom of speech, and association;
(C) promotes the right to a free press.

3. promotes respect for the rule of law, the protection of minority rights, and the right to a free press —Such government—
(A) protects and promotes respect for the rule of law and the protection of minority rights;
(B) respects the right of peaceful assembly, freedom of speech, and association;
(C) promotes the right to a free press.

SEC. 05. SEVERABILITY.

If any provision of this Act or an amendment made by this Act, or the application of such provision or amendment to any person or circumstance is held to be unconstitutional, the provisions of such Act, the amendments made by this Act, or the application of such provisions to such person or circumstance shall not be affected thereby.
to monitor the conduct of public officials and to combat corruption.

(2) RESPECTS HUMAN RIGHTS.—Such government—

(a) does not engage in gross violations of internationally recognized human rights, as described in section 502B(d)(1) of the Foreign Assistance Act of 1961; and

(b) does not permit access on a regular basis to public officials by international human rights organizations or, in situations of conflict or famine, of humanitarian organizations.

(3) NOT ENGAGED IN CERTAIN ACTS OF ARMED AGGRESSION.—Such government is not currently engaged in armed aggression in violation of international law.

(4) FULL PARTICIPATION IN UNITED NATIONS REGISTER OF CONVENTIONAL ARMS.—Such government is fully participating in the United Nations Register of Conventional Arms.

SEC. 05. CERTIFICATION AND DECERTIFICATION.

(a) Notification to Congress.—In the case of a determination by the President under section 03(a) (1) or (2) with respect to a foreign government, the President shall submit to the Congress the initial certification in conformance with the submission of the annual request for enactment of authorizations and appropriations for foreign assistance programs for a fiscal year and shall, where appropriate, submit additional or amended certifications at any time thereafter in the fiscal year.

(b) Decertification.—If a foreign government ceases to meet the criteria contained in section 04, the President shall submit a decertification of the government to the Congress, whereupon any prior certification under section 03(a)(1) shall cease to be effective.

SEC. 06. UNITED STATES MILITARY ASSISTANCE AND ARMS TRANSFERS DEFINED.

For purposes of this title, the term "United States military assistance" and "arms transfers" mean—

(1) assistance under chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to military assistance), including the transfer of excess defense articles under section 516 of that Act;

(2) assistance under chapter 5 of part II of the Foreign Assistance Act of 1961 (relating to international military education and training);

(3) the transfer of defense articles, defense services, or design and construction services under the Arms Export Control Act (except any transfer of assistance under section 23 of such Act), including defense articles and defense services licensed or approved for export under section 38 of that Act;

(4) the waiver, or any extension of the waiver, of the application of section 520 of the Foreign Assistance Act of 1961 (relating to United States military assistance).

SEC. 07. EFFECTIVE DATE.

(a) Except as provided in subsection (b), this title shall take effect October 1, 1997.

(b) Any initial certification made under section 03 shall be transmitted to the Congress with the President's budget submission for fiscal year 1998 under section 1105 of title 31, United States Code.

Mr. DORGAN. Mr. President, 12 years ago in August, on an almost perfect, beautiful summer morning, I was in the jungle and mountains between Nicaragua and Honduras and with two other Members of Congress visiting, as the first officials to do so, a contra camp. I will never forget the morning that we walked through this jungle. We had traveled 3½ hours by car, then 2½ hours by foot, and then were finally flown in. And I walked into a jungle clearing somewhere between Nicaragua and Honduras.

As I began to see a group of people in that clearing, I saw a very young boy standing there. I found out later that it was a military uniform purchased from Sears, Yes, our Sears. All of those soldiers were outfitted in uniforms from Sears. But it was not so much his uniform that captured my attention. It was seeing a young boy who appeared to be 10 or 11 years old carrying a machine gun. It turns out that the machine gun was in that young boy's hands courtesy of the United States as well.

Well, that conflict and that set of military arms transfers led to a long debate. We debated for years about whether we should or should not have sent arms to the contras. But it got me interested. I wondered, to whom are we sending arms around the world? What kind of people are we sending? Who gets America's jet fighter planes? Who acquires American-made tanks? Who acquires American guns and cluster bombs? And I discovered that the United States of America is the largest arms supplier in the world. In 1994, we delivered over $10 billion of the $20 billion worth of arms spread all over this world, arms used for defense and for killing, in some cases arms provided to those same weapons in a conflict. It turns out that the machine gun was in that young boy's hands courtesy of the United States as well.

Well, that conflict and that set of military arms transfers led to a long debate. We debated for years about whether we should or should not have sent arms to the contras. But it got me interested. I wondered, to whom are we sending arms around the world? What kind of people are we sending? Who gets America's jet fighter planes? Who acquires American-made tanks? Who acquires American guns and cluster bombs? And I discovered that the United States of America is the largest arms supplier in the world. In 1994, we delivered over $10 billion of the $20 billion worth of arms spread all over this world, arms used for defense and for killing, in some cases arms provided to those same weapons in a conflict. It turns out that the machine gun was in that young boy's hands courtesy of the United States as well.

Well, that conflict and that set of military arms transfers led to a long debate. We debated for years about whether we should or should not have sent arms to the contras. But it got me interested. I wondered, to whom are we sending arms around the world? What kind of people are we sending? Who gets America's jet fighter planes? Who acquires American-made tanks? Who acquires American guns and cluster bombs? And I discovered that the United States of America is the largest arms supplier in the world. In 1994, we delivered over $10 billion of the $20 billion worth of arms spread all over this world, arms used for defense and for killing, in some cases arms provided to those same weapons in a conflict. It turns out that the machine gun was in that young boy's hands courtesy of the United States as well.

Well, that conflict and that set of military arms transfers led to a long debate. We debated for years about whether we should or should not have sent arms to the contras. But it got me interested. I wondered, to whom are we sending arms around the world? What kind of people are we sending? Who gets America's jet fighter planes? Who acquires American-made tanks? Who acquires American guns and cluster bombs? And I discovered that the United States of America is the largest arms supplier in the world. In 1994, we delivered over $10 billion of the $20 billion worth of arms spread all over this world, arms used for defense and for killing, in some cases arms provided to those same weapons in a conflict. It turns out that the machine gun was in that young boy's hands courtesy of the United States as well.

Well, that conflict and that set of military arms transfers led to a long debate. We debated for years about whether we should or should not have sent arms to the contras. But it got me interested. I wondered, to whom are we sending arms around the world? What kind of people are we sending? Who gets America's jet fighter planes? Who acquires American-made tanks? Who acquires American guns and cluster bombs? And I discovered that the United States of America is the largest arms supplier in the world. In 1994, we delivered over $10 billion of the $20 billion worth of arms spread all over this world, arms used for defense and for killing, in some cases arms provided to those same weapons in a conflict. It turns out that the machine gun was in that young boy's hands courtesy of the United States as well.

Well, that conflict and that set of military arms transfers led to a long debate. We debated for years about whether we should or should not have sent arms to the contras. But it got me interested. I wondered, to whom are we sending arms around the world? What kind of people are we sending? Who gets America's jet fighter planes? Who acquires American-made tanks? Who acquires American guns and cluster bombs? And I discovered that the United States of America is the largest arms supplier in the world. In 1994, we delivered over $10 billion of the $20 billion worth of arms spread all over this world, arms used for defense and for killing, in some cases arms provided to those same weapons in a conflict. It turns out that the machine gun was in that young boy's hands courtesy of the United States as well.

Well, that conflict and that set of military arms transfers led to a long debate. We debated for years about whether we should or should not have sent arms to the contras. But it got me interested. I wondered, to whom are we sending arms around the world? What kind of people are we sending? Who gets America's jet fighter planes? Who acquires American-made tanks? Who acquires American guns and cluster bombs? And I discovered that the United States of America is the largest arms supplier in the world. In 1994, we delivered over $10 billion of the $20 billion worth of arms spread all over this world, arms used for defense and for killing, in some cases arms provided to those same weapons in a conflict. It turns out that the machine gun was in that young boy's hands courtesy of the United States as well.

Well, that conflict and that set of military arms transfers led to a long debate. We debated for years about whether we should or should not have sent arms to the contras. But it got me interested. I wondered, to whom are we sending arms around the world? What kind of people are we sending? Who gets America's jet fighter planes? Who acquires American-made tanks? Who acquires American guns and cluster bombs? And I discovered that the United States of America is the largest arms supplier in the world. In 1994, we delivered over $10 billion of the $20 billion worth of arms spread all over this world, arms used for defense and for killing, in some cases arms provided to those same weapons in a conflict. It turns out that the machine gun was in that young boy's hands courtesy of the United States as well.
examine for the planes being built in Turkey. What that means, of course, is, to the extent that sale would have made sense in the first place and met the criteria, someone else has the economic advantage of that sale.

But what is at stake is not jobs. Our major concern is to promote and create a safer world, and it is not a safer world when we send American soldiers to deal with trouble in the world and they find themselves facing the barrel of an American-made weapon on the part of a government that should not have received it in the first instance, provided without any review, without any standard code that we develop that says, “Here are the conditions under which we will transfer these arms shipments.”

Those who would oppose this might say we are trying to shut off arms sales. That is simply not the case. There will remain arms sales. Arms manufacturers in this country produce a sophisticated product, in most cases the best in the world. Other countries often want those products for their common defense. We understand and accept that there will be arms transfers, but we believe it is time for this country to adopt a code, a standard, by which we judge whether an arms transfer to this dictator or that dictator or this country or that country makes sense for this country’s long-term well-being. The fact is that weapons have been sold in circumstances where the sale has not been in the best interests of United States, and that is why we offer this legislation.

Let me, Mr. President, reserve the remainder of the time, since I see that my distinguished colleague Senator HATFIELD is on the floor. Let me say, before he begins, that Senator HATFIELD has been at this longer than others of us in the Senate. I deeply admire the work he has done in the Senate and for this country, and I feel deeply honored to participate with him in offering this amendment.

Mr. HATFIELD addressed the Chair. The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. HATFIELD. Mr. President, I ask for 8 minutes.

Mr. DORGAN. I yield the Senator 8 minutes.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 8 minutes.

Mr. HATFIELD. Mr. President, I think it is very obvious I have a problem of laryngitis. I thank my good friend, Senator DORGAN, for taking leadership on this particular amendment. I feel strongly enough about it to be here to do two things; one, to support the amendment, but the other is to apologize to the chairman of the Subcommittee on Appropriations, Mr. McCONNELL, for offering a rider to an appropriations bill, which I really did not want to do, to have been doing. So I guess there is no virtue of consistency in this particular environment we work in.

Let me associate myself with the eloquent statement made by Senator DORGAN to explain this bill. I would only try to add perhaps one or two perspectives.

First of all, I think we have to recognize that are not locking the President out of an action that he might have to take if he has a problem in an emergency situation. In other words, the President would have the power to make a waiver, a waiver of the criteria we have set up in this amendment. In case he feels that our national interest is at stake and to make a waiver that is in the interest of our national need and our national security. So it is flexible in that sense.

Let me pick up on Senator DORGAN’s examples of how this expands the vulnerability of our own troops when they are sent abroad for peacekeeping activities after we have delivered arms. Let me take a specific. From 1981 to 1991, $354 million of arms were delivered to the United States of America. Then when you begin to look at how that stimulated the arms race and endangered our national security, ultimately the total cost of arms to Somalia was $1.2 billion—25,800 United States soldiers were sent into Somalia, 143 were killed in action, 143 were wounded.

That is the kind of return we had on that one example, of sending troops.

Today, we are building more F-16’s in Arizona, than we are in Fort Worth, TX. It does not help American workers, as some may say, and we, indeed, need to help employment in this country. We find that 88,000 jobs could be created in the United States in offsetting some of this extraordinary subsidy of arms. In other words, we do not lose jobs by cutting down the export of arms. We are creating them in other sectors of our economy, where there is great need.

Mr. President, I was reared in a generation when, upon the required reading in high school was a book called “Merchants of Death.” It was a story of how the Krupp Works and other manufacturers of arms in Central Europe sent their arms out to both sides. In fact, they were sometimes guilty of stimulating conflict in order to sell their arms.

We were reared in a manner of saying that is immoral; surely our Nation would never be guilty of such a crime against humanity, which we have to say, since the Soviet Union has become unraveled, we are now unquestionably the No. 1 merchants of death in this world by our export of arms. We not only export them as a market, we go around promoting it. We do not only ballyhoo the arms that we have, the arms that are exhibited in the Paris Air Show and many international conferences that supposedly are for some international benefit. It is an arms peddling activity. More specifically, let our Embassies in countries be instructed to facilitate arms transfers as part of their duty in the country in which they are representing the United States. I cannot understand how people around this country will tolerate much further this kind of export that we have engaged in.

It started with, perhaps, Charles de Gaulle. That is the way he funded his military budget, was to sell arms abroad. Unfortunately, back in 1962, that was the policy of the United States of America. That became the policy in 1962, when the President decided in order to help fund some of our own military budgets, we would export arms. This idea of funding a domestic military budget by our export of arms is, to me, immoral and is counterproductive.

So I am very hopeful we will support this particular amendment. It is flexible. It takes into consideration emergencies unforeseen. And it does not lock the President out. In fact, all it does is to say the Congress has some joint responsibility in that kind of policy that was recommended by the President’s review commission on arms, that the Congress should have some role in assessing this from time to time.

We have not had a debate on this floor for 20 years on this subject, a comprehensive debate. I am not sure in 1 hour we are going to have it today. But at least it is one step we think is in raising this issue so the American public will understand our failure to uphold our responsibilities in governing some of this export of death.

The PRESIDING OFFICER. Who yields the time? The Senator from North Dakota.

Mr. DORGAN. Mr. President, I intend to yield to the Senator from Massachusetts after I make a couple of observations about the comments of the Senator from Oregon.

In 1993, the United States supplied 75 percent of all weapons sold to the Third World, the countries who can least afford to be buying arms—75 percent of the weapons that went to the Third World came from the United States. According to our State Department and their own human rights report, more than three-quarters of our arms sales in 1993 went to undemocratic governments. In other words, three-quarters of the arms we send around the world goes to governments listed by the State Department as authoritarian governments with serious human rights abuses. The people who live in those areas where these American weapons are coming in have every right to wonder about America. This legislation allows us to develop some standards that move in the right direction.

Mr. President, let me yield 5 minutes to the Senator from Massachusetts, Senator KERRY.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 5 minutes.

AMENDMENT NO. 506 TO AMENDMENT NO. 506
(Purpose: To promote the establishment of a permanent multipolar regime to govern the transfer of conventional arms)

Mr. KERRY. Mr. President, I send a second-degree amendment to the desk...
I truly believe we need to take more needs still to be adjusted to the realities of the post-cold-war world. The central theme of our foreign policy has changed from containment of communism to expansion of democracy. So we no longer need to send these massive amounts of weaponry to our surrogates around the world in an arms race against communism.

Instead, we need to evaluate the effect that arms transfers have on regional stability, on the promotion of democracy, and on the protection of human rights. The legislation in front of us seeks to do that. It makes democracy, human rights, and nonaggression the central criteria for decisions on arms transfers. But equally important, it forces the U.S. Congress to take responsibility for approving such transfers to countries that do not meet the criteria set forth in the legislation.

Under the present system, the President just makes a determination of which countries will receive what weapons. It is true that Congress could disapprove a specific sale, but in practice we all know it is very difficult and extremely rare that happens. We ought to be more involved as a Congress in making these decisions. This legislation gives the Congress a principal role in making these decisions, not only as a matter of conscience, but as a matter of law enforcement.

The amendment (No. 5046) was agreed to. The amendment is as follows:

(1) INTERNATIONAL ARMS TRANSFERS REQUIREMENT

(a) INTERNATIONAL EFFORTS.—The President shall continue and expand efforts through the United Nations and other international forums, such as the Wassenaar Arrangement, on Export Controls for Conventional Arms and Dual Use Goods and Technologies, to curb worldwide arms transfers, particularly to nations that do not meet the criteria established in section 6A with a goal of establishing a permanent multilateral regime to govern the transfer of conventional arms.

(b) REPORT.—The President shall submit an annual report to the Congress describing efforts he has undertaken to gain international acceptance of the principles incorporated in section 6A and evaluating the progress made toward establishing a multilateral regime to control the transfer of conventional arms. This report shall be submitted in conjunction with the submission of the annual request for authorizations for appropriations for foreign assistance programs for a fiscal year.

Mr. KERRY. Mr. President, before I explain my amendment I thank the distinguished Senator from Oregon, Senator HATFIELD, for his extraordinary, long involvement in an effort to help educate and lead the U.S. Senate to a more rational approach to this question of proliferation, nuclear and conventional. When he leaves the Senate there will be an enormous gap with respect to that leadership and his voice, always clear even with laryngitis. I also welcome Senator DORGAN, whose history is not as long, but whose commitment is equally as passionate. I look forward to working with him in the future.

Their amendment embodies a fundamental shift in the way the United States needs to deal with the transfer of conventional arms to the rest of the world. Like so many other aspects of our national security today, arms sales and other military assistance

...
What happens to the deterrent value of our military strength when we export technologies and weapons systems that are equal to that which our own troops use?

For example: Kuwait had the new M1-A2 main battle tank before it was even delivered to U.S. forces. Saudi Arabia now has these tanks as well.

We have exported Patriot missiles to Saudi Arabia, Kuwait and the United Arab Emirates. We have exported F-16 and F-15 fighter planes, almost exactly what our Air Force is currently flying, have been exported to Indonesia, Malaysia, Pakistan, Singapore and Thailand.

Turkey and South Korea, as has been stated, are building F-16 fighters under coproduction agreements with the United States. In fact, there are more people as Senator Hatfield said, building these weapons in Turkey than there are in the United States.

The upgrades of these F-16’s will not even be performed by the United States. They will be done by Denmark, Sweden and Norway.

One of the main reasons the United States overthrew Iraq’s military in the Gulf War was because our equipment was more technologically advanced. What will be the result the next time we go to war and our troops look across the battlefield at the same tank they are sitting in? U.S. weapons have already been used against the United States overseas.

During the eighties, we sent Somalia 4,800 5.56 millimeter recoilless rifles, 24 machine guns, 75 81-4,800 M±16 rifles, 84 106-millimeter recoiless rifles and 106 120-millimeter mortars and landmines.

Guess what the “technicals” of Somali warlord Mohammed Farah Aiddeed used to ambush and kill 30 Americans soldiers? Our own weapons.

Iran has deployed the American Hawk anti-aircraft missile in the Straits of Hormuz, which were exported to the Shah decades ago before the revolution.

The more advanced U.S. Stinger anti-aircraft missiles provided to Afghani rebels are unaccounted for and are reportedly being sold on the black market.

Although we don’t know the cause, wouldn’t it be tragically ironic if the downing of TWA Flight 800 was because of a Stinger missile obtained on the black market?

Libya and North Korea may have acquired U.S. Stinger missiles through this very same black market.

How will these weapons be used? How stable are the regions to which U.S. weapons and technology are being transferred? Did you know that Turkey used U.S. A-10A helicopters to destroy small Kurdish villages?

Today, Iran is using the same F-14 fighters we exported to the Shah.

Allies change and governments fall. What happens if the Government of Saudi Arabia falls into Islamic fundamentalist hands?

What happens if tensions between Pakistan and India reach the boiling point? We are today escalating an arms race between these two countries.

Since the Reagan administration, arms have been treated more as items for international commerce than as tools to advance our national security. I believe this is dangerous and ultimately self-defeating.

The President, any President, is confronted with strong incentives to sell arms abroad, to bolster allies whose security is in our interest to encourage diplomatic and economic cooperation. I don’t believe it is realistic to think that in the face of these pressures, any American President alone is able to unilaterally change course and substantially limit arms sales without strong congressional support and even initiation. That is what we are considering today, initiating a code of conduct.

So it is for these reasons that I believe the code of conduct on arms transfers will help to bring some increased transparency and added consideration to the whole arms sales process. The code of conduct requires the President to develop a list of countries which may have access to weapons systems. Their criteria, outlined by the Dorgan/Hatfield amendment, is very basic, reasonable and flexible.

In instances where a country may not qualify, the President has the ability to ask the Congress for a national security waiver, or he may enact an emergency waiver on his own so that nation may receive U.S. arms.

Iran has been excluded from a list of countries which may have access to weapons systems. Their criteria, outlined by the Dorgan/Hatfield amendment, is very basic, reasonable and flexible.

The United States continues to be the unquestioned leader in weapons technology. However, the United States currently exports 52 percent of all global arms sales, making us the leader in this dubious category as well.

If we continue to export advanced and often sophisticated best weapons systems to volatile areas, we put our own troops at risk and possibly our national security at risk maybe not today, but what about next year and the next decade?

I am not saying that the United States should export no arms, but we must have a rational arms sales policy that first and foremost protects U.S. national security, and second does not gratuitously exacerbate a global arms race. I am very afraid that if we continue to export the numbers and kinds of weapons and technology we are currently, we will be less secure in the future, not more.

It is time for the United States to show a different kind of leadership, one encouraging restraint and transparency on the growth of arms around the world.

The PRESIDENT OFFICER. The Senator’s 6 minutes have expired.

Mr. DORGAN. Mr. President, I yield 4 minutes to the Senator from Illinois, Senator Simon.

Mr. SIMON. Mr. President, first I want to thank Senator Hatfield and Senator Dorgan for their leadership on this issue.

I am rounding out 22 years on Capitol Hill. I am a slow learner, Mr. President, but I have learned two things, among others. One is, do not get too cozy with dictators. Eighty-five percent of our weapons sent abroad are sent to nations the State Department identifies as human rights abusers. I think we ought to be careful. Second, I have learned that weapons we send abroad may be used against us. Senator Feinstein mentioned Somalia. We could be mentioning Panama, Haiti, Iraq, and other nations.

Back—I do not know—2 or 3 years ago I was in Angola with Senator Feingold and Senator Reid and visited the Swedish Red Cross place where they were fitting 100 limbs for children and adults. I saw the huge numbers of people in Angola being fitted for those limbs in part because of American mines, in part because of American mines purchased with American funds. We have been pointed out, the No. 1 arms merchant in the world. And 56 percent of the arms sold abroad, are sold by the United States.

While we are the No. 1 arms merchant, do you know where we are in foreign economic assistance to other countries, compared to the other Western European countries, Australia, New Zealand and Japan? We are dead last. One-sixth of 1 percent of our national income goes to help the poor beyond our borders. Norway is above 1.2 percent, and the other nations in between. And when you contrast what we do with weapons and what we do with economic assistance, it is kind of interesting.

From July 11 to 18, the National Basketball Association signed contracts totaling $927 million for free agents. Do you know what we are doing in providing development assistance for all of Africa, the poorest nation, poorest continent today, when you except Egypt? We are spending a total of $628 million, less than we spent in 1 week for free agents for the National Basketball Association.

We need some sense of perspective. And for us to spend this amount of money on development assistance for poor countries, and then eagerly get every buck we can get so we can sell arms, and we do not care whether they are dictators or not dictators, that just doesn’t make sense. Without this particular amendment, frankly, we are not going to do anything.

We have not turned down an arms request from another country since the early 1990’s when we turned down an AWC’s request from Saudi Arabia.

This amendment would start to put us in the right direction. Again, let me go to the bottom line. The No. 1 lesson
we ought to learn is, do not get too cozy with dictators. And, No. 2, when you sell arms abroad to dictators, they may be used against you. I think those two lessons are just fundamental. I hope that we get a good vote on this amendment.

Theสิ่ง Senator PELL. It is so ordered.

Mr. PELL. The Congress has come close on several occasions, but it has never succeeded in getting a resolution of disapproval enacted. This does not mean that Congress has not had a significant role. A large number of sales have been modified or withheld by the executive branch, and these consultations. As ranking Democratic member and former Chairman of the Committee on Foreign Relations, I can assure you that the dialog on arms sales with succeeding administrations has been extensive and that a number of risky, threatening or destabilizing transfers have been averted. I understand and appreciate the Senator from Oregon's deep concern over continued arms races throughout the world and his desire to apply serious limits and controls through the legislation now under consideration. I can also understand why some in this body would prefer a system under which the policy approval of Congress would be required for transfers and assistance to a number of particular counties, as contrasted with the present emphasis on the right of disapproval.

I believe that the underlying concept of this initiative, as we explore this and other concepts further, we will want to take care to ensure that the legislation is workable in real-world situations in its final form. For instance, certain questions are raised by the prohibition on arms transfers and assistance to governments other than democracies. The prohibition would appear to exclude any monarchy, emirate or sheikdom. All of those are in the Persian Gulf that are scared to death of Iran and Iraq are kingdoms, emirates or sheikdoms, and would thus be ineligible for transfers or assistance, unless given a Presidential waiver and approved by Congress.

We will also want to make sure that we do not create a situation in which our decisions on transfers and some assistance are less balanced and deliberate and more chaotic or haphazard. It is very important our defense industry and its thousands of American workers understand that we want both to improve the standards under which transfers are allowed, but that we will remain dedicated to our national security interests and to the security of our friends and allies throughout the world.

I am sure that these and other concerns can be met and strong, positive, responsible and bipartisan support can emerge. I wholeheartedly believe that the Congress has the right to disapprove particular sales if they appear inadvisable. Interestingly enough, in those 20 years, the Congress has come close on
under this amendment, if the Congress agrees. I suspect if we asked the American people, the majority would say this amendment does not go far enough. What if we were wrong with giving Congress a say over these decisions? Haven’t we had enough of our own weapons coming back to haunt us?

Some have argued that this amendment would hurt the arms industry. Baldrige and Tip O’Neill kept secret that the economic burdens of arms transfers is costing taxpayers billions of dollars, including both direct and indirect costs. By the end of this decade, more than half of U.S. weapons sales will be paid for by American taxpayers.

The real issue is what is right for national security. That is the primary criteria for arms transfers, and this amendment does not alter that one bit. Mr. President, I urge my colleagues for Congress to exercise some meaningful review of decisions to sell arms to governments that do not meet the highest standards of conduct. That is all this amendment does. It should have been law a long time ago.

Mrs. KASSEBAUM. Mr. President, today I will cast my vote in favor of the Hatfield amendment to prevent U.S. arms exports to countries that are undemocratic or that violate human rights. We cannot stand by indefinitely as the Soviet Union and China expand their sales of major conventional weapons that we sent abroad.

Arms transfers can serve important American interests and, indeed, the majority of our shipments go to our NATO allies or to our major strategic allies in other regions of the world. These important transfers that serve our national interests would withstand closer scrutiny by Congress. But too often we have seen arms we transferred to regions of major democracy and human rights than to support freedom. As chairman of the Africa Subcommittee, I have seen teenagers in Liberia and Angola who have learned to shoot before learning to read. I have seen countries whose meager coffers have been drained to purchase weapons of war while their people suffer an unconscionable standard of living. Perhaps during the cold war, when we were locked in a global struggle with communism, considerations such as these were necessarily secondary. But no more.

We cannot be responsible for the misconduct of other governments. But we can refuse to participate in armng repressive regimes or strengthening the hand of those who grossly violate human rights. We can encourage the forces of liberty abroad—in countries friend and foe alike—by making clear that the price for American arms includes progress on human rights and democratic government.

The liberal transfer of arms abroad puts our national interest at risk. Our soldiers already have faced American weapons in the Gulf. In other conflicts, they have faced weapons supplied freely by other major arms exporters. Yet, as long as we are the world’s largest seller of arms, we have little leverage to press other exporters to curtail transfers we oppose.

Mr. President, I am under no illusion that this legislation will become law. But for that very reason, I view this as a vote not just about the specific language and procedures in this amendment but about the overall direction of American policy. I believe that policy, on the whole, is headed in the wrong direction. For that reason, I am voting for a change.

THE DORGAN-HATFIELD CODE OF CONDUCT

Mr. JEFFORDS. Mr. President, I rise in support of the amendment offered by my colleagues the Senator from South Dakota, Mr. DORGAN, and the senior Senator from Oregon, Mr. HATFIELD. This amendment would significantly enhance the American arms sales are evaluated and enhance the roll of Congress in the process.

Under the Arms Export Control Act, arms sales are reviewed for their compliance with several criteria, including whether a foreign government respects human rights and avoids acts of international aggression. Under this amendment, consideration would also be given to whether a government adheres to democratic principles and whether it participates in the United Nations Register of Conventional Arms. And under this amendment, Congress would review and pass judgement on any sale that the Administration has approved to a nation that did not meet these requirements.

While Congress technically has the option to disapprove of any sale that does not meet the criteria of the Arms Export Control Act, in fact, it rarely exercises that right, and little attention is paid to more controversial sales. At no time was a comprehensive review of pending arms sales actively examined and approved by Congress. This process is no longer acceptable, and the changes that this amendment would bring to this process are welcome.

Yes, the Cold War is over, but we all realize that in many respects, the world does not seem like a safer place, in part because American arms are helping to fuel the conflicts around the world that we then must try to resolve. An obvious way to reduce the frequency of this happening is to more closely scrutinize the sales being made to countries who do not share our basic ideology and respect for human rights. And the Congress should be given a greater role in this process.

I urge my colleagues to support the Dorgan-Hatfield amendment.

Mr. MCCONNELL addressed the Chair. The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. How much time remains for the opposition to this amendment?

The PRESIDING OFFICER. Twenty minutes.

Mr. MCCONNELL. Mr. President, I will not use that. I understand Senator DOMENICI is lurking and may be available to offer his amendment. And there is a little more debate on the Burma amendment. And we may well stack three votes for around 6 o’clock, or thereabouts, just to give an overview of where we are.

Let me say, Mr. President, with regard to the Dorgan amendment, the Clinton administration is strongly opposed to the amendment on the grounds that human rights and democracy are relevant criteria but not the only criteria about which arms sales should be evaluated. Regional security and stability may be overriding considerations in making a decision to proceed with a transaction. Arms transfers serve key foreign policy concerns and no single issue can be the only or primary consideration.

Let me give you an example, Mr. President. The amendment could well cut off the transfer of arms to key allies in the Middle East, for example, or in central Europe. And so the question arises, is this really in our best interest to make this kind of certification process a precondition for the transfer of arms to key allies?

So, Mr. President, I hope that the amendment will not be approved. Rarely do I find myself speaking on behalf of the Clinton administration, but my suspicion is that any administration would be opposed to this, that it would not be in our Nation’s best interests.

I hope that the amendment will not be approved.

Mr. President, I am prepared to yield back the balance of my time, if I can locate Senator DOMENICI. Mr. President, I suggest the absence of a quorum.

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

The clerk will call the roll.

Mr. DORGAN. Mr. President, can I locate Senator DOMENICI? Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

The clerk will call the roll.

Mr. DORGAN. Mr. President, I urge my colleagues to support the Dorgan-Hatfield amendment.
The PRESIDING OFFICER. The Senator is correct.

Mr. DORGAN. Mr. President, I suspect most administrations oppose this kind of proposal because it does not allow them complete and unrestrained freedom to do whatever they want wherever they want in the world.

However, this proposal has an enormous amount of common sense. We are not proposing something that would restrict critically needed arms transfers to our allies in the Middle East, for example. We specifically have a provision in this amendment that resolves that issue. That cannot be argued.

I say this: With respect to arms transfers that have occurred in other parts of the world over all of these years, this country ought to start to rethink these issues. We sold Iraq cluster bombs for its war against Iran, and only because of our superior air power did American troops not face those same American-made cluster bombs in the battlefield.

We sold Somalia 4,800 M-16 rifles, 8,400 6-millimeter recoilless rifles; 24 machine guns, 75 81-millimeter mortars, landmines. Guess what happened? Mr. Aideed would use them to kill 23 American soldiers.

This has really gone on long enough. There ought to be some basic standard by which we measure whether it is in our country's interest to continue shipping arms to a single dictator in this world, to country after country, dictator after dictator, without regard to how those countries behave or without regard to whether American men and women wearing our uniforms may face those same weapons made by American workers again at some point in the future.

We are not proposing anything radical. We are proposing something that says arms transfers ought to be made in circumstances where they are promoting democracy, where they are respecting human rights, not killing innocent people, where they are observing international borders, not attacking their neighbors, and where they participate in the U.N. conventional arms registry. That makes a lot of common sense.

It is especially now time for this country to lead. It is time for America to provide leadership on this issue. Frankly, this chart is appalling. This country, the symbol of freedom, the torch of liberty for the world, ought not be the world's arms merchant. No one ought to be able to point to a chart like this in the future. I want foreign arm sales and military sales and arms transfers to be made when it represents good common sense, when it is in our interest, when it is in the world's interest. If we can provide leadership and the Europeans can provide leadership to develop a code of conduct on when arms should be transferred, this will be a safer world—yes, for the children that Senator FEINSTEIN talked about, for your children, your children and all children.

To keep doing what we are doing makes no good sense at all for anyone in this world. It provides a more unstable and a more unsafe world. This amendment I hope will provide for a safer, more stable world. I hope the Senate, when it votes this evening, will finally, after some two long decades of having this discussed, take the first step to say this is the right direction, this is a step toward a safer world, this is a step toward American leadership to do what is right.

I yield the floor and I yield back the balance of my time. I ask for the yeas and nays on our amendment. The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second. The yeas and nays are ordered.

Mr. McCONNELL. I ask unanimous consent that the amendment be temporarily laid aside to take up an amendment of Senator DOMENICI and Senator D'AMATO.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from New Mexico.

AMENDMENT NO. 5047

(Purpose: To restrict the availability of funds under the Act for Mexico until drug traffickers or producers are apprehended and extradited or apprehended and tried for such offenses and who there is reason to believe reside in Mexico.)

The amendment is as follows:

The Senator from New Mexico [Mr. DOMENICI], for himself and Senator D'AMATO, Mrs. HATCH, Mr. GRAMM, Mr. BINGHAM, Mr. KEMPTHORNE, and Mr. FAIRCLOTH, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI, for himself and Senator D'AMATO, Mrs. HATCH, Mrs. FEINSTEIN, Mr. MURKOWSKI, Mr. SHELBY, Mr. HELMS, Mr. HATCH, Mr. GRAMM, Mr. BINGHAM, Mr. KEMPTHORNE, and Mr. FAIRCLOTH proposes an amendment numbered 5047].

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

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

The amendment is as follows:

On page 159, between lines 17 and 18, insert the following new section:

PROSECUTION OF MAJOR DRUG TRAFFICKERS RESIDING IN MEXICO

Sec. 10. Report. (a) Not later than 30 days after the date of enactment of this Act, the Attorney General of the Drug Enforcement Administration shall submit a report to the President—

(B) identifying 25 individuals not named under paragraph (1) who have been indicted for such offenses and who there is reason to believe reside in Mexico.

The PRESIDING OFFICER. The President shall promptly transmit to the Governor of Mexico a copy of the report submitted under paragraph (1).

In general.—None of the funds appropriated under the heading "International Military Education and Training" may be available for any program, project, or activity for Mexico.

Exception.—Paragraph (1) shall not apply if, not later than 6 months after the date of enactment of this Act, the President certifies to Congress that—

(A) the Government of Mexico has extradited to the United States the individuals named pursuant to subsection (a)(1); or

(B) the Government of Mexico has apprehended and begun prosecution of the individuals named pursuant to subsection (a)(1).

Waiver.—Subparagraph (a) shall not apply if the President of Mexico certifies to the President of the United States that—

(1) the Government of Mexico made significant good faith efforts to extradite individuals named pursuant to subsection (a)(1) but did not find one or more of the individuals within Mexico; and

(2) the Government of Mexico has apprehended and extradited or apprehended and prosecuted 3 individuals named pursuant to subsection (a)(2) for each individual not found under subparagraph (a).

Mr. DOMENICI. Mr. President, this amendment is an amendment that is urgent Mexico, is pleading with Mexico, to cooperate to bring to justice the 10 most wanted, previously indicted drug lords living in Mexico.

Now, Mr. President, anyone in the Senate who has read the record over the past 10 years of what the Senator from New Mexico has said and done with reference to Mexico would know that I have been a staunch advocate of those policies in Mexico which are calculated to create a better standard of living for the Mexican people and to increase their economic prosperity.

I have from time to time even brought to the attention the Mexican leadership, as it looks in hindsight, I do not regret that one bit. Frankly, my State is one of those States that borders on Mexico, and we know better than the rest of America that unless and until Mexico prosperous and their standard of living for their average people goes up, the problem of illegal activities on the border can never be controlled.

What I do today is not a very major move. It is a measure that is not great big money denial. The economic package that is in place is not taken into account. We do not assault it and remove pieces of it, we just take a tiny program worth $1 million in foreign aid for military education and training. The amendment provides that it shall not be delivered to the Mexican Government unless and until they cooperate with us to do some things.

Let me talk for just a little bit with the leaders and with the people who are observing this, and yes, I might say to the leaders of the Republic of Mexico, we have some very distinguished Senators who are very pro-Mexico who are
on this amendment, you will note a couple of issues are from the state of Texas, my immediate neighbor. You will note one is from California, another major border state.

I will start by asking a couple of questions. Do you know how much good law enforcement work and taxpayer’s money it takes to get an indictment of a major drug trafficker or drug kingpin? An indictment is a grand jury’s written accusation issued after it has found sufficient evidence to prepare the next step in the judicial process. Getting an indictment is the sum of surveillance, interrogation of evidence, usually massive quantities of drugs, wiretaps, untangling the money-laundering networks. It is not uncommon for a border agent or two to lose their lives in a case where an indictment is sought and obtained.

According to the Department of Justice, there currently are 99 outstanding U.S. extradition requests for 107 Mexican nationals known or believed to be in Mexico who have been indicted in the United States—107 Mexican nationals have been indicted under our Federal drug kingpin statute, which is a very large number and a rather large expense, and a very major risk of life.

This has not occurred because anybody is picking on Mexico. This has occurred because we know in the United States that the enormous growth in drug trafficking through Mexico, which I will delineate with more specificity shortly, is having an enormous negative affect on Americans, and that unless we take some of those kingpins, some of those multimillionaires, who have huge cartels that are growing as fast as the cartels did in Colombia a decade ago, and we put some of those people in jail—whether it is Mexican jails or American jails—then at least one-half of the equation of trying to get drugs into the United States under control is going unintended. We are leaving a huge portion of it unintended and doing nothing about it.

Now, many of these requests, Mr. President, are for violent individuals involved in the drug trade. They include the top leaders of four major Mexican cartels. In the U.S., we get indictments, but the indictments are not worth the paper they are written on because the Mexicans won’t try these people in their own courts, and they will not honor our extradition requests.

Now, Mr. President, I know that Mexican officials will say they are trying, and they will say we must be understanding, and that they are having difficult times. Well, let me suggest that this Senator understands that. What I am trying to do with this amendment is to let the Senate go on record saying to Mexico: Do something about the drug problem and the drug cartels, the top leaders of four major Mexican drug-related arrests. He cited two examples: an intentionally unacted upon case. Even though there was a reliable tip, no action was taken, and they could have captured Israel Higuera Guzmán, who has been on the Mexican government’s most-wanted list all year long. The United States wanted to apprehend the top leader of the Tijuana drug cartel run by Benjamin and Ramon Arellano Felix. On another occasion, Mexican officials had been advised that a jet carrying 20 tons of cocaine was going to land on an airstrip known to be used by the drug lords. The Mexican Attorney General didn’t tell us about it ahead of time. In addition, the plane was unable to land after takeoff. But believe it or not, even after landing and being unable to take off, the cocaine was never intercepted.

Mr. President, I offer this amendment concerning Mexico, which I, unfortunately, believe should be added to this bill. I say “unfortunately” because it is not often that I come to the floor of the U.S. Senate and there is a border neighbor from the south. Mexico has, in recent years, made tremendous progress on a number of issues concerning its relationship with the United States. I believe we are still quite appropriately called its best friends.

Northern Mexico is becoming, however, a land of laundered drug money, riddled with corruption and violence. I have been a longtime friend, and I don’t cavalierly say it. It bothers me greatly. It is a country with a young and vibrant population and has the potential for a real future. But drug-driven cartels are threatening the very sovereignty of Mexico.

For many Mexican residents, the map of northern Mexico is determined by the frequently changing territories controlled by drug-trafficking organizations. There is one area where I believe there has not been enough pressure: that drug-driven cartels are trying to tell Mexico what to do, and that Mexico’s failure to capture, prosecute, or extradite the United States known major drug traffickers under indictment in the United States.

This amendment—read off the sponsors—would at least send a signal that this concerns us greatly, that we are trying to tell Mexico what to do, but essentially that we are worried. We hope the leaders of Mexico are worried. We know what has happened to other countries, and it is going to happen to Mexico.

This amendment does prohibit the release of a small amount of money, which was going to be appropriated under this bill. Under this bill, $10 billion a year as a business operation in Mexico.
the heroin, 80 percent of the marijuana, and 70 percent of the cocaine coming into the United States. One drug dealer reportedly makes $200 million a week from sales to the United States to our children across this land. In my State of New Mexico, use of drugs by teenagers is skyrocketing because the two interstates transverse our State, and they are used as a communication link to take the cocaine and other serious drugs from their border habitats across this land.

These cartels are like multinational companies with sophisticated operations that rival any of the Fortune 500. They have advanced networks of drug distribution channels. One drug baron is called "The Lord of the Skies" because he has a fleet of 747's at his disposal. He is headquartered in Juarez, not far from my state.

Mr. D'AMATO. Will the Senator yield?

Mr. DOMENICI. I am pleased to yield.

Mr. D'AMATO. Does the Senator really believe that the number of outstanding requests, 99 criminals, have been identified and indicted?

Mr. DOMENICI. The Senator is correct.

Mr. D'AMATO. Some of these go back 3 and 4 years with these extraditions?

Mr. DOMENICI. They are longstanding.

Mr. D'AMATO. Is it not true that there has only been one Mexican-national who has been extradited to this country out of all of those requested?

Mr. DOMENICI. That is correct. That happened after the hearings were held.

Mr. D'AMATO. That person was a child molester. It was right to send him here. But none of the others who have been indicted for murder or drug dealing—have any of them at all been extradited?

Mr. DOMENICI. To our knowledge, statements that I made here would indicate that they have not—for example Juan Garcia Abrego who had dual citizenship. I know of the Senator's genuine interest. I praise him for actually doing what I believe they have been paid.

Mr. D'AMATO. About $100,000 per month to "turn a blind eye" to drug trafficking in that city. When the chief refused and instead got tough with these drug dealers, he was brutally murdered on a highway in Juarez.

In 1993, Catholic Cardinal Juan Jesus Posadas-Campos was gunned down at the Guadalajara airport. Many believe that his murder was an accident, related to a feud between violent drug groups. The Cardinal however was an outspoken critic of the cartels, and some believe that his murder may not have been an accident.

Congress has continuously funneled resources to the Southwest Border in an attempt to control drug smuggling, but without Mexico's cooperation, the United States cannot possibly control the flow of drugs into the country.

Patrolling the border costs taxpayers a lot of money. Funding for the Border Patrol has increased by $183 million or 42 percent in the last three years. Congress has increased Border Patrol staffing to add at least 700 new agents each year for the past 3 years and we now have 5,253 border patrol agents in the field. 58 percent of those agents are on board in New Mexico.

Despite this stepped-up law enforcement presence at the border, the amount of drugs entering this country...
from Mexico continues to grow. As we all know, more drugs lead to more crime.

A group which I helped establish, called New Mexico First, recently published a report on crime in New Mexico. The report states that the greatest threat to national security is the fact that Mexican drug traffickers also pose a threat to our security. The report concludes that Mexican drug trafficking is the second greatest threat to national security. The report further states that the greater the threat to our security, the greater the threat to national security.

Mr. President, I have long been a proponent of increased cooperation with Mexico, but I also believe that we must take action to combat the drug trade. The amount of aid to Mexico is not the issue here. What is at issue is whether we will cooperate more completely with our efforts to tackle drug barons.

I wish my colleagues would invite them to the border to better understand the situation. The drug cartels are real. They have outsmarted, outmaneuvered and outgunned the U.S. Border Patrol, Customs Service and DEA.

The Clinton administration claims that one of its new drug policies is to attack drugs at the source. While this is not a new idea, I would suggest that the best way to attack the source of drugs in the United States is to go after the major suppliers in the United States. The DEA's 10 most wanted Mexican drug kingpins.

The amount of aid to Mexico is not the issue here. What is at issue is whether we will cooperate more completely with our efforts to capture and imprison these drug barons.

Mr. President, my amendment will restrict a small amount of United States aid to Mexico until the President certifies that Mexico has either extradited or prosecuted themselves, the DEA's 10 most wanted Mexican drug kingpins.

I yield the floor.

Mr. BOND addressed the Chair. The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I do not want to interrupt the debate on this important amendment. The amendment is in fact that I ask unanimous consent that I be added as a cosponsor to the amendment by the Senator from New Mexico. The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. D'AMATO addressed the Chair. The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, let me first say that I think it is obvious over the years that the senior Senator from New Mexico has been a great leader on drug issues. As the record indicates—not the rhetoric of Senator DOMENICI; the record—there has been no greater friend to the American people than Senator DOMENICI. As a matter of fact, I attempted to get his support on some legislation that I have proposed that would take tough action for the inaction of the Mexican authorities in a number of cases, and the Senator felt it went too far, it was too harsh, that, indeed, these are our allies, these are our friends, these are our neighbors, the Mexican people in particular.

There is no one who has greater empathy for the plight of these Mexicans who are attempting to earn a living, and he has been supportive in terms of making money and resources available to help the Mexican economy. So I think it means that there is a point at which even the strongest of friends, the greatest of supporters must say to their friends and to their allies, “You are not doing enough,” and that is what Senator DOMENICI's amendment says.

It does not act in a manner in which it could in terms of being much more punitive, but it sends a signal—and it is an important signal, and it is about time that we say it to our friends, because we are talking about friends—of one country recognizing the sovereignty of another country and recognizing our responsibility as good neighbors and being there. This Congress of the United States was there, the President was there, Republicans and Democrats alike, helped Mexico's time of need. I myself had great reservations, but my colleague said, no, it is important that we give to the Mexican Government and more importantly to the people an opportunity to be able to understand their debt, to meet that obligation, to work their way out. There they were. There was Senator DOMENICI, a supportive friend and ally.

But there comes a point in time when you have to say, how is it that you can protect drug smugglers, criminals, people involved in killings, in murders, in the distribution of billions of dollars worth of cocaine and crack that is creating havoc in the streets of America? How can you as an ally protect these people?

Mr. President, we have 99 warrants outstanding and 110 people identified over a period of 4 years, since 1992, and only one Mexican national has been extradited. There are some who we could extradite or who we could extradite or who are involved in very violent crimes who have been on the run, who have been around, who live openly without fear of apprehension because the police and the Mexican Government in control of the various provinces, indeed, are part and parcel of the cartel—only one attempt to extradite, only one attempt. And when they do go through some of the process, it is rigged. No successful extradition of a Mexican national except one, when they heard of a hearing of the Banking Committee in March of this year. We say wonderful for that one. That was a child abuser.

Talking about abuse of children, what is creating more havoc with our young people than the menace of drugs entrapping people?

The State Department by its own report says—this is not Senator DOMENICI or Senator D'AMATO. This is the U.S. Department of State, Bureau for International Narcotics and Law Enforcement Affairs, International Narcotics Control Strategy Report, March 1996. Senator DOMENICI referred to part of that—page 140:

No country in the world possesses a more immediate narcotics threat to the United States than Mexico.

If I am not going to read the rest, because then it goes into detail and talks about the tons and tons of drugs and we cannot get one of these Mexican traffickers extradited. We have indicted them—killers, murderers.

I want to give you the testimony of a border agent just this March, testimony of a brave person, because there are some people who did not want him to testify before our committee. Senator FEINSTEIN and I had a hearing on that, and there impact on Mexico because we do not think our friend and ally is doing nearly enough. It is really giving aid and comfort to our friends and to our allies, to people who are
terrorizing our communities, to the drug lords.

This is the testimony of T.V. Bonner. He is the National President of the Border Patrol Council, those people who are out there, the agents out there who fight for our communities. The Government of Mexico has refused to extradite the accused. Even though the United States has an extradition treaty with Mexico . . ., not a single Mexican has been extradited to date, despite numerous requests.

They captured him.

The FBI interviewed the suspect in a hospital in Mexico, and the United States subsequently charged him with murder and sought his extradition. The Government of Mexico has refused to extradite the accused. Even though the United States has an extradition treaty with Mexico . . ., not a single Mexican has been extradited to date, despite numerous requests.

That is not totally accurate because when Senator Feinstein and I had a hearing before the Banking Committee, the same day or the day before, they announced: "We are going to extradite someone," an unnamed person. They would not even tell us who it was. We said, "Who is it?" "We don't know, but we are going to extradite someone."

Now, what does it take to get the Mexican Government—and this is the Mexican Government. This individual who shot and killed a U.S. border agent was arrested and yet we have not been able to get him extradited. How outrageous.

I think this amendment of the Senator is so thoughtful. I believe we have to go further. But at some point in time we have to say we are not going to continue to do business as usual. We have an obligation to provide for domestic efforts with our country failing miserably, Republicans and Democrats, for years.

Oh, during every campaign we get more border agents, more this, more that: Show business. After the campaign—I saw it happen in the last administration and the administration before that—at the election is over everything is forgotten, the agents do not get the support, they do not get the equipment, and it just dwindles down.

I think this amendment is so thoughtful. I believe we have to go further. But at some point in time we have to say we are not going to continue to do business as usual. We have an obligation to provide for domestic efforts with our country failing miserably, Republicans and Democrats, for years.

Mr. Cordero Ontiveros is obliged to prove his allegations, not just to go to the news media. What do you think somebody does when the attorney general tells him to keep quiet, when the record demonstrates clearly we cannot get proven killers and murderers extradited when they actually have them in custody of the Mexican Government? Our own border agents are wondering about our commitment to this war when they see our U.S. agents being shot and killed and a total failure of our Government to be able to get our friends and our allies to cooperate and have the murderers and have the drug dealers turned over.

I compliment Senator Domenici for his thoughtful amendment. I think it should serve as a harbinger of things we are prepared to do with our friend and ally, unless they begin to treat us as friends; unless they begin to respect us and our rights and the rights of our citizens and our youngsters who are being victimized every day as a result of their failure, and even enforce basic, fundamental law.

I yield the floor.

Mr. MURKOWSKI. Mr. President, I rise to support Senator Domenici's amendment. This amendment would restrict all International Military Education and Training [IMET] funds to Mexico until the Mexican Government extradites the leading drug trafficking figures hiding there.

It is clear that there is a flood crossing our borders that threatens the very health and lives of all Americans—a flood of drugs, crime, and money laundering. The source of that flood is Mexico.

At a joint Finance Committee and Senate International Narcotics hearing Senator Grassley held earlier this week, I brought the deteriorating situation in Mexico to the attention of Secretary of the Treasury Robert Rubin. At that hearing Senator Grassley raised the issue of Mexican cooperation in apprehending and extraditing drug traffickers wanted in the United States. I also questioned whether Mexico is really making any effort to enforce its own laws, and if Mexican government corruption is such that it is just shifting its wheels in endless prosecutions that never result in convictions. I am expecting answers to the questions and more in the coming week as we hold another hearing on this issue.

The dramatic increase in drug trafficking from Mexico is one of the unfortunate by-products of NAFTA trade liberalization and our success in getting tough on drug smuggling in the Caribbean. Reacting to the pressure of U.S. efforts such as our "Gateway in" in Puerto Rico, drug smugglers have found even greater access to the U.S. in Mexico. The Mexican Attorney General has estimated that traffickers accumulate $30 billion in revenues each year. Mexican traffickers or their front companies have also purchased numerous ranches or Maquiladora plants in Mexico and the United States to ferry drugs across the Rio Grande.

The impact is undeniable. Only ten years ago, almost no cocaine came across the border from Mexico. Today, nearly 70 percent of all cocaine coming into the United States passes through Mexico. Mexico also supplies between 20-30 percent of the heroin consumed in the U.S. and up to 80 percent of the imported marijuana. In fact, the Drug Enforcement Administration [DEA] estimates that Mexico earns over $7 billion a year from the drug trade, making illegal drugs Mexico's third largest export to the United States.

The United States' response to this escalating crisis has been inadequate. While the President talked tough on drugs and crime—backing it up in the
case of Colombia—when it comes to Mexico he has bent over backwards to accommodate failure. Based on mutual declarations of cooperation at the Summit of Americas and the limited success of Mexican and United States efforts to reduce drug seizures, the President Clinton certified to Congress on March 1, 1996 that Mexico was “fully cooperating” with U.S. counter-narcotics efforts. This allowed $38.5 million in bilateral aid to continue to go to the Mexican government, in addition to the $20 billion of U.S. taxpayer funds provided in the tesobono bail-out last year.

Our good intentions and assistance have produced few results. Mexico’s efforts to eliminate corruption among government officials and capture the worst drug offenders have produced thunder but no rain. To date, there have been no convictions in the hundreds of ongoing prosecutions for corruption among officials in the Mexican Attorney General’s office. There has been little more success within the Ministry of Finance or federal police. Laws which have been on the books for years to end government corruption have been ignored while hundreds of cases have been thrown out of court over minor technicalities.

Even more glaring is the lack of a bilateral extradition treaty between the United States and Mexico. As of April 15, 1996, there were 99 outstanding extradition requests by the United States to Mexico involving 110 different individuals. Mexico has acted on only one of these requests—that of Juan Garcia Abrego who is being held without bond in Texas in advance of his September trial. He faces a life sentence. I have asked Secretary Rubin to provide detailed information on the current status of all the United States requests, especially for members of the drug cartels that have been indicted in the United States and are fugitives hiding in Mexico—Denjamin Arellano-Felix and his brothers Francisco, Ramon and Javier; Amado Carillo Fuentes; and, Miguel Caro Quintero.

Enough is enough. It is time to get tough with Mexico just as we did in the Caribbean. The United States must send a strong message to Mexico that there are limits to our patience. We must continue to strengthen our partnership to stop the drug trade. But we cannot continue to be flagging in our investigations and prosecutions nor can we continue to allow criminals to avoid extradition to the United States to face judgment. We must ratchet up the pressure on the government of Mexico to clean up this tide of drugs, crime, and official corruption or risk our neighbor becoming another Colombia.

This amendment by Senator DOMENICI provides that message. It provides a targeted and flexible response to the building Mexican problem. It is important to notice that the Mexican Government must improve the enforcement of its laws and agreements. We must make clear that our relationship cannot continue to be one where the United States gives and gives while Mexico takes and takes. This was not acceptable with Colombia and it should not be with Mexico either.

Mr. President. If Congress and the President of the United States are serious about keeping Mexico from “becoming Colombia” and reducing international crime and drug trafficking, we must take action now. I urge my colleagues to support Senator DOMENICI’s amendment.

Mr. HELMS. Mr. President, I am pleased to join Senators DOMENICI and D’AMATO in introducing the pending amendment. The United States has a stake in Mexico—as our neighbor, as a key trading partner, and as the recipient of a $20 billion loan underwritten by American taxpayers. Mexico’s problems often become, in a very real way, our problems. No problem affecting our two nations is more critical than drug trafficking because it directly affects the lives of Americans. At the same time, we must not forget that for many, many years, the U.S. State Department turned a blind eye to widespread drug corruption in Mexico.

In its latest International Narcotics Control Strategy Report, the U.S. State Department admits that in 1995 “endemic corruption continued to undermine both policy initiatives and law enforcement operations” in Mexico. The report adds that “official Mexican Government corruption is deeply entrenched and resistant and comprises the major impediment to a successful counter-narcotics program.”

So, Mr. President, it is no surprise that Mexico is the gateway to the United States for smuggling in massive amounts of cocaine and heroin. Mexico is also a major producer of methamphetamine, one of the most dangerous drugs available. Many corrupt officials in the Mexican Government have long had an open door policy for dealing with the Mexican cartel kingpins, providing protection for a price. Mexican President Ernesto Zedillo has made some positive gestures to combat drugs and drug corruption, including appointing an Attorney General from the opposition PAN party and supporting money laundering legislation.

Nor is it a surprise that violent crime in the United States is increasingly linked to drugs. The Justice Department estimates that one-third of violent crimes are committed by people in illegal drugs.

Regrettably, over the past 5 years, cocaine and heroin seizures in Mexico, as well as arrests of Mexican drug traffickers, have dropped by 50 percent. Seventy percent of cocaine enters the United States through Mexico, all too often with the assistance of corrupt Mexican police officers. Drug kingpins spend an estimated $500 million annually to maintain and attract for corrupt government officials. There are too many credible allegations that these officials assist kingpins’ efforts to expand their power and conceal ill-gotten gains.

While Zedillo administration officials may not be accomplices, they are supposedly responsible for the investigation and prosecution of these drug traffickers and corrupt officials.

Yet each year, in exchange for empty promises and well publicized anti-drug speeches, the U.S. administration certifies that the Mexican Government has “cooperated fully” in the war on drugs and continues to provide military equipment, technical assistance, and precious foreign aid. Mexico is indeed our neighbor and a sort of business partner. The State Department is obviously nervous about offending Mexican Government officials by pushing them to take strong measures to fight drugs and corruption. Fogy Bottom must get over its nervousness. The United States has no greater national interest than to protect the safety and security of American people, especially the most innocent—our children and grandchildren.

We must help either the Mexican or American people for the U.S. Government to make the tragic mistake of providing unrestricted assistance to a corrupt, morally bankrupt 67-year-old regime. This amendment will send the clear message that we demand cooperation with the Mexican Government—but real, effective cooperation, not more empty promises.

Mrs. FEINSTEIN. Mr. President, I am pleased to join with the distinguished chairman of the Budget Committee and the distinguished chairman of the Banking Committee in offering an amendment which I think is of great importance.

As my colleagues know, the problem of drugs coming into our country from Mexico has reached epidemic proportions.

Seventy percent of all illegal drugs entering the United States, including three-quarters of the cocaine and 80 percent of the marijuana, are smuggled through Mexico. Ninety percent of the precursor chemicals used to manufacture methamphetamine are smuggled into the United States from Mexico.

We need cooperation from Mexico in many aspects of counternarcotics: from border control, to cracking down on money laundering, to combatting corruption.

There has been some progress in this area, but not nearly enough, and much more is needed. Perhaps the most basic area in which we need cooperation is in cracking down on the drug lords who run the smuggling rings. Mexican drug lords are getting rich poisoning our kids, and the Mexican Government must help us do something about it.

That means extraditions. Although the United States has had an extradition treaty with Mexico since 1978, Mexico has never extradited a Mexican national to the United States for drug charges.

Juan Garcia Abrego was not extradited—he was deported as an American
citizen. And extradition orders have been signed for one Mexican national, Jesus Emilio Rivera Pinon, but he remains in a Mexican jail. Ninety-nine outstanding formal extradition requests have not been acted upon.

This amendment is designed to create additional incentive for Mexico to move forward with the extradition of our most wanted drug lords. If Mexico does not arrest them, they should at least arrest and prosecute these drug lords themselves.

If the United States will take these steps, the United States will withhold funding for the International Military Education and Training Program with Mexico. This is a reasonable, and not overreaching, point of leverage to encourage the Mexicans to do what they should be doing anyway.

If Mexico will comply with these extradition requests, it will be an important step toward addressing the problem of Mexican drug trafficking.

I have discussed some of the ways to support this amendment. Thank you, Mr. President. I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, parliamentary procedure. If we are finished, do we then proceed to a vote? What is the situation, I ask the manager of the bill?

Mr. MCMONNELL. My plan is to lay aside the Domenici amendment and go to the Brown amendment. It is the plan to stack several votes. That we would take them up, again this is just a guess, an estimate, around 6 o'clock. It would be my plan. I understand no one wants to speak in opposition to the Domenici amendment. Has the Senator gotten the yeas and nays?

Mr. DOMENICI. No.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The yeas and nays were ordered.

Mr. DOMENICI. Mr. President, let me just summarize very quickly so no one will think these indictments that the American Government has put all these resources in are just indictments of people who are out there dealing in a few ounces of cocaine. I want to give just four names, with a brief biography, that are under indictment, that it is this Senate and Congress that Mexico does not know about and could not, if willing, to either apprehend and try in Mexico or extradite them to the United States.

Here is one of these cases.

Tijuana cartel, Arellano-Felix organization, Benjamin Arellano-Felix and his brothers Francisco, Ramon and Javier head Mexico’s most violent drug family. They are the respondents for the murder of Catholic Cardinal Juan Jesús Posadas in Guadalajara in 1993. Some believe that the Mexican Cardinal was killed by accident during a violent confrontation between rival drug dealers, but others believe he may have been killed because of his vocal opposition to the drug trade.

Let me move on to the Jaurez cartel:

Amado Carillo Fuentes is now considered the wealthiest and most powerful drug baron in Mexico. He has a strong relationship with Miguel Rodriguez Orejuela, the leader of the Colombian Cali cartel. Fuentes is known as the “Lord of the Skies” because he owns a fleet of 727s which allows him to transport drugs from Colombia to Mexico. His drug operation is estimated to bring in $200 million a week.

I ask unanimous consent that a more complete biography of these cartel leaders be printed in the RECORD.

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

LEADERS OF THE MAJOR MEXICAN DRUG CARTELS INDICTED IN THE UNITED STATES

1. TIJUANA CARTEL (ARELLANO-FELIX ORGANIZATION)

Benjamin Arellano-Felix and his brothers Francisco, Ramon and Javier head Mexico’s most violent drug baron. They are responsible for the murder of Catholic Cardinal Juan Jesus Posadas in Guadalajara in 1993. Some believe that the Mexican Cardinal was killed by accident during a violent confrontation between rival drug dealers, but others believe he may have been killed because of his vocal opposition to the drug trade. The Arellanos are also responsible for the murder of Frederico Benitez Lopez, the Tijuana police chief who vowed to clean up the city and collected a $100,000 per month bribe from the brothers. The cartel controls the 1,000 miles of border between Tijuana and Juarez. The DEA estimates that the cartel generates $50 million every two weeks and has a $100-400 million net worth. The Arellanos, once known for publicly flaunting their protection from local Mexican police and federal authorities, are now fugitives in hiding in Mexico. Benjamin and Francisco have been indicted in San Diego for drug trafficking.

2. JAUREZ CARTEL (CARTA DECALFLEX ORGANIZATION)

Amado Carillo Fuentes is now considered the wealthiest and most powerful drug baron in Mexico. He has a strong relationship with Miguel Rodriguez Orejuela, the leader of the Colombian Cali cartel. Fuentes is known as the “Lord of the Skies” because he owns a fleet of 727s which allows him to transport drugs from Colombia to Mexico. His drug operations are estimated to bring in $200 million a week. Murders in Juarez have increased since he took control of the organization. In 1996 he killed a juvenile gang. Carillo used to smuggle drugs across the border was found shot 23 times in the head. Carillo is the nephew of Ernesto Fonseca Carillo, who was imprisoned in Mexico in 1985 for the torture and murder of DEA Special Agent Enrique Camarena. Carillo has been indicted in Miami for heroin and marijuana traffickings, and in California for cocaine distribution.

3. SONORA CARTEL (CARO QUINTERO ORGANIZATION)

Miguel Caro Quintero now heads the group made up of remnants of the old Guadalajara Cartel, best known for their involvement in the brutal 1985 torture and killing of DEA Special Agent Enrique Camarena. The Sonora Cartel was among the first Mexican organizations to transport drugs for the Colombian kingpins. The group’s main trafficking routes run through Arizona border area, known as “cocaine alley” with movements also coordinated through the Juarez Cartel in the territory controlled by that organization. Caro Quintero openly admitted on a Mexican radio program that Mexican authorities “don’t find me because they don’t want to . . . I go to banks, I drive highways, I pass through Federal judicial policy checkpoints, and it doesn’t matter.”
Mr. President, I hope this discussion today, and the vote, which I think will be overwhelming, will indicate to Mexico we are greatly concerned about our country and at the same time we are greatly concerned about theirs.

Mr. McCONNELL. Mr. President, I ask unanimous consent the Domenici amendment be temporarily laid aside.

As I indicated earlier, it is my intention to take it up for a rollcall vote along with some other amendments that have been laid aside, probably around 6 o'clock.

I yield the floor.

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

Mr. BOND. Mr. President, due to a failure to communicate, I did not convey to the floor manager of the bill my very strong opposition to the Dorgan amendment. The time was yielded back.

I ask unanimous consent that I may be recognized for 5 minutes prior to the vote on the Dorgan amendment, which I feel is fatally flawed and will have very serious consequences. I would like to have the opportunity to have appropriate time to address that amendment.

I ask unanimous consent for 5 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. McCONNELL. Yes. I am happy to respond to a question of my friend from Georgia.

Mr. McCONNELL. Mr. President, I wonder if the Senator from Kentucky will yield for a question.

Mr. BOND. Mr. President, I appreciate the response of the Senator from Kentucky and, of course, his work on this bill and assistance on this amendment.

Mr. COLE. Mr. President, I ask unanimous consent that following consideration of this amendment, my amendment No. 5018 be the regular order and that there be a time agreement of 1 hour equally divided.

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

Mr. Coverdell addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. McCONNELL. Yes. I am happy to respond to a question of my friend from Georgia.

Mr. McCONNELL. Mr. President, I think it may be appropriate, when we speak about those countries that are responsible in large measure—and it is not just the corrupt governments, corrupt officials who give aid and comfort to drug dealers, traffickers, growers, money launderers, the whole cartel—probably no case cries out for this country taking action more than the nation of Burma on behalf of the people of Burma and on behalf of the citizens of my State and the citizens of this country.

When we look at the record as it relates to drugs, in 1994, Burma was responsible for 94 percent of the opium produced worldwide. It is estimated that 60 percent of the heroin that comes into the United States originated in Burma.

When we look at the record of not only the question of narcotics and the dismal record in terms of counternarcotics efforts, there is only one thing that is even worse, and that is its record with respect to human rights. It kills those who are in opposition; it slaughters them. It imprisons those who speak out against them.

Their record on human rights and counternarcotics and its refusal to let the democratically elected National League for Democracy assume office should be beyond reproach. It is immoral, but it should be unacceptable to our Nation.

We need to send a strong message. Somehow we have become so imbued with economics and what company is going to benefit and make more money that we have lost the moral fiber to stand up for our citizens. I believe this. And I do not believe it is just the case as it relates to the legislation we discussed sponsored by Senator Domenici and Senator Leahy. I don't think it is just Burma, but certainly this is a case that cries out.

In 1988, the SLORC—SLORC—that stands for the State Law and Order Restoration Council. What a name; what a name. Talk about a fascist name. The State Law and Order Restoration Council, SLORC, has one of the most dismal records in human rights. They were responsible for killing more than 3,000 demonstrators—and thousands more have been jailed, thousands more driven from their homes, thousands more hiding. That is this SLORC group.

Their record in counternarcotics is one of total collapse. It is not the soldiers and the generals—total complicity. That is where they earn a lot of their money.

But now we are supposed to be doing business with them, helping them, helping their economy, helping their people. We are supposed to totally ignore the fact that they don't help their people, that they enslave their people, that they kill their people, that they deny them free and fair elections and say, "If we can allow projects to go there, it will foster democracy."

That was not fostering democracy when we took on the Soviet Union for failure to respect human rights and human needs and considerations of its people. We did not say "Let's give them most-favored-nation status." We did not say, "Oh, no, you can continue to discriminate against Jews and Catholics and Pentecostals" when the Soviet Union was engaged in that barbaric treatment of their citizens.

We said if a country doesn't respect its citizens, how do we even expect it to respect the rights of others, the rights of our citizens. How quickly we forget. Incredible.

This country has lost the moral fiber that we don't even have the ability to stand up to those countries who are sheltering known terrorists and killers who are responsible for killing U.S. citizens. Why? The same reason: economics, greed, avarice.

"So and so is developing a big project that's an American corporation. If they don't do it, somebody else is going to do it." How often we hear that.

Then, when we are able to unite the people of this country, we have to worry about our allies. We passed a bill, the Iranian-Libyan sanctions bill, that said, "Listen, if you're going to help support their petroleum fields and they are going to continue to export terrorism"—and they have two Libyan agents responsible for blowing a plane out of the air, Pan Am 103, we indicted them with specificity, Libyan agents, hiding in Libya. We cannot get them to turn them over here.

In fact, since 1988, when that tragedy took place, we didn't even have the courage to stop the importation of Libyan oil. We said, "We can't buy Libyan oil, can't buy it," and we went around and pounded our chest. Well, we didn't do more than 3,000 dollars of what we allowed the oil man to deliver on the side or the back, because while we said U.S. companies can't do it, domestic companies, their foreign subsidiaries did not.
They did that with both the Iranians and Libyans. What a mockery. What a sham. How do you expect our allies to pay attention to us when we say, "We want you to join with us"? It all comes down to the same thing, and maybe it takes a little longer to get to the point, and the point is, it is nothing more than greed, money and avarice, and, consequently, we have really allowed those states, whether they be drug states, narcotics control, or whether they are bringing terrorists with bombs in here, whether they are killing our citizens in planes or in bases, to feel that they can operate with impunity, and we are not even going to take economic sanctions against them.

Our allies: "You will not allow our companies who do business with the Libyans to do business here." Let me tell you, if we do not have the moral fiber to stand up and protect the rights of our citizens, it is no wonder why the people are angry and frustrated with all of us—whether some of us even more—because they think it is all politics and we are not serious. In many cases, I think they are absolutely right. I really do agree.

Business is important. Providing economic growth and opportunity is important. But freedom and liberty is more important. The human dignity of each and every individual and their right to live without being terrorized, both in this country and abroad, are more important.

We should not be providing succor and comfort to those who deprive millions and millions of people an opportunity to live free, an opportunity to be able to have their vote count and not just have some group, thugs by the name of SLORC, come in and take over whenever they want.

We have a right to say to those countries that are involved in exporting terrorism, whether it be by way of bomb or whether it be by way of drugs, that we are not going to countenance doing business with you as usual, and we are certainly not going to give you aid and comfort, and we are certainly not going to permit you to have access to the international money markets where U.S. citizens are participating in the international banks and say you can do business as if you are a good and decent citizen, when you are not.

I suggest that we are taking and that this bill calls for in dealing with the SLORC in Burma. I just think it is symptomatic of the kinds of things that we have to do if we are really going to stand up and say that this Nation does make a difference, it does respect the rights of citizens, its citizens and others, to live in dignity and in freedom.

Mr. McConnell addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. McConnell. I just want to commend the Senator from New York for his observations about Burma. What is going on here, of course, is that they had a Democratic election in 1990, internationally supervised. The side that won got 82 percent of the vote. And the State Law and Order Council locked up most of the leadership and put the leader herself under house arrest for 5 years.

That is what is going on here. We fiddle around—not just this administration, but the previous one—and have done nothing. As the Senator has pointed out, they have done absolutely nothing.

So the underlying bill calls for sanctions against Burma, something long overdue. I want to commend the Senator from New York for his leadership on this issue for his support.

We have had a sort of disjointed debate here on the Burma issue, Mr. President, over the course of the afternoon. At some point I am going to ask unanimous consent that all of that debate be printed in CONGRESSIONAL RECORD because it will be hard for the readers to follow.

Mr. President, I ask unanimous consent that a letter I received today from the National Coalition Government of the Union of Burma, Office of the Prime Minister, be printed in the RECORD.

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


To: The Senate

From: Daw Aung San Suu Kyi

Re: Sanctions against Burma

I place my trust in the United States Senate to do the right thing. Each vote for sanctions is a vote for the democracy movement in Burma and our people who are struggling to be so desperately free.

Sincerely,

Daw Aung San Suu Kyi
Prime Minister

Mr. McConnell. Mr. President, essentially what it says is: If the U.S. Senate fails to vote for economic sanctions on the junta as outlined in your bill—

Referring to the underlying bill... it will send a wrong signal to Burma... it will slow the ongoing suppression of the democracy movement.

The National Coalition Government therefore opposes Senator Cohen's amendment.

Which we will be voting on later, which is supported by the Clinton administration.

... currently investments are only enriching the military junta and its associates and are discouraging them to negotiate with Daw Aung San Suu Kyi.

Daw Aung San Suu Kyi has called for the imposition of economic sanctions because it is the best option available at this moment. She understands the Burma situation clearly and would not initiate a move that would harm the people... The National Coalition Government fully supports Daw Aung San Suu Kyi's call for sanctions and that is why we have expressed our total support for your bill.

Mr. President, the distinguished Senator from Colorado is on the floor. He has an amendment to offer as well. We would like to take that up. Have we laid aside the amendment to the Foreign Operations Appropriations Act?

The PRESIDING OFFICER. The Domenici amendment is laid aside.

Mr. Brown. Mr. President, before I offer my amendment, I simply want to express my strong appreciation to the distinguished Senator from Kentucky for his raising the question of the loss of rights in Myanmar. The fact is, that the loss of political suppression that has gone on there is one that Americans cannot ignore. If we are to be true to our beliefs, and true to our commitment to individual freedom and human rights that is held so dearly by both parties, we cannot stand idly by.

I believe some Members have expressed concern that perhaps there could be a different way to phrase the concerns that the Senator from Kentucky has expressed. And I hope that we will have a debate on that, that positive suggestions will come forward. Certainly we ought to use tactics that are most likely to be successful.

So some change in those words may be in order. But I hope that debate over the words does not lose sight of the intent and the very significance of the Senator from Kentucky's action. The
Mr. President, let me not mislead you by and ignorance of what has happened in that country and not stand up and speak out and take the efforts that can be effective.

I believe that this subject will get a lot of debate. I suspect the conference committee is not only up with ways to amend the language that we have here. But I want the Senator from Kentucky to know that free people around the world appreciate his efforts, and appreciate him caring enough to move forward to have this Congress consider critical issues. I, for one, will be looking forward to the process that may well perfect the language that the Senator has. But I hope it does not dilute the spirit of what he is offering because I think that is the essence of the way Americans think about foreign policy.

AMENDMENT NO. 5058

(Purpose: To amend the NATO Participation Act of 1994 to expedite the transition to full membership in the North Atlantic Treaty Organization of emerging democracies in Central and Eastern Europe.)

Mr. BROWN. Mr. President, I rise to offer an amendment to the bill. I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. Brown] for himself, Mr. Simon, Mr. Roth, Mr. Lieberman, Mr. Helms, Ms. Mikulski, Mr. McCaskill, Mr. Specter, Mr. Santorum, Mr. McConnell, Mr. Gorton, Mr. Abraham, Mr. Stevens, and Ms. Moseley-Braun, proposes an amendment numbered S 5058.

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

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

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

Mr. BROWN. Mr. President, this is the third in a series of efforts the Congress has made to address the issue of NATO expansion. Today the hearts of tens of millions of Americans are with us. No, not physically here in this Chamber, but they listen and they understand what we debate when we talk about NATO expansion.

Millions of Americans find their heritage flowing from central Europe. Over the last half-century—particularly the last half-century—they have had to swallow hard as this Nation watched Czechoslovakia demembered by the Munich agreements, which Chamberlain agreed with, and saw a country that could have been the bulwark against Hitler and Nazism dissolve and abandoned by its allies.

Millions of American hearts sank as they saw Poland invaded by the Nazis and, moreover, an agreement between the Soviets and the Nazis to divide and dismember that country. Moreover, their hearts sank as they watched the free countries around the world back away from promises and pledges of support. And we learned the painful lesson in World War II that one country’s freedom is not independent of another country’s and that aggression cannot be ignored.

These are countries that now share our commitment to Democratic values. And many of them, as new converts, are passionate believers. But the trail of history does not end with World War II. It follows into the tragic period of after World War II where some of these countries were abandoned, without an end to the rule of the former dictator and genocidal and totalitarian. The level of suffering that they have endured has truly been extraordinary in humankind.

Now the question comes, with the fall of the Iron Curtain and the end of the cold war, as to whether or not we will recognize that other countries have a claim to control their foreign policy, that is, whether other countries can cast their sphere of influence over central Europe and dictate to their neighbors whether or not they should allow the democratic countries in central Europe who wish to join NATO to be allowed to do so.

These are countries that have democratized their country, that have given civilian control over the military, and have expressed an interest and a desire to stand shoulder to shoulder with America and other countries in NATO, to make the world safe for democracy. The hesitancy that has come out of the administration has been as to whether or not they should allow the government in Russia to cast its sphere of influence over the policy of those countries, whether or not we would defer to Russia in terms of deciding whether they should be allowed to join NATO or not.

It was out of concern over this policy, that I believe to be mistaken, in which we offered the first NATO Participation Act in 1994. That measure recognized their plea for NATO membership and authorized an assistance program to aid in their preparing to become Members of NATO.

The administration failed to act decisively concerning this issue, and in the following year we followed up with the NATO Participation Act of 1995 which develops specific criteria which those countries could be judged as to whether or not they were prepared to join NATO and receive aid to help them further move toward it.

Mr. President, another year passed without the administration acting. And thus, the purpose of the third NATO Participation Act.

The measure that is before the Senate does the following things, Mr. President. First of all, it authorizes funds for transitional assistance for countries in central Europe who want to join NATO. Mr. President, this is not a huge amount of money in terms of dollars in the foreign assistance bill but it is an enormous issue in terms of the signal we send to free people around the world. It specifically names three countries that are eligible for transitional assistance in moving into NATO. Now, that is not NATO membership, but it is transitional assistance to NATO.

Second, it establishes clear standards for other Central European countries to meet to be eligible for transitional assistance. The purpose here was to take the thoughts of the administration and others and put them forward in law, so that if we have a policy, it is not a policy that wants to join free people pledging to defend freedom in the North Atlantic region know what they are working toward.

Third, Mr. President, it sets a clear policy statement for NATO expansion.

Next, it establishes standards for an authorization, for a regional airspace initiative.

Mr. President, this is a measure that is bipartisan. It is not a policy that is supported by the administration. I might make clear that they strongly support the authorization for the regional airspace initiative. I do not mean to imply they strongly support this amendment. The portion that deals with the regional airspace initiative, which I believe can have a significant value in helping countries develop a common language through equipment and procedures, in helping to deal with air traffic control problems, can be of help. I should emphasize while this is not supported by the administration. I might make clear that they strongly support the authorization for the regional airspace initiative. I do not mean to imply they strongly support this amendment. The portion that deals with the regional airspace initiative, which I believe can have a significant value in helping countries develop a common language through equipment and procedures, in helping to deal with air traffic control problems, can be of help. I should emphasize while this is not supported by the administration.

Mr. President, this is a measure that is supported by both Democrats and Republicans throughout our country, by a large measure.

In addition, the House has voted on a version that is nearly identical to this provision, and given its strong and clear support by a vote of 355 to 62, the House voted for the similar NATO expansion provision.

I might add, we have a stronger position in the White House for this measure than we have ever had. The administration has sent out a letter indicating they do not oppose this measure.

Mr. President, let me not mislead Members. I believe—it is at least my belief—the White House has some concerns about various provisions of it. They are not opposing it. It is the strongest, most supportive effort we have had in these last 3 years. I believe the key to making this work is indeed to get all parties—the administration, Congress, Democrats, and Republicans—to work together for a common position.

Mr. President, there are some differences between this measure and the measure that passed the House of Representatives. Let me just name two of...
them that may be the more significant, although I am not sure there are significant differences. In the findings, paragraph 15, in the wording involving the caucuses, ours is not as strong a language in terms of indicating a commitment to the House language. I do not mean to indicate we lack interest in the caucuses, or concern. We do, and we express that. There is a difference between our language and the House language with regard to caucus States.

Second, Mr. President, I hope every Member has some sense in their heart and in their mind and in their very being how these countries hunger to be free and independent and how much they look to the United States with admiration, and, yes, with love and with commitment. They see America as a country that has the torch of freedom and liberty, and they want to join us. They want to join us in the burden of holding that torch of freedom high. They want to join us in making sure the world is safe for democracy.

If we turn on them...we will turn our backs on Central Europe's freedom? Of course, it has happened before. But who among us would come forward saying that turning our backs on their freedom worked prior to World War II or worked after World War II? My guess is every Member would have to admit that those were follies of policies, that the world lost millions of lives because we failed to recognize how much their yearning for freedom was tied to ours.

Mr. President, this amendment is offered in the hope we will not repeat the mistake of the past, that we will respect their admiration and their desire to stand with us, and that we will continue the clear signal that we care about their freedom and their future.

I welcome the debate on this issue. I yield the floor.

Mr. MCCONNELL. Mr. President, I know the Senator from Georgia wants to speak on this issue, but my preference would be, and I consulted with Senator LEAHY on this as well, to dispose of some of our amendments. I have also consulted with the Democratic leader, who would like to have a couple of votes shortly because he must be absent from the Senate around 6:30.

It would be my plan, I say to my friend from Georgia, just for his information, to have votes on the Hatfield-Dorgan amendment and the Domenici amendment beginning at 5:50, and then we would go back to the pending amendments. Senator Brown, on which I know the Senator from Georgia wishes to speak.

I ask unanimous consent the Brown amendment be temporarily laid aside. Mr. NUNN. Reserving the right to object, I do not mind laying aside the amendment and going ahead with the votes, but I would like to make a brief statement of 2 or 3 minutes, outlining my concern here on this amendment before we vote.

Beyond that, if that is accommodated, I do not object.

Mr. MCCONNELL. I was going to suggest the Senator from Georgia go right ahead.

Mr. COHEN. At what point?

Mr. MCCONNELL. I say to the Senator from Maine, I want to just make a few more remarks about my amendment, and I am not aware of any speakers, other than I assume he would like to close on his own amendment, but we will need to do that after we dispose of these.

Mr. COHEN. I understand that. We will dispose of the other two amendments. There was no indication how long the Brown amendment may take this evening. I am just trying to find out whether or not we...
The so-called Republika Srpska and the Federal Republic of Yugoslavia (Serbia and Montenegro) have failed to arrest and turn over for prosecution indicted war criminals, including Karadzic and Mladic. Efforts to politically isolate Karadzic and Mladic have failed thus far and would in any case be insufficient to comply with the Peace Agreement for Peace with justice to Bosnia and Herzegovina.

The International Criminal Tribunal issued International warrants for the arrest of Karadzic and Mladic on July 11, 1995. In the so-called Republika Srpska freedom of the press and freedom of assembly are severely limited. Human and minority group rights, and opposition figures are under attack. It will be difficult for national elections in Bosnia and Herzegovina to take place meaningfully so long as key war criminals, including Karadzic and Mladic, remain at large and able to influence political and military developments.

On June 6, 1996, the President of the International Criminal Tribunal, declaring that the Federal Republic of Yugoslavia’s failure to extradite indicted war criminals is a blatant violation of the Peace Agreement and of United Nations Security Council Resolutions, called on the High Representative to reprimand the economies of the so-called Republika Srpska and on the Federal Republic of Yugoslavia (Serbia and Montenegro) and Herzegovina.

On July 25, 1995, the International Criminal Tribunal continued to investigate and prosecute war crimes and other violations of international law.

The Constitution of Bosnia and Herzegovina, agreed to as Annex 4 of the Peace Agreement, provides, in Article IX, that the International Tribunal for the former Yugoslavia and, no person who is under indictment by the Tribunal and who has failed to comply with an order to appear before the Tribunal, may stand as a candidate or hold any appointive, elective, or other public office in Bosnia and Herzegovina.

The International Criminal Tribunal has issued 57 indictments against individuals from all parties to the conflicts in the former Yugoslavia.

The International Criminal Tribunal continues to investigate gross violations of international law in the former Yugoslavia with a view to further indictments against the perpetrators.

On July 26, 1995, the International Criminal Tribunal indicted Radovan Karadzic, the president of the Bosnian Serb administration of Pale, and Ratko Mladic, commander of the Bosnian Serb administration, charged them with genocide and crimes against humanity, violations of the law or customs of war, and grave breaches of the Geneva Conventions of 1949, arising from atrocities perpetrated against the civilian population. Throughout Bosnia and Herzegovina, for the sniping campaign against civilians in Sarajevo, and for the taking hostages and for their use as human shields.

On November 16, 1995, Karadzic and Mladic were indicted a second time by the International Criminal Tribunal, charged with genocide for the killing of up to 6,000 Muslims and Srebrenica, Bosnia, in July 1995.

The United Nations Security Council, in adoption 1022 on November 16, 1995, decided that economic sanctions on the Federal Republic of Yugoslavia (Serbia and Montenegro) and the so-called Republika Srpska have been imposed if, at any time, the High Representative or the IFOR commander informs the Security Council that the Federal Republic of Yugoslavia or the Bosnian Serbs are failing significantly to meet their obligations under the Peace Agreement.
we call for the apprehension of these war criminals. Support and direction of indiscriminate snipings of men, women and children during the long, agonizing, siege of Sarajevo, as well as, the unspeakable and calculated acts of genocide, in which hundreds of thousands were exterminated and buried in mass graves, underline the reasons for the necessity of this resolution. Recent discoveries of the mass graves in Srebenica, with the grueling sight of twisted bodies, a sight not seen in Europe since the liberation of Dachau and Auschwitz, will ensure that antigonsisms will remain alive so long as justice is hindered by timidity. No peace can survive in this torn land as long as justice is not achieved. The freedom of these criminals is an insult, a wound to those hundreds of thousands of people who lost relatives or who were forcibly removed from their homes during the war. That the future peace of the region should depend on the word of war criminals with a track record for breaking promises, seems an absurdity; surely fellow Bosnians will view the situation that way when elections arrive in September.

Now, let me be clear, Mr. President, that the Bosnian people bear the brunt of the responsibility for putting their house in order. Yet, they need help in this process, help provided that will help, both with a military component, the NATO-led Implementation Force, or IFOR, and the civilian reconstruction effort, led by the High Representative, Carl Bildt. Let us remember that the peace agreement forged at Dayton, that led to this peace mission, was done for two reasons: One, because it is an important U.S. interest that we control the conflagration that could, and still can, spread to our allies in Europe; and Two, because the costs of our intervention are reasonable, given the benefits, and the intervention is politically and militarily feasible.

But, as I said, the intent of our mission, an intent shared by many peace-seeking Bosnians, is being contravened by war criminals who are continuing to poison the politics of the region. Our purpose in Bosnia remains a national interest that can and should be pursued. However, we are failing to implement the peace plan hammered out at Dayton. We are failing to execute a plan that provides for feasible solutions. By so doing, we are guaranteeing a failure for institution-building in Bosnia. In the absence of the virtual free reign of war criminals, we are not adhering to agreements we made which were designed to achieve success. This leaves Bosnians at the mercy of criminals who underride their confidence in law. That is, to date, a tragic, and corrosive: refugees are unable to return to their homes, freedom of movement is severely limited due to a continuing solidification of ethnic camps within the country, the conditions in which non-existent, and the election to exists. Mr. Cotti, the OSCE Chairman, confirmed recently that conditions for a free and fair vote do not exist.

Mr. President, here then is my first reason for pressing the urgency of this issue. With elections scheduled for September 14, we have little time to reverse this situation. The first task to reversing this situation must be the apprehension of indicted war criminals. Notably, the former President of the Bosnian Serb Republic, Radovan Karadzic, and the Bosnian Serb General, Ratko Mladic. The tools for effecting their apprehension are available to us at minimal cost. We are not asking for house-to-house searches by IFOR troops to apprehend these war criminals. All that we are demanding is that IFOR has as one of its primary missions, the apprehension of indicted war criminals in the conduct of its many routine patrols. Despite administrative claims to the contrary, troops on the ground continue to confirm that apprehending war criminals is not a priority actively sought by military members on the ground. Apprehension is not only a prerequisite for success of peacekeeping in the country, it is a requirement of the signatories of the peace accord.

Apprehension of the war criminals is, then, our first task because none of the other conditions required for peace in Bosnia, that I have discussed, can be addressed while the criminals remain influential. Despite their two indictments for genocide and crimes against humanity by the International Criminal Tribunal, as well as, the issuance of international arrest warrants by the Tribunal, Karadzic and Mladic have continued to control or influence the organs of government, the media, as well as, party politics and party competition. They do not need to hold formal positions of power to exercise this influence. In this situation, moderates seeking peace continue to place their lives at risk. Certainly, the politics of a free people, with freely organized and competing parties is impossible under these circumstances.

Mr. President, we have the capabilities for shaping the peace in Bosnia. The need to shape conditions for the upcoming elections is an urgent one. This urgency has been proclaimed by a recent letter of President Clinton written by Human Rights Watch. This excellent letter states quite eloquently the necessity for immediate apprehension of the war criminals. More importantly, this letter has 72 signatories. The groups that have signed on to this letter are diverse, including, Amnesty International, B’hai B’rith, and Doctors of the World.

My second reason for pressing the urgency of pursuing war criminals lies in the threat to U.S. and NATO credibility as our threats are made and then ignored. These recent occurrences are very reminiscent of the failure of previous peace efforts that spoke loudly but carried little effect. The costs of failed prestige, however, are significantly higher. Now, it is the resolve of the U.S. and NATO that is on the line. It is essential both to NATO’s long-term future, as well as, the success of the Bosnian mission, that the NATO-led IFOR not become a paper tiger as did its predecessor, UNPROFOR. U.S. leadership and credibility are also directly impacted by the actions and reactions in Bosnia. The United States threatened to reimpose sanctions on Belgrade unless Karadzic and Mladic were removed from power by the end of June. Another deadline has come and gone, and we are again failing to follow through. However, the threats that have emerged from the recent G-7 summit as a powerful statement with respect to apprehending war criminals in Bosnia, instead became a replay of U.S. credibility being snuffed by thugs in the Balkans.

The greatest irony of another snubbing is not soon to follow Ambassador Holbrooke’s efforts, although I am not hopeful.

The final reason that I am pressing this issue as one requiring urgent attention is that apprehending war criminals is the strategic action required, at this time, which can determine whether peace in Bosnia will be fleeting or long-lived. Mr. President, I urge you to make the arrest of all indicted war criminals a condition for peace talks and elections. Eliminating the taunts from the “Karadzics” and the “Mladics” of Bosnia is the first step. And, no new initiatives need be diplomatically crafted. We must insist upon enforcement of our agreements made at Dayton. Security Council Resolution 1031 charged IFOR with ensuring compliance with the Dayton agreement, which includes a requirement that all parties cooperate with the Tribunal. Article 29 of the Tribunals’ statute sets forth the various forms of cooperation that are due, including “the identification and location of persons,” “the arrest or detention of persons,” “the
surrender of the transfer of the accused to the International Tribunal."

That said, the resolution that my colleagues and I have put forward is designed to see that our international agreements are enforced. It calls for four things which have not been agreed upon in other international fora. First, it calls for the increased and continued U.S. support for the efforts of the International Criminal Tribunal to investigate and bring to justice those responsible. Second, it calls for support by the United States for economic sanctions on the Federal Republic of Yugoslavia and the so-called Republika Srpska unless those regimes comply with their obligations to apprehend the war criminals. Third, it calls on the signatories to Dayton and those guided by the relevant U.N. resolutions, to exercise their authority to bring the war criminals to justice. Finally, it calls for the prohibition of the offending parties, specifically the Federal Republic of Yugoslavia, from membership in international organizations and fora, until these parties comply with their obligations under the Dayton Peace accord.

Mr. WELLSTONE. Mr. President, I would like to commend Senator Lieberman for his initiative in once again calling to the Senate's attention to the problem of the continued freedom of indicted war criminals. In the former Yugoslavia, the so-called Republika Srpska, from admission to international organizations and fora, until these parties comply with their obligations under the Dayton Peace accord.

For two separate occasions since July 13, 1996, the War Crimes Tribunal has issued indictments for Radovan Karadzic, former President of the Bosnian Serb administration of Pale, and Ratko Mladic, military commander of the Bosnian Serb administration, charging them with genocide and other war crimes as well as numerous other charges outlined in the amendment. Each time, the so-called "Republika Srpska" and the Federal Republic of Yugoslavia have failed to arrest and turn them over for prosecution.

Most recently, just 2 weeks ago, the War Crimes Tribunal re-issued international arrest warrants for Karadzic and Mladic, charging them with genocide and other crimes against humanity. This time, the warrants authorized their arrest if they cross any international border, and are again based on substantial credible evidence of their involvement in initiating and/or oversaw some of the worst atrocities of the war.

In my view, it is virtually impossible for free and fair national elections in Bosnia and Herzegovina to take place in September as long as key war criminals, including Karadzic and Mladic, remain at large and able to influence political developments. Although I acknowledge and commend the effort by Mr. Holbrooke earlier this month which resulted in the agreement to remove Karadzic from office—which hopefully will at least remove him from political processes once and for all—the fact that Mladic was not subject to this agreement, and that both Mladic and Karadzic remain free and able to influence events there remains a serious problem. As Mr. Holbrooke himself observed, the agreement he was able to reach fell far short of what he was seeking, and far short of the steps necessary to fully comply with the Peace Agreement which the U.S. is seeking.

The resolution that the Dayton signatories on the Serb side have ignored their key responsibilities, by refusing to bring indicted war criminals to justice, and calls for several steps to force that action. I believe the most prudent course of action is to reinstitute economic sanctions in response to the failure of the signatories of the Peace Agreement to detain these individuals, and convey them to the Hague. That is the most substantial leverage we now have in the West over these people, and it is time to use it.

After careful consideration, almost a year ago I supported the participation of U.S. peacekeepers in the NATO peacekeeping mission in Bosnia. I did so because I believed then and I believe now that the Dayton Agreement was the best, and probably the last, chance for peace in the region. Although not yet fully implemented, it has proven to be successful in stopping a brutal civil war and given the parties a chance to recover, rebuild their cities and rebuild their nations.

But even though we have played a key role in developing and carrying out this agreement, let us not forget one critical thing: this is their agreement, not ours. It was developed by the parties, not imposed by outsiders. They have asked other nations, including the U.S., to help secure the future of that agreement. And by our agreement, they assured us, NATO, and the UN Security Council that they will respect its terms. The Serbs have failed to fulfill their commitments on war criminals, and that failure requires a tough response.

Bringing indicted war criminals to justice is a centerpiece of the peace process. Continued failure to bring Mladic and Karadzic before the International Criminal Tribunal will seriously hinder the ability of the parties to conduct free and fair elections in September, by allowing these war criminals to remain as the focal point for nationalist fervor and attention, and by allowing them to influence events there. We must increase the pressure on those who would seek to undermine the peaceful future of the former Yugoslavia. This amendment should help, however modestly, to do that.

I join Senator Lieberman in his call to support the request of the President of the International Criminal Tribunal to reimpose full economic sanctions on the Federal Republic of Yugoslavia and on the so-called Republika Srpska, in accordance with United Nations Security Council resolutions. These sanctions should remain in place until Bosnian Serb authorities have fully complied with their obligations under the Dayton accord to cooperate fully with the International Criminal Tribunal.

For those who take seriously the rule of law, the obligations of justice, and the judgments of history, there is no other responsible alternative but to finally bring these indicted war criminals to justice.

AMENDMENT NO. 5802

(Purpose: To state the sense of the Senate on the delivery by the People's Republic of China of cruise missiles to Iraq)

On page 198, between lines 17 and 18, insert the following:

SENSE OF SENATE ON DELIVERY BY CHINA OF CRUISE MISSILES TO IRAN

SEC. 580. (a) FINDINGS.—The Senate makes the following findings:

(1) On February 22, 1996, the Director of Central Intelligence informed the Senate that the Government of the People's Republic of China had delivered cruise missiles to Iraq.

(2) On June 19, 1996, the Under Secretary of State for Arms Control and International Security Affairs informed Congress that the Department of State had evidence of Chinese-produced cruise missiles in Iraq.

(3) On at least three occasions in 1996, including July 15, 1996, the Comptroller of the United States Fifth Fleet has pointed to the threat posed by Chinese-produced cruise missiles to the 15,000 United States sailors and marines stationed in the region.

(4) Section 105 of the Iran-Iraq Arms Non-Proliferation Act of 1992 (title XVI of Public Law 102-484; 50 U.S.C. 1701 note) both required and authorized the United States to impose sanctions against any foreign government that delivers cruise missiles to Iran.
The PRESIDENT, The White House, Washington, DC.

DEAR MR. P R E S I D E N T : It has come to our attention that Iran recently test-fired a new, low-flying cruise missile. This missile was identified as a C-802 anti-ship missile, which is produced by the People's Republic of China (PRC). If that is the case, we believe sanctions may have to be imposed against the appropriate parties in the PRC pursuant to federal law. This warrants your immediate attention.

As you may know, today's New York Times reported that the Iranian Navy test fired a C-802 cruise missile from the northern Arabian Sea on January 6, 1996. Vice Admiral Scott Redd, Commander-in-Chief of the United States Fifth Fleet, stated that the C-802 anti-ship cruise missile, which is produced by the People's Republic of China, had been too much to talk about. I referred earlier to the testimony by Director Deutch last February. In his testimony, he noted that the People's Republic of China also had transferred nuclear technology and M-11 missiles to Pakistan—both sanctionable offenses under Federal law. The M-11 transfer, in particular, is quite disturbing because the Clinton administration obtained a written agreement from China in September 1994, which stated that China would cease transferring ballistic missiles and related technology to Pakistan. Finally, this week, it was reported that China may have transferred ballistic missile guidance systems to Syria, which if true would be sanctionable under Federal law as well.

This is quite a track record of proliferation, Mr. President. It is a track record that is fostering instability in South Asia and the Middle East. It is a track record that has put the lives of our troops in the region in even greater danger. Congress has provided the tools to the Executive Branch to punish weapons proliferators. Our Nation's non-proliferation policy is based on a simple premise: proliferation carries a heavy price. Yet, even with this track record, the administration has yet to take any action, or impose any price against a nation that is providing cruise missiles to a terrorist nation.

Mr. President, recently Congress sent to President Clinton the Iran oil sanctions act. I know my good friend from New York, Senator D'AMATO, has worked very hard on this legislation. He is to be commended for his efforts. I hope the President will sign it.

Clearly, if we are going to get tough on those who buy Iranian oil, we should get even tougher on those who sell advanced cruise missiles to the Iranians. We owe that to our friends and allies who utilize the Persian Gulf to further their commercial interests. Most important, we owe that to Admiral Redd and all of our fine men and women serving our country in the Persian Gulf. That's why we should pass this amendment.

I ask unanimous consent that the letter I mentioned earlier be printed in the RECORD.

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


The SENSE of the Senate amendment.

The Sense of the Senate amendment I have offered along with my distinguished colleague from New York, Senator D'AMATO; the distinguished Senator from Florida, Senator MACK; and the distinguished Chair of the Intelligence Committee, Senator SPECTER—sent a letter to the President, urging that the Gore-McCain law be enforced. Simply put, we urged the President to impose sanctions, or waive them if he deemed that necessary. That letter was dated January 31, 1996—nearly 6 months ago. The President has not taken any action in response to this letter. I will ask unanimous consent later that a copy of this letter to President Clinton appear in the RECORD at the conclusion of my remarks.

Our letter apparently was not the first call for action. According to a story that appeared in the Washington Times on February 10, 1996, the Pentagon recommended to the Undersecretary of State Davis that the Clinton Administration declare China in violation of Federal law for exporting advanced cruise missiles to Iran. When was that recommendation made? Last September—10 months ago.

I have been quite outspoken about Chinese weapons proliferation activities this past year. Sadly, there has been too much to talk about. I referred earlier to the testimony by Director Deutch last February. In his testimony, he noted that the People's Republic of China also had transferred nuclear technology and M-11 missiles to Pakistan—both sanctionable offenses under Federal law. The M-11 transfer, in particular, is quite disturbing because the Clinton administration obtained a written agreement from China in September 1994, which stated that China would cease transferring ballistic missiles and related technology to Pakistan. Finally, this week, it was reported that China may have transferred ballistic missile guidance systems to Syria, which if true would be sanctionable under Federal law as well.

This is quite a track record of proliferation, Mr. President. It is a track record that is fostering instability in South Asia and the Middle East. It is a track record that has put the lives of our troops in the region in even greater danger. Congress has provided the tools to the Executive Branch to punish weapons proliferators. Our Nation's non-proliferation policy is based on a simple premise: proliferation carries a heavy price. Yet, even with this track record, the administration has yet to take any action, or impose any price against a nation that is providing cruise missiles to a terrorist nation.

Mr. President, recently Congress sent to President Clinton the Iran oil sanctions act. I know my good friend from New York, Senator D'AMATO, has worked very hard on this legislation. He is to be commended for his efforts. I hope the President will sign it.

Clearly, if we are going to get tough on those who buy Iranian oil, we should get even tougher on those who sell advanced cruise missiles to the Iranians. We owe that to our friends and allies who utilize the Persian Gulf to further their commercial interests. Most important, we owe that to Admiral Redd and all of our fine men and women serving our country in the Persian Gulf. That's why we should pass this amendment.

I ask unanimous consent that the letter I mentioned earlier be printed in the RECORD.

Thank you for your attention to this vital national security matter.

Sincerely,

LARRY PRESSLER, ARLEN SPECTER, ALFONSE D'AMATO, CONNIE MACK.
The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRESSLER. Specifically, our intelligence sources noted that last month a defense industrial trading company in the People's Republic of China shipped missile technology to Syria.

Mr. PRESSLER. Mr. President, the amendment I have offered along with my colleague from New York, Senator D'AMATO, is very simple. I offer it in response to recent reports that China has shipped ballistic missile technology to Syria. This was first reported in the July 23rd edition of the Washington Times. It is put on record that there is a very serious allegation. It is the latest dark chapter in what certainly is a troublesome year for nonproliferation advocates.

Mr. President, I ask unanimous consent that the Washington Times story just mentioned be printed in the Record at the conclusion of my remarks.

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

Mr. PRESSLER. Specifically, our intelligence sources noted that last month a defense industrial trading company in the People's Republic of China shipped missile technology to Syria. This was first reported in the July 23rd edition of the Washington Times. It is put on record that there is a very serious allegation. It is the latest dark chapter in what certainly is a troublesome year for nonproliferation advocates.

Mr. President, I ask unanimous consent that the Washington Times story just mentioned be printed in the Record at the conclusion of my remarks.

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

Mr. PRESSLER. Specifically, our intelligence sources noted that last month a defense industrial trading company in the People's Republic of China shipped missile technology to Syria. This was first reported in the July 23rd edition of the Washington Times. It is put on record that there is a very serious allegation. It is the latest dark chapter in what certainly is a troublesome year for nonproliferation advocates.

Mr. President, I ask unanimous consent that the Washington Times story just mentioned be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.
Chinese officials promised the State Department in 1994 not to export M-11s or their technology in exchange for a U.S. agreement to lift sanctions against Chinese Precision Machinery, a state-owned company in the Chinese Ministry, which were involved in M-11-related transfers.

The missile-control agreement bars transfers of missiles and technology for systems that travel farther than 186 miles and carry warheads that are 1,100 pounds. Transfers of both the Chinese M-11 and Syria’s Scud C are banned under the accord.

Syria has said that letters from these organizations would no longer be considered for derivative refugee status under the Orderly Departure Program [ODP].

Last April the State Department declared that the unmarried adult children of former reeducation camp detainees would no longer be considered for derivative refugee status under the Orderly Departure Program [ODP]. In short, it said these people, roughly 3,000 people, would be permitted to come to the United States only under worldwide refugee standards and that any special obligation we may have had to them had effectively been fulfilled.

The amendment has the support of the Catholic Conference and Refugees International. I ask unanimous consent to have an amendment to H.R. 3540 which reinstates derivative refugee status to the unmarried adult children of former reeducation camp prisoners. Alleviating the suffering of these people is an aid to the purposes of the United States in Vietnam has made the former re-education camp prisoner program the core of the Indochinese refugee program.

Since completion of negotiations with the Vietnamese government in 1989, about 150,000 former prisoners and their families have successfully resettled in the United States. However, in April 1995, the Department of State announced that adult unmarried children of former prisoners would no longer be permitted to accompany their parents to the U.S. Since then, approximately 3,000 unmarried adult children of former prisoners have been stranded from existing reeducation camp resettlement. Their parents, former reeducation camp prisoners, waited years for their casework to be processed and relied on the promise of refuge for their entire family. Now these former prisoners are being asked to leave their children behind to an uncertain fate.

Your amendment represents a just and practical approach to this group of refugees. These refugees need their adult children to help them resettlement successfully; they are old and some are in poor health. Their children would help make their resettlement economically, as well as emotionally, viable. The IRC fully supports your efforts to overturn this arbitrary and unfair policy.

Sincerely,

ROBERT P. DEVECCHI,
President.
been, and continues to be, of utmost importance. Refugee status is the only way to include these children into the Orderly Departure Program. Since its establishment in 1979, it has allowed 150,000 former prisoners and their families to resettle successfully. When the Department of State changed the eligibility criteria of this program, possibility, in resettlement for thousands of former prisoners and their families. By reinstating the established U.S. policy allowing for the resettlement of former prisoners with their married, adult children, the successful resettlement of these former prisoners might become a reality.

Approximately 3,000 unmarried adult children of former prisoners have been stripped from existing cases and denied resettlement since April 1995. Many of these children have remained unmarried to qualify for resettlement together with their parents and siblings. These children would suffer from the persecution they were undeservedly facing in Vietnam; meanwhile, their parents would once again be victimized. After waiting years for their casework to be processed and relying on the promise of refuge for the entire family, these former prisoners are asked to leave their children behind in an uncertain fate. Furthermore, these former prisoners, with their adult children, are asked to leave their family in such a manner that they require their assistance. From the inception of ODP until last April, this situation was accommodated, as was the imperative to keep families together, by allowing adult unmarried children—over the age of 21—to immigrate with them to the United States.

The State Department has cited several reasons for removing their eligibility. Among those listed in a letter to me were: first, the assertion that the sons and daughters of former prisoners no longer face persecution as a result of their parents' association with the former South Vietnamese government. Second, the persistent problem of fraud associated with claims. Third, and the most significant, the imperative to keep families together, by allowing adult unmarried children—over the age of 21—to immigrate with them to the United States.

The amendments (Nos. 5059 through 5065) on the Committee on Appropriations including the following information:

(a) a best estimate on fuel used by the military forces of the Democratic People's Republic of Korea (DPRK);
(b) the deployment position and military training and activities of the DPRK forces and best estimate of the associated costs of these activities;
(c) steps taken to reduce the DPRK level of forces; and
(d) cooperation, training, or exchanges of information, technology or personnel between the DPRK and any other nation supporting the development or deployment of a ballistic missile capability.

Mr. McCONNELL. Mr. President, one amendment is by Senator INOUYE, with a colloquy between Mr. PRESSLER and myself; an amendment by Senator KYL regarding legal reform in Ukraine; an amendment by Senator LIEBERMAN regarding war crimes tribunal; an amendment by Senator PRESSLER regarding PRC and Iran missile transfer; a PRESSLER amendment with reference to Syria; a McCain amendment regarding OD; an amendment by myself relating to Korea.

For all Members of the Senate, I say that with the disposition of the amendments that we are currently aware of, we are almost completed. Other than the amendments which have been laid down, I am not aware of any other amendments upon which we will have to have votes. So we are getting close to the end of the line here.

The PRESIDING OFFICER. The question is on agreeing to the amendments, en bloc.

The amendments (Nos. 5059 through 5065), on en bloc, were agreed to.

Mr. McCONNELL. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table. The motion to lay on the table was agreed to.

Mr. McCONNELL. Mr. President, it is my understanding that Senator Bond...
is on the way to use his 5 minutes just prior to the Hatfield-Dorgan vote. I yield to Senator NUNN.

AMENDMENT NO. 5016

Mr. NUNN. Mr. President, I will just take a moment at this juncture, because I know the Brown amendment will be considered by some administration officials, and I am told Senator Biden has indicated he will be willing to work with me and Senator BIDEN on troubling language in this amendment. I think it is essential to work out the troubling language.

There are several paragraphs that are indeed troubling here. I say that with this background: On June 27, I proposed an amendment on the floor and worked with Senator McCaIN and, as I recall, Senator COHEN and others in offering the amendment posing a substantial and very important series of questions to the administration, to the President, to answer regarding NATO enlargement.

Now, Mr. President, I recall once coming into the floor when I was a much younger Senator and watching the esteemed Senator from Minnesota, Senator Humphrey, propose a series of questions to the floor manager of the bill, and without ever pausing, and I think without realizing it, having said that he had to have the answer to these questions before he voted on the measure that was pending, he proceeded to answer his own questions and to come out on one side of the issue in a very decisive way. He answered his own questions, and nobody else intervened, and he solved his own problem.

Mr. President, I don't think we ought to do that regarding the questions that have been posed in a serious way. These questions were posed to the administration on June 27 by an unanimous vote in the Senate. A number of paragraphs in the Brown amendment would answer those questions only 2 weeks later, without any kind of analytical report, or any kind of thought process even, by the administration.

I don't believe we were posing these questions to ourselves. I think we were posing them to the administration and asking them seriously to answer them. So I hope that we can not have some of the findings that are in the Brown amendment, and particularly the paragraph in that amendment which states in paragraph 4 on section 4, page 8:

The process of enlarging NATO to include emerging democracies in Central and Eastern Europe, will not only be consistent with the admission of Poland, Hungary, and the Czech Republic as full members of the NATO Alliance.

These countries are all doing well and are considered as NATO members under the due process that has been set forth. But for the Senate of the United States to decide and imply that that already has been decided, which is what this amendment does, it seems to me is answering the question to the serious questions with no analytical process at all and without consulting the administration or our partners in NATO.

So, Mr. President, I have a long history of being involved in NATO. I have written at least three reports on NATO, and I really think it may be time to remind the Senate of the United States about that history. I am prepared to do so. I normally do not like to take time to walk through the history, but on an amendment of this magnitude, where we are making findings, it would be entirely inappropriate for the Senate to vote on this without having a very keen reminder of the history of NATO and what the alliance is all about. That may take several hours, maybe even several days.

I am hoping that we will be able to eliminate the provisions in the Brown amendment that answer the serious questions without any intervening report from the administration, and all in a 2-week period after the Senate has gone on record, I believe unanimously, in favor of posing these serious questions in a serious way.

I will work with my friend from Colorado. I know the Senator from Delaware, Senator BIDEN, has some questions himself that we will be glad to work on. I see the Senator from Missouri on the floor. I wanted to let my colleague and friends know of the serious amendment about a serious subject matter. I have serious reservations about the way the amendment is now drafted. I will be glad to work with my friend from Colorado on the amendment.

Mr. McCONNELL. Mr. President, the Senator from Missouri is on the floor to claim his 5 minutes prior to the vote on the Hatfield-Dorgan amendment.

Therefore, I ask unanimous consent that, at 5:55, the Senate proceed to back-to-back rollcall votes, first a 15-minute rollcall vote on the Hatfield-Dorgan amendment, and that the second amendment be a 10-minute rollcall vote on the Domenic amendment.

Without objection, it is so ordered.

Mr. BOND addressed the Chair.

THE PRESIDENT. The Senator from Missouri is recognized.

AMENDMENT NO. 5017

Mr. BOND. I thank the Chair and the managers of the bill. I rise in opposition to the Dorgan-Hatfield amendment. I have great respect for both of the sponsors of this amendment. I can sympathize with their objectives. I think they are operating from the noblest of motives. Once again, I believe that this amendment causes far more problems than it solves. The current Arms Export Control Act requires the executive branch to assure that any sale of arms is in the interest of the foreign policy of the United States. When the executive branch decides to go forth with a sale, the Congress is notified and reviews the sale. Modifications to sales or a withdrawal of the sale request has occurred because of these congressional reviews. Pakistan is one such example.

Now, the restrictive nature of the amendment on which we are going to be voting in a few minutes would arbitrarily cut out all but a few select countries in the world. Many other countries would argue that perhaps even the United States could not meet these standards. There is yet to be a clear definition of a political prisoner or that constitutes aggression under international law or discrimination on the basis of race, religion, or gender.

Very few countries have a history of elective democracy such as ours. We are not against the intent of this amendment, but I think it puts overly restrictive limitations on the administration and on our military and economic sectors.

There are over 40,000 export licenses for munitions issued per year which we may very well have to review on a case-by-case basis above and beyond what the executive branch already does.

Some of our NATO allies would be called into question. For example, Turkey as well as our friends like Israel who might be challenged on the basis of the treatment of Palestinian terrorists, or political prisoners. Spain can be attacked on the basis of its treatment of Basques, or perhaps the IRA. Saudi Arabia and Egypt could be adversely affected by this amendment.

Where we have not had contact in countries like Cuba, communism continues to flourish in spite of our ever increasing restrictive limitations. They are not working there. This amendment would not prevent the procurement of weapons. It would allow the procurement of weapons from possibly rogue states and arbitrarily lock them out of a major conduit of foreign policy.

Mr. President, this is a very serious amendment. Its effect would be to immobilize the administration from normal conduct of its foreign policy, trade policy, and military policy. It would create lists of countries for congressional approval every year and then await for approval each year. Each year this body would be tied up in the process of giving a country-by-country approval needlessly antagonizing countries who support our policies. And it will most likely not affect the trade policies of our competitors, including allies. There will be no reduction in arms sales—only in U.S. businesses, jobs, and, most importantly, U.S. influence.

The influence extends beyond business and military interests. It extends to our ability to work diplomatically and subtly across all policy issues. The world has changed, and it will continue to change. The Communist monolith is crumbling. But the fact is that the countries with whom we have had a defense relationship are in general gravitating towards more democratic political systems and market-oriented economies.

There is no empirical evidence that by unilaterally denying ourselves access to other countries’ military and
political infrastructures that we have had or will have any positive impact on democratizing them or improving their human rights records.

The legislation is counterproductive. It would make the world less stable. We would have less influence over proliferation and lose our ability to provide a positive political effect on a military policy of friendly countries.

I urge my colleagues to recognize that while this amendment has been offered with all good intentions and with the highest of purposes, it is a significantly flawed piece of legislation that would have very much an unanticipated and very harmful impact.

I hope we will vote it down.

The PRESIDING OFFICER. Is there further debate?

Mr. BOND. Mr. President, I move to table the Dorgan amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator has the right to modify his own amendment. The amendment is so modified.

The modification is as follows:

Add on page 7 at the beginning of line 13 (22) Some NATO members, such as Spain and Norway, do not allow the deployment of nuclear weapons on their territory; although they are accorded the full collective security guarantees provided by article V of the Washington Treaty. There is no a priori requirement for the stationing of nuclear weapons on the territory of new NATO members, particularly in the current security climate, however NATO retains the right to alter its security posture at any time as circumstances warrant.

Mr. BROWN. Mr. President, we also have had concerns expressed about Croatia. It is my understanding we have cleared on both sides sense-of-the-Senate language that relates to Croatia and their potential further discussions with NATO countries. I ask that I be allowed to modify my amendment to include that sense-of-the-Senate language regarding Croatia.

Mr. BROWN. Mr. President, we also have had concerns expressed about Croatia. It is my understanding we have cleared on both sides sense-of-the-Senate language that relates to Croatia and their potential further discussions with NATO countries. I ask that I be allowed to modify my amendment to include that sense-of-the-Senate language regarding Croatia.

Mr. BROWN. Mr. President, we also have had concerns expressed about Croatia. It is my understanding we have cleared on both sides sense-of-the-Senate language that relates to Croatia and their potential further discussions with NATO countries. I ask that I be allowed to modify my amendment to include that sense-of-the-Senate language regarding Croatia.

The PRESIDING OFFICER. Again, the Senator has the right to modify his own amendment. The amendment is so modified.

Mr. BROWN. Mr. President, I ask unanimous consent to vitiate the last request to modify, I ask that Senator GORTON be added as a cosponsor of my amendment. The amendment is so modified.

Mr. BROWN. Mr. President, we also have had concerns expressed about Croatia. It is my understanding we have cleared on both sides sense-of-the-Senate language that relates to Croatia and their potential further discussions with NATO countries. I ask that I be allowed to modify my amendment to include that sense-of-the-Senate language regarding Croatia.

The PRESIDING OFFICER. Again, the Senator has the right to modify his own amendment. The amendment is so modified.

Mr. BROWN. Mr. President, we also have had concerns expressed about Croatia. It is my understanding we have cleared on both sides sense-of-the-Senate language that relates to Croatia and their potential further discussions with NATO countries. I ask that I be allowed to modify my amendment to include that sense-of-the-Senate language regarding Croatia.
and that the time between now and 7:20—that is 20 minutes on a side—be equally divided, and the time contro-

Mr. DORGAN addressed the Chair.

Mr. DORGAN. Mr. President, will the Senator from Kentucky tell us what we might expect for the remainder of the evening?

Mr. McCONNELL addressed the Chair.

Mr. McCONNELL. Yes. I thought I had just done that. Let me make it clear. We are going to vote on the Cohen amendment at 7:20. Remaining to be disposed of are the Coverdell amendment—your side has indicated they are willing to reach a time agree-

Mr. DORGAN addressed the Chair.

Mr. DORGAN. Mr. President, will the Senator from Kentucky tell us what we might expect for the remainder of the evening?

Mr. DORGAN. Mr. President, will the Senator from Kentucky tell us what we might expect for the remainder of the evening?
way than the senior Senator from New York, Senator MORTON, who has pointed out very clearly that those people who are fighting for freedom, who are there and being oppressed, say, "Don't believe this nonsense that if you wanna take care of yourself you are going to be hurting the average citizen, because you are not because the government that is in control now, the junta, the dictatorship, will use those funds for their own purposes, and no real economic benefit will come to the people."

So I hope that we will continue to maintain the beacon of freedom and that we will support the chairman's mark.

Mr. COHEN. Mr. President, I yield 2 minutes to the Senator from Idaho.

Mr. CRAIG. Mr. President, I have but a few comments. I find it important to make them in support of the Cohen amendment. Mr. President, this debate, in my opinion, is not about being soft on a bunch of thugs.

At the core of this debate is the effectiveness of mandatory unilateral sanctions as a tool of foreign policy to encourage change in Burma. It is about the best policy to pursue that will bring about the changes that we all want to see in the nation of Burma.

As we address this situation, it is important that the United States engage other nations. A multilateral effort to evaluate the situation in Burma and develop laws which can work both independently and collectively will encourage the improvement in human rights and will move Burma toward a free and democratic society.

Mr. President, I support the Cohen amendment and all that it addresses. We all can encourage humanitarian relief, drug interdiction efforts, and the promotion of democracy. I believe that these activities, in addition to denying multilateral assistance through international financial institutions, and the establishment of a multilateral strategy will provide the best roadmap to reach the goals we seek in Burma.

I congratulate Senator COHEN for his effort in offering this amendment.

Mr. COHEN. Mr. President, are there other speakers?

Mr. COHEN. I believe there is one other.

Mr. President, I yield 5 minutes to the Senator from California.

Mr. FEINSTEIN. Mr. President, I rise in support of the Cohen amendment. I think we would all like to truly believe that, in an area of the world remote to the United States, this country can unilaterally impose a sanction which is going to have an effect. But it is not supported by anyone else in the area. I know of no other country in the area that will support this sanction.

Additionally, the administration— the State Department and the White House, in support of the Cohen amendment. In essence, what this amendment does is, as Senator CRAIG just stated, seek to develop a multilateral alliance of the ASEAN countries, and others, to be able to deal with the problems that the SLORC regime presents to the people of Burma, or Myanmar, as some people might say. I think it is a well thought out amendment. It is an important amendment.

The concept of a U.S. economic venture in that country, and let us speak about it and speak about it candidly. It is a joint venture between Unocal and the French to build a pipeline. They will build schools, they will build hospitals, they will build health facilities, they will have an opportunity for economic upward mobility. Let us say the unilateral sanction passes, and let us say Unocal cannot go ahead, do you know who will take Unocal's share in this? Mitsu, a Japanese company, or South Korea. They will do it without building hospitals, and they will do it without the schools. I wonder what is gained by it.

I hear many people say, "Shut down an economy, and that will change a regime." I really believe that when you have an economy and you participate in it, and you bring Western values to a country, and you help with schools and you immunize kids, all of which is happening, it can be particularly effective.

Now, I very much respect Aung San Suu Kyi. I wish her well, and I think the SLORC regime would be well advised to work with her to improve the standard of living. And at the same time, I believe it is extraordinarily important that the administration, and whatever administration, and the State Department, and whatever State Department, begin to develop the kind of multilateral approach with the ASEAN countries that can be effective in meeting the human rights needs in this region.

So I believe that the Cohen-Feinstein amendment, which provides that there be no bilateral assistance, other than humanitarian and counter narcotics until the Government of Burma is fully cooperative with the United States on counter narcotics efforts, and the program is efficient with the United States human rights concerns in Burma. It promotes multilateral assistance by asking the Secretary of the Treasury to instruct the United States executive director of each international financial institution to vote against any loan or other utilization of funds for the respective bank to and for Burma.

I think it makes a great deal of sense to urge an "aye" vote on the Cohen-Feinstein-Chafee amendment.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky?

Mr. FORD. Mr. President, I want to take a few moments. I have been asked to advise my colleagues that the administration supports the Cohen-Feinstein-Chafee amendment.

I ask unanimous consent that the letter be printed in the RECORD from the Assistant Secretary of the Department of State advising my colleagues that the administration supports the Cohen amendment.

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

U.S. DEPARTMENT OF STATE, Washington, D.C.

Hon. William Cohen, U.S. Senator, Washington, DC.

DEAR SENATOR COHEN: The Administration welcomes and supports the amendment to the Foreign Operations Appropriations bill for FY 1997 which makes funds for their own purposes, and no real economic benefit will come to the people.

I think we would all like to truly believe that, in an area of the world remote to the United States, the junta, the dictatorship, will use those funds for their own purposes, and no real economic benefit will come to the people.

Mr. President, the supporters of this amendment share the same objective of constituencies. We maintain a range of unilateral sanctions and do not promote U.S. commercial investment in or trade with Burma. We refrain from selling arms to Burma and have an informal agreement with our G-7 friends and allies to do the same.

On the international level, we have strongly supported efforts in the U.N. General Assembly and the International Labor Organization to condemn human and worker rights violations in Burma. At the U.N. Human Rights Commission this month, we led the effort against attempts to water down the Burma resolution. We have urged the U.N. to play an active role in promoting democratic reform through a political dialogue with Aung San Suu Kyi.

The Office of Management and Budget advises that from the standpoint of the Administration, the foreign operations program is not objection to the submission of this report. We note, however, that the wording of two of the sanctions as currently drafted raises certain constitutional concerns. We look forward to working with you and the conferees to address this.

We hope this information is useful to you. Please do not hesitate to call if we can be of further assistance.

Sincerely,

BARBARA LARKIN, Assistant Secretary, Legislative Affairs.

Mr. NICKLES. The definition of "new investment" in Burma in Section 569 of the amendment includes the entry into certain types of contracts. Does it also cover performance of contracts or commitments entered into or made prior to the date of sanctions?

Mr. COHEN. It is not the intention of this legislation to compel U.S. persons to breach or repudiate pre-sanctions contracts or commitments.

Mr. BREAVY. Mr. President, I rise today in support of the amendment I have cosponsored with my distinguished colleagues Senator COHEN, Senator JOHNSTON, Senator MCCAIN, Senator FEINSTEIN, and Senator CHAFEE. I believe this amendment makes sense because it strikes a balance between unilateral sanctions against Burma and unfettered United States investment in that country.

Mr. President, the supporters of this amendment share the same objective as the supporters of unilateral sanctions. We all want to see an end to the...
brutal, oppressive Burmese dictatorship and a return to a democratic gov-
ernment. No one will argue that the current regime in Burma is anything
less than brutal, illegitimate and de-
plorable in almost every respect and recep-
tive that the current government is escal-
ing its oppression of the
democratic opposition, even in the face
of international condemnation. We all
want to see the quick demise of this
regime but we differ with opponents of
this amendment on the way toward
this change about. In an effort to pro-
mote democratic change in Burma, this
amendment prohibits U.S. invest-
ment if the government rearrests or
otherwise harms Aung San Suu Kyi,
the most eloquent voice for democracy
in that country.

Although the United States accounts
for only ten percent of all foreign in-
vestment in Burma, allowing U.S. busi-
nesses to operate there would enable us
to continue raising our concerns over
human rights. It would be a U.S. amein
in this process is critical if we are ever
going to see real change in Burma.
This amendment by the distinguished
Senator from Maine also requires the
President to work with our ASEAN al-
lies and other adjoining partners to
develop a comprehensive strategy to
bring democratic change to Burma and
improve human rights.

Mr. President, if our goal is to affect
change in a foreign country, we don’t be-
lieve unilateral sanctions are nec-
essarily the right approach. We have
seen what happens when the U.S. im-
poses unilateral sanctions. Our Euro-
pean and Asian allies are hesitant to
follow suit and in this case, a U.S. with-
drawal would just mean that for-
eign companies would fill the void
when we leave. Abandoning our com-
mercial interests in Burma will do
nothing to advance human rights and
democracy in that country which is the
objective. The U.S. strategy exerts pressure on the military regime
in Burma by prohibiting U.S. economic
aid, withholding GSP trade pref-
ervences, and decertifying Burma as a
narcotics cooperating country, which
requires us by law to vote against as-
sistance to Burma by international fi-
nancial institutions. This amendment
takes the additional step of prohibiting
new investment in Burma if the gov-
ernment commits large scale oppres-
sion against the democratic opposition.
Our goal is to prevent repressors of the
democratically elected government and
to promote a dialogue between their
voices of democracy and the military
regime.

This amendment has the support of
Democrats and Republicans as well as
the Administration. It is a reasonable
compromise on a very difficult issue. I
thank my colleagues who have worked
on this amendment and I urge it adop-
tion.

Mr. MURKOWSKI. Mr. President, I
rise in support of the Cohen amend-
ment on United States policy toward
Burma. The current language within
the foreign operations appropriations
bill mandates immediate unilateral
sanctions against Burma. The purpose
of these sanctions is to punish Burma’s
ruling junta, the State Law and Order
Restoration Council or SLORC, for fail-
ing to accede to the desire of the Bur-
mese people for democracy and free-
dom and for its many past violations
of basic human and civil rights.

I agree with the goals of Senator
MCCONNELL and Senator MOYNIHAN.
Not everyone in this distinguished
chamber will disagree that the United
States has a clear national interest in
seeing a democratically elected govern-
ment in charge of a free society in
Burma. The question is whether the
immediate imposition of unilateral in-
vestment sanctions is the best policy
to achieve that goal. I do not believe
that they are.

First, Burma is not a throw-away
issue. The wrong U.S. policy could sub-
stantially damage our relations with
our close friends and our regional influ-
ence. The United States has a clear na-
tional security interest in balancing
the rising influence of China in Asia.
Our full engagement in southeast Asia
is an integral part of global peace.
Unfortunately, the administration has
long been unable to articulate and
clearly demonstrate the reliability of
our long-term commitment to the re-
igion. In the face of this uncertainty,
ASEAN and the ARF force the SLORC
to negotiate with Aung San Suu Kyi and the other
democratic opposition leaders. Unfortu-
nately, the administration is seen as a key test
case of the U.S. commitment.

Second, our allies do not support
sanctions now and said as much to
Presidential envoy Ambassador Brown
and Mr. Roth. Bringing Burma into
ASEAN and the ARF force the SLORC
to accept and live up to the values and
responsibilities that membership en-
tails. The ASEAN membership will require of the
countries of central Europe. This approach
establishes a forum for pressuring the
SLORC to negotiate with Aung San
Suu Kyi and other democracy move-
ment leaders. Unfortunately, U.S.
moral suasion on behalf of sanctions
will have little impact unless the situ-
a tion in Burma deteriorates dramati-
cally. Expecting others to follow our
lead even if it goes against their own
cold calculation of national interests
only ensures that we are felling on our
own sword.

I want to make it clear that the
SLORC and Burma are not the 1990’s
version of apartheid in South Af-
rica. South Africa relied on access to the
outside world. Isolating them cut off
the very roots of their export-oriented
eco nomy. For most of the past 30
years, Burma isolated itself from the
world. Only now is Burma establishing
ties with the world. Isolating them now
would be about as effective as
pruning a tree. In particular, Unit-
ated States investment in Burma—save
for oil interests—is minimal and even
its loss would have little impact be-
cause others will take our place. With
South Africa, sub-saharan Africa was
also united in support of sanctions.
There is no similar regional mandate
for action with Burma.

There are no potential incentives for
the SLORC to work with Suu Kyi as
none of the sanctions will be lifted
until a fully democratically-elected
government comes to power. But, as we
saw in South Africa and before that in
Poland, the movement to democracy is
often a slow, tentative process and in-
clude transitional governments. If
events unfold in a similar fashion in
Burma, the current language has no
means for easing or eliminating sanc-
tions to cultivate the growth of democ-
archy.

The current language would also give
SLORC the wrong signal that it can do
whatever it wants because we have al-
ready used up all our bullets.

O U R P O L I C Y A N D T H E C U R R E N T A M E N D M E N T

Instead of the current draconian
sanctions proposed in the legislation
before us, we should adopt an approach
that effectively secures our national
interests. The Cohen amendment does
just that.

One, it establishes a framework for
United States policy towards Burma
that stimulates intimate cooperation
with our allies in the region, especially
ASEAN, that is clearly in the national
interest.

Two, it draws a clear line in the sand
that should the situation in Burma de-
teriorate the United States and our al-
lies would impose multilateral sanc-
tions on Burma or the United States
would go it alone if necessary. SLORC
will be on notice and have to be on
their best behavior.

Three, it provides incentives for
SLORC and Suu Kyi and the other
democratic leaders and ethnic minori-
ties to start talking and move towards
democracy and freedom. It would per-
mit assistance to the democracy move-
ment, support efforts to curb the flow
of heroin, and ensure that Americans
can visit, talk with, and influence the
people in Burma as they have every-
where from the Albania to South Af-
rica.

Four, it allows the President to re-
move sanctions and other restrictions
if there be progress towards the estab-
lishment of a fully democratic go-
vernment or if we are merely punishing
U.S. investors.

Finally, it requires the administra-
tion to work closely with the Congress
developing a multilateral strategy to
bring democracy to Burma and in im-
plementing the sanctions.

Mr. President. This is a solid strat-
egy and bipartisan view of what the
United States' policy towards Burma should be. It is a far better one than that currently envisioned in the legislation before us. I strongly urge my fellow colleagues to support this amendment.

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

The PRESIDING OFFICER. Thirteen minutes fifteen seconds.

Mr. MCONNELL. Mr. President, let me say that if my colleagues are looking for some ideological touchpoint on this issue, they will not find any. It is going to be an odd collection of players on both sides of the aisle.

As my senior colleague from Kentucky just indicated, the Clinton administration supports the Cohen amendment, and I oppose the Cohen amendment, along with Senator MOYNIHAN, from whom you have heard, Senator LEAHY who spoke earlier on NIHAN, from whom you have heard, and the administration supports the Cohen amendment, and I oppose the Cohen amendment.

If you are looking for some ideological guidelines, you will not find any on this issue. So this would be a good vote upon which to just sort of sit aside and see the ideological leaning and look at the facts and think about what America stands for.

The facts are these: In 1990, in Burma they had a Western-style, internationally supervised election. Eighty percent of the people voted for the National League for Democracy, a party organized around a dynamic leader that is becoming increasingly well-known in the world, Aung San Suu Kyi. As soon as the election was completed and it was clear who had won, the ruling military junta, supported by a 400,000-person army, used entirely internally to control the people of Burma, locked up most of the leadership and put Aung San Suu Kyi under house arrest. She was essentially incommunicado until July 18 of this year. A fax machine, and they killed him. He is not dead; murdered.

They claim she was released. Well, it is some kind of release. She is allowed to address, from home, friends and supporters who come around sometimes on a weekly basis. But they do that at some risk. She does not feel comfortable communicating with the outside world. Yet, she smuggled out a tape a week ago for use at the European Parliament debate in which they call upon their members to institute unilateral sanctions.

So, clearly she does not feel comfortable to just sort of pick up the phone and call some reporter and say, "This is how I feel." But she has been getting her views out. She and the legitimate Government of Burma, much of it now in this country, support the provisions in the underlying bill and oppose the Cohen amendment. I have already put that letter, received today, in the Record.

I do not want to be too hard on the Clinton administration because, obviously, this is not a very partisan issue. We have people all over the lot on this question. But they are basically not interested in doing anything about this problem. But that does not distinguish them from the Bush administration, which had no interest either.

So the second condition in the Cohen amendment was to be missed in process rather than the restoration of democracy. In other words, if you see that Aung San Suu Kyi is in trouble or there is large-scale trouble or violence, then you can take certain actions if you want to, but you do not have to because all of it can be waived.

In short, with all due respect to my good friend from Maine, it seems to me that this amendment basically gives the administration total flexibility to do whatever they want to do, which every administration would love to have. I can understand why they support this amendment. But looking at the track record of this administration and the previous one, given the discretion to do nothing, nothing is what you get. Nothing is what we can anticipate from this administration, and that is what we got from the last one. Let me say this is not a radical step. Some people think that we should never have unilateral economic sanctions against anybody, but a lot of those people make exceptions for Cuba, for example. "Well, that is different," or they make an exception for a renegade regime like Libya.

The truth of the matter is we have occasionally used unilateral sanctions, and they have not always failed. I mean, it is very common to say they always fail. They do not always fail. In fact, we have a conspicuous success story in South Africa, a place where America led. When we passed the South African sanctions bill in 1986, my good friend from Maine supported, and when we overrode President Reagan's veto, which both of us voted to override, we were not sure it was going to work. All of these arguments about unilateral sanctions are made then. Everybody said, "Well, nobody else will follow." In fact, everybody followed. America led and everybody else followed, and South Africa has been a great success story.

I think those followers are right around the corner. The European Union and the European Parliament took this issue up in July of this year—this month. Why did they get interested? Aung San Suu Kyi's best friend, a man named Nickels, a European who had been a consular official in Rangoon for a number of different European countries, as the distinguished senior Senator from New York pointed out a minute ago, was arrested earlier this year. His crime was possessing a fax machine, and they killed him. He is dead; murdered.

So the Europeans all of a sudden have gotten interested in this because one of their own has been treated by the Burmese military like it has been treated by the Burmese people for years. Carlsberg and Heineken, two European companies, are pulling out. American companies and one oil company decided not to go forward, and all of the retailers who were either in there or on the way in are coming out—Eddie Bauer, Liz Claiborne, PepsiCo are coming out. If America leads, others will follow.

Finally, let me say that this is what Aung San Suu Kyi would like, and she won the election. She is familiar with all the arguments that are made by those who do not want unilateral sanctions, that only the people of Burma can decide what they want to do. She is familiar with those arguments. She does not buy it. She does not agree to it. This is what she has to say. She said:
Foreign investment currently benefits only Burma's military rulers and some local interests but would not help improve the lot of the Burmese in general.

She said in May this year, quoted in Asia Week:

"Burma is not developing in any way. Some people are getting very rich. That is not economic development."

On Australia Radio in May of this year, she was quoted as saying, a direct quote:

"Investment made now is very much against the interests of the people of Burma."

So, Mr. President, that sums up the argument. If America does not lead, no one will. If given total discretion, all indications are that this administration will have no more interest than the last one. The duly elected Government of Burma is in jail or under surveillance, and we do nothing. This is the opportunity, this is the time for America to be consistent with its principles.

So, Mr. President, I hope that the Cohen amendment will not be approved. I have great respect for my friend from Maine. But I think on this particular issue he is wrong, and I hope his amendement will not be approved.

Mr. President, last week, when I learned of Suu Kyi's release, I was able to smuggle out a videotape appealing for sanctions against the military regime in Rangoon. This is the most recent of many courageous calls by the elected leader of Burma for the international community to directly and immediately support the restoration of democracy and respect for the rule of law in her country. She has repeatedly summoned us to take concrete steps to implement the results of the 1990 elections in which the Burmese people spoke with a strong, resolute voice, and the NLD carried the day.

Less we forget, the NLD did not squeal by with a 43 percent mandate as did our sitting President—the leader of the free world. The NLD claimed 392 seats in the parliament winning 82 percent of the vote. Now that's a mandate. Nonetheless, some may argue that arbitrary killings, detentions, torture, rape, and forced labor and relocations are tools routinely abused to secure SLORC's position, power and wealth. The U.N. Special Rapporteur for Burma has investigated and documented the abuses in several reports which I urge my colleagues to read.

Nonetheless, some may argue that Burma is too far away from the United States to warrant any interest, time, or attention. But, there are compelling reasons for every community and politician to be concerned about developments in Burma beginning with our drug epidemic.

The 1996 International Narcotics Control Report makes the following points:

- Opium production has doubled since 1990. The 1996 International Narcotics Control Report makes the following points:
- Opium production has doubled since 1990. The 1996 International Narcotics Control Report makes the following points:

Burma is the world's largest producer of opium and heroin.

In the wake of the April sweeps and the junta is actually offering safe haven to Khun Sa, the regions most notorious narco-warlord.

Now this is a regime with over 400,000 armed soldiers, evidence that if SLORC wanted to crack down on trafficking, they clearly have the means to do so. The golden Triad's operations initially caught my eye, but it is the administration's policy—or lack there-of—which fixed my gaze. This is one of the few occasions where the White House has been consistent; unfortunately, they have been consistently wrong.

As Suu Kyi has repeatedly emphasized since her release, Burma today is not one step closer to democracy. Indeed, I think the situation has seriously, dangerously, and unnecessarily deteriorated.

In November 1994, after a long, disheartening silence, Deputy Assistant Secretary of State Tom Hubbard, traveled to Rangoon to issue an ultimatum. The administration called international attention to their new, tough line. SLORC was expected to make concrete progress in human rights, narcotics, and democracy. If they were appropriately responsive, they could expect improved ties. If not, in Hubbard's words, "the U.S. bilateral relationship with Burma could be further downgraded."

As most of us learn early in life, you don't taunt a bully. SLORC moved swiftly to call our bluff. Major attacks were launched against ethnic groups, generating tens of thousands of refugees. Democracy activists were rounded up, tortured, and killed. Negotiations over Red Cross access to prisoners ground to a halt, prompting the organization to close its office in Rangoon. And, the administration remained strangely silent. As the situation worsened, there was another burst of interest, and Madeleine Albright was dispatched to repeat the message. This time it was underscored with a personal meeting and statement of support for dialogue with Suu Kyi. Those of us who follow Burma were hopeful that our U.N. Ambassador with a reputation for toughness would press forward with a clear strategy. Sadly, again, SLORC rose—or should I say sunk—to the occasion. As the noise tightened around Suu Kyi and the NLD, the administration remained silent.

In the wake of the April sweep against the NLD, there was stepped up grass roots interest in sanctioning Burma. To preempt these calls, once again the administration dispatched officials to size up the situation. This time, instead of visiting Rangoon, they traveled the region.

A stinging column carried in the New York Times, characterized the American approach as "outspoken and critical but its repeated messages or threats often carry no weight because of a lack of back up action. It is a typical case of words not being matched with deeds."

"The NLD did not squeak by with a 43 percent mandate. The NLD claimed 392 seats in the parliament winning 82 percent of the vote. Now that's a mandate."

However, the administration's policy—"the U.S. bilateral relationship with Burma could be further downgraded."

"As most of us learn early in life, you don't taunt a bully. SLORC moved swiftly to call our bluff. Major attacks were launched against ethnic groups, generating tens of thousands of refugees. Democracy activists were rounded up, tortured, and killed. Negotiations over Red Cross access to prisoners ground to a halt, prompting the organization to close its office in Rangoon. And, the administration remained strangely silent."

As the situation worsened, there was another burst of interest, and Madeleine Albright was dispatched to repeat the message. This time it was underscored with a personal meeting and statement of support for dialogue with Suu Kyi. Those of us who follow Burma were hopeful that our U.N. Ambassador with a reputation for toughness would press forward with a clear strategy.

As the situation worsened, there was another burst of interest, and Madeleine Albright was dispatched to repeat the message. This time it was underscored with a personal meeting and statement of support for dialogue with Suu Kyi. Those of us who follow Burma were hopeful that our U.N. Ambassador with a reputation for toughness would press forward with a clear strategy.
The column quoted a senior Thai official who suggested the trip was “a conspiracy to thwart attempts by the U.S. Congress to pass an economic sanctions bill which is gaining growing support.” The official went on to note “The American administration is good at making empty threats and last week’s trip is just another example.”

In briefings following up the trip, the State Department made clear that the Special Envoy was not dispatched with a specific message—they had no order to dispatch a agenda for action—and as the Nation so clearly stated: “The two failed to spell out, in concrete terms, possible U.S. retaliatory measures.”

After hollow policy pronouncements and weak-willed waffling from the administration, SLORC is convinced it will pay no price for repression. We are left with few real options with the potential for success.

The business community understandably continues to support the status quo. They suggest that our ASEAN partners will not support a strategy of escalating isolation. A tougher line will only result in a loss of market share to our French, Italian, or other competitors.

But let me point out, just as the call for sanctions has grown stronger in the United States, it has resonated through corporate halls and the corridors of power in Europe.

The European Parliament has called upon its members to take action to suspend trade and investment in Burma. The European Union has taken up legislation suspending visas and all high level contacts with the Burmese.

Heineken and Carlsberg have pulled out in response to public pressure. And, in an important development, the Danish Government has sold off all its holdings in TOTAL, the French oil company with the largest investment in Burma. In announcing its decision, a spokesman for the fund said it was made in anticipation of “a possible international boycott of TOTAL due to its engagement in Burma and because of a televised report showing the intolerable living conditions in that country.”

In this context, U.S. sanctions are hardly a radical step. In fact, I think it would be an unprecedented embarrassment to all this Nation represents to fall behind the European effort in supporting democracy.

In addition to suggesting that sanctions will only hurt U.S. business, opponents of my legislation argue economic progress will yield political results. This is Vietnam, they say. Burma is like China.

Well, I am a vocal advocate of MFN for China. I have supported normalizing relations with Vietnam. In both instances, we have effectively used an economic wedge to pry open access to totally closed societies. Trade is an important factor in these cases because it is our only tool.

Burma is quite different. In Burma, millions of people turned out to vote for the NLD. The fact that they were robbed of the reward of free and fair elections defines both America’s opportunity and obligation.

The appropriate analogy with Burma is not China or Vietnam, it is South Africa. The application of sanctions clearly works: just ask Nelson Mandela. That is the course I recommend the United States pursue.

In 1996, the advocates for democracy in Burma are facing the same challenges as the 1986 opponents of apartheid. As the Reagan administration argued and the business community argued the political value of our sizable capital investment.

U.S. investment was a meaningful catalyst for change. Major American corporations called attention to their hiring policies, scholarship programs, and contributions to hospitals, schools, and community development projects.

In sum, I was told that withdrawing U.S. investment would hurt, not help, the common man. Not so, says Bishop Tutu. In an April letter to the Bay Area Burma Roundtable he said, “The victory over apartheid in South Africa bears eloquent testimony to the effectiveness of economic sanctions.”

There are other, relevant parallels. South Africa was the African fault line in our cold war struggle for power. With Soviet proxy forces engaged in neighboring conflicts in Angola and Mozambique, South Africa assumed an important position in our regional security strategy.

The Chinese colonization of Burma should sound similar alarms. If there is a single issue which should cause our ASEAN partners deep concern, it is the expanding military and political ties between Rangoon and Beijing. Like South Africa, Burma may not represent an immediate security problem, but the long term regional trends demand our attention.

In South Africa, there was a grass-roots, well-organized, vocal African-American constituency supporting sanctions.

In Burma, the constituency should be every American community concerned by our drug epidemic.

In South Africa, good corporate citizens developed a corporate conscience and pulled out.

In Burma, Amoco, Columbia Sports-wear, Macy’s, Eddie Bauer, Liz Claiborne, Levi Strauss, and now Pepsi have answered the call to divest.

In South Africa, sanctions affected substantial, longstanding foreign investment.

In Burma, less is at stake and sanctions are largely preemptive.

But, in South Africa—however little—is still propping up a few generals. We are not improving the quality of life for most Burmese. U.S. capital is simply subsidizing global shopping sprees for a handful of SLORC officials and their families.

Just as SLORC has increased pressure on Burma’s democracy movement, we must increase pressure on SLORC. I believe the time has come to ban U.S. investment and aid and oppose any international lending to this pariah regime. We should cut off the source of SLORC’s power.

Several weeks ago, Suu Kyi noted: There is a danger that those who believe economic reforms will bring political progress to Burma are unaware of the difficulties in the way of democratization. Economics and politics cannot be separated, and economic reforms alone cannot bring democratization to Burma.

She has emphatically opposed any foreign investment, calling instead for the international community to take firm steps to implement the 1990 elections. And, while she has stressed the NLD’s commitment to solving political problems through dialogue, she recently warned the world that she was not prepared to stand idly by as SLORC attacked her supporters.

Shortly after these remarks, SLORC surrounded her compound with razor wire, effectively cutting off the thousands of loyal and peaceful citizens who make a weekly pilgrimage to hear her speak. Suu Kyi is prepared to accept her re-arrest. Although she is under constant surveillance and severely limited in her movements, she has not chosen to join her husband and children in exile. Aung San Suu Kyi has sacrificed over and over again to secure Burma’s freedom.

Let us hope it will not take the sacrifice of her life to impel this administration to assume the mantle of leadership, fitting for the only remaining superpower, and chart a course for the ship we captain called liberty.

How much time do I have remaining? The PRESIDING OFFICER. The Senator has 45 seconds.

Mr. McCONNELL. I will reserve the 45 seconds.

Mr. COHEN addressed the Chair. The PRESIDING OFFICER. The Senator from Maine.

Mr. COHEN. How much time is remaining? The PRESIDING OFFICER. The Senator has 6 minutes and 53 seconds.

Mr. COHEN. Mr. President, I ask unanimous consent that Senator THOM- AS be added as a cosponsor to the Cohen amendment.

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

Mr. COHEN. Mr. President, as my friend from Kentucky has indicated, we were asked to assist in reviewing this particular vote, that and labels. He would have you believe that those who support the Cohen-Finstein-Chafee amendment are for repression, for dictators, for brutality, for house arrest, against sanctions, against morality, against economic reform, against Aung San Suu Kyi, against democracy.

My friends, it is not nearly so simple. And perhaps I have overstated the
statements of my friend from Kentucky, but when we have allegations made that this is a profound moral choice, that this measure that I offer would, in fact, negate the impact of sanctions upon this particular regime, that it would end sanctions and result in tory junta—and we have heard statements made by our colleagues from New York that adoption of the Cohen amendment would, in fact, aid and comfort the enemies of democracy—I must speak out with some vigor on such an issue.

We heard talk about the European Parliament boycotting Burma. Well, the European Union said no. As a matter of fact, there is a report in papers as of yesterday: “A Danish proposal for sanctions against Burma was toned down last week to one condemning the Government of SLORC.” So they toned it down from sanctions to simply condemning, and we condemn them.

It has been said that Mickey Kantor favors the subcommittee’s approach, our Trade Representative favors it. I do not understand that. We have a letter introduced on behalf of the administration that the White House supports the approach that I and Senators Feinstein and Chafee and others have taken.

No one has fought harder, if we talk about ideals, than our colleague from Arizona, Senator McCain. He spent more than 6 years in prison keeping the flame of idealism alive, representing this country in a way that few of us can ever begin to contemplate, and yet he is supporting the approach that I am suggesting.

Those of us who are urging the support of this amendment are, in fact, calling for sanctions. We are calling upon our administration to impose sanctions, to not issue visas—except those required by treaty—to any government official from Burma. We are insisting that we vote no on any international lending organization loans to Burma. We are saying that if they make any attempt to imprison or harass Aung San Suu Kyi, sanctions go into effect immediately, that no further business can enter that particular country.

We are for sanctions. We are for, however, limited exemptions in the field of human rights, certainly for humanitarian assistance. Does anyone here want to fast off an attempt to feed starving people?

On counternarcotics: We have heard by just the last vote, an overwhelming vote, of our concern about narcotics coming into this country. Over two-thirds of all the heroin production in the world is coming out of Burma, are we saying let us walk away? Do we not want to engage in any way, even if it is certified by the administration that the SLORC is cooperating to try to reduce the flow of narcotics coming into our country? Is that what we want to go on record in favor of? Do we want to deny funding for the National Endowment for Democracy, organizations that people like Senator McCain are actively involved in, that actively promote change by the Burmese junta?

My amendment tries to carve out a narrow exemption to give some flexibility to this administration or the next administration, not simply to look to the past and punish this junta for past deeds, but rather to see if there is any way we can use whatever leverage we have, and it is very small, to encourage this junta to come into the 21st century of pro-democratic activity.

It has been suggested that we have commercial interests in mind. I do not represent any oil companies. I do not have any business interests in mind. What I am asking is, what is the most effective way to produce change? Do sanctions work? Yes and no. They worked in South Africa because the world supported it. The frontline countries in Africa supported it. The frontline countries in Asia do not support this action by the subcommittee. Iran is another exception where sanctions can and do work. It is a terrorist-sponsoring nation, destabilizing its region, and so there is world condemnation of Iran.

And China, let me just mention China. Mr. President, I was looking through my desk here while the debate was going on, and I came across some interesting remarks made by my friend Senator Mitchell, some years ago in 1991–92, when debating China. He said something at that time that I think may bear some relevance here today. He said:

The year-long renewal of most-favored-nation trade status for China has brought the world precisely nothing in the way of reform in the Chinese regime.

It has not encouraged the Chinese Government to respect the human rights of any Chinese citizen. It has not embodied the Chinese Government’s commitment to open its experiments with a market economy beyond one province.

That was said back in 1991, and then again in 1992. He may have been right at that time as far as his perception, but things have changed in China. They are now, in fact, making changes in Shanghai. They are now providing a legal system based upon ours, they are giving an accused individual a right to an attorney before he can be arrested and apprehended. They are making changes about more slowly there, not nearly as fast as we would like, but change has occurred.

Yes, we are standing up to our ideals on the issue of democracy in Asia, but when you talk to the Chinese they say, you talk about ideals. For 20 years you enslaved people. You put people in chains. You treated them like subhumans. You robbed them of their families and their dignity and their lives, and it was not until about 30 years ago you finally decided to change. Give us more opportunity, and not simply about change in this region. Do not lecture us that you achieved your ideals all in one period of time.

So it took time for us to change over here. What we are saying with our amendment is that we can make more change in Burma from within than from without, and we can bring Burma out from the dark ages of repression into the sunlight of the 21st century of pro-democratic activity. We can do this not by trying to turn away, and trying to isolate them—because we cannot do it effectively—but by having some limited contact from within.

Mr. President, I suggest that the passage of this amendment will accomplish the goals that we all want to change the military dictatorship’s activity.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from Kentucky.

Mr. McCONNELL. Mr. President, with all due respect to my good friend from Maine, his amendment makes everything permissible or able to be waived. There is no indication that this administration is not interested, and frankly, nor was the last one, in tightening the screws on Burma. If we want to do something about a pariah regime in Burma, tonight is the time. This is the vote. I hope all my colleagues will oppose the Cohen amendment.

Mr. President, I ask unanimous consent that a list of boycott resolutions, a list of letters supporting sanctions, and a group of editorials, be printed in the RECORD.

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

BOYCOTT RESOLUTIONS

American Baptist Convention.
State of Massachusetts.
San Francisco, Oakland, Berkeley, CA.
Santa Monica, CA.
Ann Arbor, MI.
Chicago, IL.
Madison, WI.
Seattle, WA.

LETTERS SUPPORTING SANCTIONS

Namal Coalition Government of the
Union of Burma
AFL-CIO
UAW
Bishop Tutu
Betty Williams, Huntsville, TX, Nobel Laureate, 1976
Asia American Civic Alliance of Florida
Kachinland Projects for Human Rights and
Democracy of Illinois
Democratic Burmese Student Organization
United Front for Democracy and Human
Rights

[From The Boston Globe, June 19, 1996]

WELD’S OPPORTUNITY

Awaiting Gov. William F. Weld’s signature is a bill that would prohibit the commonwealth from purchasing goods or services from companies that do business with the illegitimate military dictatorship ruling Burma. Weld should sign this bill, not because it might work to his advantage in the U.S. Senate contest with John F. Kerry, but because this is legislation that embodies a principle of democratic solidarity rooted deep in the American tradition.

The people of Burma voted overwhelming in 1990 for the party of Nobel Peace Prize winner Aung San Suu Kyi. Although her National League for Democracy won more than 80 percent of the seats in Parliament, the State Law and Order Restoration Council, or SLORC, thwarted the will of...
the voters by seizing power and conducting a reign of terror. The junta profits from a narcotics trade that exports more than 60 percent of the heroin sold on the streets of America. Facebook and other social media platforms, which has unappetizing acronym SLORC (State Law and Order Restoration Council), to be worthy of Mr. Nichols and his many unnamed companions, should challenge them to take stronger political and economic measures against the Burmese government. Indeed, SLORC round-up many of her supporters, including should-be members of parliament. This is far from SLORC’s only abuse. Even before the last elections, hundreds of political prisoners remained in jail, according to Human Rights Watch/Asia. The regime promotes forced labor, press-ganging citizens to act as punters of the world’s major religions.

The United States already has barred official aid or government loans to Burma and has influenced the World Bank and other multilateral organizations to follow suit. Now Sen. Mitch McConnell of Kentucky wants to bar private investment as well, a step supported by many of Burma’s business and political leaders. Sen. McConnell said, led by Unocal Corp., which is helping develop Burma’s natural gas fields. The structure of the dictatorship ensures that much of the benefit of foreign investment goes into the generals’ pockets.

The most active proponents of trade, investment and engagement with Burma have been its neighbors in Southeast Asia. A nation of 42 million with high literacy rates and abundant natural resources, Burma cannot be ignored. But if the United States wants to bar private investment as well, a step supported by many of Burma’s business leaders, Sen. McConnell said, led by Unocal Corp., which is helping develop Burma’s natural gas fields. The structure of the dictatorship ensures that much of the benefit of foreign investment goes into the generals’ pockets.

Mr. McCONNELL. I move to table the PROVISIONAL OFFICE. All time has expired.

Mr. McCONNELL. I move to table the PROVISIONAL OFFICE. All time has expired.

Mr. President, I ask for the yeas and nays.

Mr. FORD. I announce that the Senator from Maine [Mr. COHEN]. The yeas and nays have been ordered.

Mr. President, I ask for the yeas and nays.

The PRESIDENT OF THE SENATE. The clerk will call the roll.

The PRESIDENT OF THE SENATE. The clerk will call the roll.

Mr. FORD. I announce that the Senator from Nebraska [Mr. EXON] is necessarily absent.

The result was announced, yeas 45, nays 54, as follows:

[Rollcall Vote No. 243 Leg.]
Mr. McConnell. Mr. President, I move to reconsider the vote.

The motion to lay on the table the amendment (No. 5019) was rejected.

Mr. COHEN. I move to reconsider the vote.

The motion to lay on the table the amendment was agreed to.

Mr. LEAHY. I move to reconsider the vote.

The motion to lay on the table the amendment was agreed to.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The amendment (No. 5019) offered by the Senator from Vermont.

The amendment (No. 5019) was agreed to.

Mr. LEAHY. Mr. President, I yield to the Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCGONNELL. We can see the light at the end of the tunnel.

AMENDMENTS NOS. 5079 THROUGH 5082, EN BLOC

Mr. MCGONNELL. Mr. President, we have more amendments agreed to which I will send to the desk at this point, a Helms amendment on deobligation of funds; a Bingaman amendment on Burundi, two amendments by Senator Abraham, one on the table and ask that they be considered, en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kentucky [Mr. MCGONNELL] proposes amendments numbered 5079 through 5082, en bloc.

Mr. MCGONNELL. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with.

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

The amendments (Nos. 5079 through 5082) are as follows:

AMENDMENT NO. 5079

(Purpose: To require the deobligation of certain unexpended economic assistance funds)

On page 198, between lines 17 and 18, insert the following:

DEOBILGATION OF CERTAIN UNEXPENDED ECONOMIC ASSISTANCE FUNDS

Section 580. Chapter 3 of part III of the Foreign Assistance Act of 1961 (22 U.S.C. 2401 et seq.) is amended by adding at the end the following:

SEC. 580a. DEOBILGATION OF CERTAIN UNEXPENDED ECONOMIC ASSISTANCE FUNDS.

(a) REQUIREMENT TO DEOBILGATE.—

(1) In general.—Except as provided in subsection (b) of this section and in paragraphs (1) and (3) of section 617(a) of this Act, at the beginning of each fiscal year, the President shall deobligate and return to the Treasury any funds described in paragraph (2) that, as of the end of the preceding fiscal year, have been obligated for an independent state for more than 4 years and have not been expended.

(2) Funds.—Paragraph (1) applies to funds made available for—

(A) assistance under chapter 1 of part I of this Act (relating to development assistance), chapter 10 of part I of this Act (relating to development assistance for the independent states of the former Soviet Union under economic assistance for the independent states of the former Soviet Union under the Development Fund for Africa), or chapter 4 of part II of this Act (relating to economic assistance for the independent states of the former Soviet Union under the Development Fund for Africa) of this Act; and

(B) assistance under the Support for East European Democracy (SEED) Act of 1989, and

(C) economic assistance for the independent states of the former Soviet Union under chapter 11 of part I of this Act or under any other provision of law authorizing economic assistance for independent states.

(2) Exceptions.—The President, on a case-by-case basis, may waive the requirement of subsection (a)(1) if the President determines and reports to Congress that it is in the national interest to do so.

(3) Appropriations. — (A) Appropriations. — Appropriations to the Appropriations Committees of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

Mr. HELMS. Mr. President, the Senate today is considering an $11 billion foreign aid appropriations bill for fiscal year 1997. To hear the almost hysterical hue and cry about the so called waste of foreign aid which is simply not so—some Americans may be misled to believe that the Agency for International Development (AID) will go broke if it does not receive its $7.5 billion portion of this expansive foreign aid bill.

That, as I say, is simply not true—it is not even in the ballpark of accuracy. You see, Mr. President, much of this foreign aid money—all of it taken from the pockets of the hardworking Americans—will remain on the books for the next several years in what is known in Washington as a pipeline. This pipeline, which today contains more than $6.7 billion, will allow AID to continue its spending orgy for years to come—even if Congress cut every penny from AID’s budget this year. Simply put, this pipeline is the best-kept secret among the bureaucrats at the Agency for International Development—the foreign aid giveaway mechanism.

The pending amendment, which I am offering on behalf of myself and the distinguished majority leader, Mr. LOTT, proposes to reduce the amount of money in the AID pipeline by requiring that all money remaining in more than 4 fiscal years in the pipeline be returned to the U.S. Treasury. In its study of Agency for International Development’s pipeline, the General Accounting Office has recommended that un-used foreign aid be returned after 2 years. If enacted, this amendment would cut nearly $1 billion from foreign aid.

Mr. President, you see that $3.2 billion provided by Congress to AID in fiscal year 1995 has been obligated for more than $1.6 billion from fiscal year 1994 has yet to be spent. This hidden reservoir of funds dates back even to foreign aid approved by Congress in 1985—more than a decade ago—which has been reposing all the while in the pipeline.

Why does all this money remain in the pipeline? Well, according to a 1991 General Accounting Office study, half of this money is unspent due to unrealistic or deliberately overstated project assessments by AID employees. But there is another reason for the existence of this pipeline. AID simply has received too much money over the years and, rather than admit that it cannot spend the money wisely, AID bureaucrats simply have stashed the money away in its secret bureaucratic pipeline until someone figures out a creative way to give it away.

Larry Byrne, AID’s assistant administrator for management, in a 1996 internal e-mail spoke of the "imperils our ability to argue we need more money." Lest anyone believe that this huge pipeline is merely an isolated problem, perhaps some details regarding AID’s pipeline in various countries will be of interest. Mr. President, I ask unanimous consent this chart be printed in the RECORD.

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

AID’S HIDDEN SLUSH FUND

<table>
<thead>
<tr>
<th>Country</th>
<th>Pipeline through 1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egypt</td>
<td>$3.17 billion</td>
</tr>
<tr>
<td>India</td>
<td>$1.02 million</td>
</tr>
<tr>
<td>Israel</td>
<td>$215 million</td>
</tr>
<tr>
<td>Jordan</td>
<td>$205 million</td>
</tr>
<tr>
<td>Jordan</td>
<td>$205 million</td>
</tr>
<tr>
<td>Kenya</td>
<td>$217 million</td>
</tr>
<tr>
<td>Lebanon</td>
<td>$16 million</td>
</tr>
<tr>
<td>Pakistan</td>
<td>$220 million</td>
</tr>
<tr>
<td>Pakistan</td>
<td>$220 million</td>
</tr>
<tr>
<td>Russia</td>
<td>$1.58 billion</td>
</tr>
</tbody>
</table>
Mr. HELMS. So, Mr. President, this pipeline affects almost all of the 101 countries to which AID hands out the American taxpayers' money. For example, the pending bill provides more than $800 million in economic aid to Egypt, despite the fact that more than $3.1 billion in previously-appropriated foreign aid, lingers to this day in Egypt's pipeline. This bill allows more money for Russia—yet this nation has already received, but not yet spent, $566 million in United States foreign aid. India has $102 million in un-used foreign aid. At the current rate of spending all new foreign aid obligations to India could cease and it could still receive United States foreign aid uninterrupted for at least 3 more years.

The list goes on and on. The Philippines has $330 million in unspent United States foreign aid; Peru has $71 million left; and Pakistan $6.7 billion in U.S. tax dollars—more than a decade old—remains unspent. The pending amendment proposes that $1 billion in surplus foreign aid will be returned to the Treasury, thereby reducing the amount Americans are forced to pay for the spiraling Federal debt.

I will conclude by providing what I consider one of the most egregious abuses of AID pipeline. In 1991—5 years ago—President Bush ordered all foreign aid to Pakistan be ceased because of that nation's development of a nuclear bomb. Apparently, the bureaucrats at the Agency for International Development did not get the message because, as recently as 1995, AID spent more than $27 million for projects in Pakistan. This year, AID plans to provide more than another $5 million. So, despite the President's decision to cut all foreign aid to Pakistan in 1991, AID's pipeline continues to gush with surplus giveaway money that the American taxpayers have been forced to provide.

Mr. President, the American taxpayers have been forced to provide more than $250 billion in development and economic aid since AID was created, as a temporary agency in 1961. And AID certainly appears to be doing out cash to any number of nations around the world by making certain that this pipeline of foreign aid will continue to flow well into the next century.

Mr. President, I submit that it's high time that we do something for Americans. This amendment offers a fine opportunity: it will return to the U.S. Treasury $1 billion in unspent—and unneeded—foreign aid.

PMERSON OFFICER. The amendment is so modified. The amendment, as modified, is as follows:

On page 148, line 10 through line 13, strike the following language, "That comparable requirements of any similar provision in any other Act shall be applicable only to the extent that funds appropriated by this Act have been previously authorized: Provided further,"

Mr. McCONNELL. Mr. President, I ask unanimous consent that we complete the debate on Senator Brown's NATO amendment, that we lay that aside, and proceed to the debate on the Coverdell amendment, with 40 minutes equally divided, at which point we proceed to two rolcall votes.

The PRESIDING OFFICER. Is there objection?

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. McCONNELL. If I could just indicate to the Senate, there is a good chance that the two votes I just mentioned are the last two rolcall votes before final passage. So we are getting very close to the end.

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Reserving the right to object, it is my understanding that the Senator from Colorado will be speaking before me. The Senator from Delaware and the Senator from Colorado and I have worked out the problems that we had with the Brown amendment. I understood the unanimous consent to include that as a rolcall vote. It is not my desire to have a rolcall required. The Senator from Colorado is planning on modifying his amendment, so I believe it would be wise to withhold any request for a unanimous consent for a rolcall vote until such time as the amendment is modified.

Mr. REID. Reserving the right to object, I know the leader has a lot of things to do. Everyone has places to go. I have been around here all day. As I indicated, if I could have some time tomorrow to do this, I will do it, or some time at a reasonable hour of the night. But I am not going to agree to final passage until I make a statement on something I think is extremely important.

Mr. LIEBERMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. Mr. President, reserving the right to object on two
points. The first, like the Senator from Nevada, I rise in part to thank the managers of the bill for accepting earlier in the day an amendment I offered with several colleagues to draw attention to the continuing freedom of dictators in Africa, and to urge we continue to make their apprehension and movement to the Hague a priority for all signatories.

I appreciate if at some point, either before final passage or as the Senator from Nevada has indicated, on a date certain in the next 10 days or so, to be able to speak at greater length on that matter.

Reserving the right to object, if I may ask the Senator from Kentucky, through the Chair, along with several colleagues I filed an amendment to re-allocate funds for the Korean Peninsula Energy Development Organization. These two colleagues I believe were considering a second-degree amendment, and I wanted to state to the Senator from Kentucky with respect that, I intend and hope to raise that matter before final passage.

Mr. McCONNELL. Mr. President, let my say I am aware that is not quite tied up yet. My understanding was those discussions were underway.

While Senator from Nevada, there will be an opportunity for him to speak tonight, but I would like to move ahead on the votes. There will be plenty of opportunity to speak tonight.

Mr. REID. Further reserving the right to object, I am willing to come in early some time tomorrow for morning business.

The PRESIDING OFFICER. Is there an objection to the request of the Senator from Kentucky?

Mr. LEAHY. Mr. President, would the Senator from Kentucky add to his request that before we start the Coverdell and the other matters, that the Senator from New Mexico, Mr. Bingaman, would have 2 minutes to speak on an amendment that has already been accepted.

Mr. McCONNELL. Mr. President, I ask unanimous consent that Senator Bingaman be allowed to proceed for 2 minutes on an amendment we just passed, prior to the time running on the Brown NATO amendment and the Coverdell amendment.

Mr. REID. Mr. President, am I going to be allowed to speak, then, before final passage the Senator from Nevada?

Mr. McCONNELL. We do not have a time set for final passage. It should be no problem.

Mr. REID. Without objection, it is so ordered.

AMENDMENT NO. 5990

Mr. BINGAMAN. Mr. President, I wanted to just speak very briefly about the amendment that was earlier agreed to here in the Senate. It is an amendment cosponsored by Senator Kassebaum, Senator Simon, and Senator Feingold. The purpose of it was to express the sense of the Senate in opposition to the military overthrow of the Government of Burundi, to encourage the swift and prompt end of the current crisis, and for other purposes.

Mr. President, I rise today to speak about the current situation in Burundi and the growing evidence that the international community is now facing a disaster similar to that which occurred in Rwanda in 1994 and to offer a sense-of-the-Senate resolution condemning the reported coup that is occurring today in Burundi.

Just this past Saturday, 300 people, the majority of whom were women and children, were slaughtered as part of the continuing violence between the Hutu and Tutsi in Burundi. Survivor accounts revealed that many of those killed had their hands and feet tied before being shot in the back of the head. The rest were hacked to death with machetes.

Mr. President, those 300 join the estimated 150,000 who have been murdered over the 2½ years in this small African nation. The estimated population of 500,000 to 800,000 who died in the horrible killing between Hutu and Tutsi in Rwanda in less than 2 months in 1994. Together, almost the equivalent of the population of my home State of New Mexico has died in this troubled part of the world.

Mr. President, I am concerned about the apathy we see regarding the current situation. I am also concerned about the lack of a concerted international effort to prevent another situation like that which occurred in Rwanda in this region.

On Tuesday, the headline in the Washington Post read, "Killings Ellicit Shock, but No U.N. Action." The article noted that this weekend's massacre of 300 women and children elicited expressions of horror from the members of the Security Council but that none of the member nations, including the United States, gave any sign that the United States would be able to act to halt the killing. Yesterday it was reported that the President of Burundi had taken refuge in the U.S. Ambassador's residence. This takes place amid reports of the massive deportation of Hutu refugees from northern Burundi. Just this morning, Reuters is reporting that the army has seized power, outlawed political parties and closed the airport and land borders.

To even a casual viewer it seems clear that the U.S. is now on a fast slide down the precipice that its neighbor, Rwanda, slid down in 1994. As Pope John Paul said yesterday, "Burundi continues to sink into an abyss of violence whose victims are drawn from among the weakest in society—children, women, the old. I cannot but state my horror."

Mr. President, in 1994, after the plane carrying the Presidents of Rwanda and Burundi was shot down, the world stood silent while Rwanda exploded in almost unspeakable violence. While I commend the administration for the diplomatic initiatives it has undertaken prior to this week's events, in particular the appointment of former Congressman Howard Wolpe to the position of special negotiator for Burundi and Rwanda, those efforts have not been enough. The administration's attention must now be focused on this crisis. And while there have been those in Congress like my friends and colleagues, Senators Kassebaum, Feingold, and Simon, who have spoken about Burundi and Rwanda, it is now crucial that others begin to stand, and speak, with them as well.

Clearly communicating to the President of Zaire that his support of Hutu rebels who are using Zaire as a springboard into Burundi where they commit unspeakable atrocities cannot be tolerated by the United States.

Immediately increasing our diplomatic efforts and conducting those at a sufficiently high level to make clear that the United States is willing to be engaged in a serious effort at halting the current crisis.

Focusing our diplomatic efforts on moving the Organization of African Unity and the international community to begin assembling the regional forces that the former President of Tanzania has negotiated with the Government of Burundi.

If the OAU is unable to organize such a force we should be prepared to support other efforts by the U.N. to develop an appropriate response to this crisis.

While I do not believe we should send U.S. ground forces to Burundi, I do believe that the United States should be ready to provide support to a rapid re-action force in the form of logistical, organizational and communications resources.

Strongly urging President Clinton to speak out once again against the violence in Burundi and make clear to the world that the United States has an interest in preventing another genocide.

Mr. President, we need not undertake another Somalia type mission to make a difference in Burundi. It does not require ground troops nor will it require large expenditures. What America can and should provide, however, is leadership and a strong, unwavering voice against the current situation.

The Pope spoke yesterday about the evil that is the ethnic hatred in Burundi and Rwanda. Today, the U.N. U.N. visiting Secretary General for peace-keeping missions, Kofi Annan, said:

"We have to move very quickly before everything blows up in our faces. As it is, history will judge us rather severely for Rwandan events. I don't think we can repeat that experience in Burundi. What we need and what we are seeking now is the political will to act.

Mr. President, I agree and I think passage of this resolution will put the
for the first time in history, is being
up to the President's request.

ics and law enforcement up to the
appropriation for international narcot-
to international narcotics, bringing the

take a 2 percent across-the-board re-

help fill President Clinton's request for
more. So we take $25 million
million more than the President re-

Well, first, in this budget for inter-
dent's request to get it up to $213 mil-

Senate, undercut that.

national narcotics war. In other words,

2 million children in our country have

U.S. spending for antinarcotics by
some $53 million over the Senate fund-
level, a level which is already $45
year's spending. If this amendment is ap-

Yet, despite my serious concern about the drug problem in our country, as well as my dismay about the admin-
istration's weak response, I must reluc-
tantly oppose the amendment.

Mr. President, as has been pointed
out, this amendment would increase U.S.
spending for antinarcotics by
some $53 million over the Senate fund-
level, a level which is already $45
year's spending. If this amendment is ap-

In a bill where every account has
been straight-lined or decreased, there
is absolutely no reason to support a

Let me say why. We all want to help
slow the flow of drugs into the United
States. I have always been a believer,
however, that where there is a demand,
there will be a supply. There is a world
of narcotics, and unless we are able to
disable the demand, we are going to be
able to effectively stop the supply into this
country.

The international antinarcotics pro-
gram has simply not been an effective
use of scarce Federal dollars. To date,
we have invested hundreds of millions
of dollars in this effort. Yet, worldwide
production of illicit drugs has in-
creased dramatically. Over the past
decade, just 10 years, the production of
marijuana has roughly doubled, and
coca production has tripled. For ex-
ample, since 1990, the United States
has spent over $500 million on

The effort of this amendment is very
simple. It is to simply meet the Presi-
dent's request to get it up to $213 mil-

Mr. President, how do we do that?

Well, first, in this budget for inter-
national operations, it appropriates $32
million, which is almost 30 percent of its funding in 1993.
Funding in the last several years has
been below the levels in the Bush ad-
ministration. These cuts were in keeping
with the downgrading of drug ef-
forts by the Clinton administration. At the
time, the administration did vir-
tually nothing to support its own inter-
national counter-narcotics programs in
Congress. Although Congress restored
some of that funding last year, we still
need to close the gap to ensure our
international programs are adequately
supported. This year I also note a sur-
prising invisibility on the part of the
administration to promote funding for its
own programs.

As the task force report on National
Drug Strategy notes, our overall drug
effort needs to be sustained and it
needs to be consistent. The administra-
tion, however, has done little to sus-
tain its own programs. And there has
not been much consistency. We must
try to change this.

I am also aware that some members
here feel that international programs
do not do much to address the problem
in this country. To that I say that respond-
ing to the drug problem in this country is
a team effort. No single program is the
magic solution to success. The problem
is multi-dimensional. Our solutions
must also be broad and multi-discipli-
nary. We cannot expect the small
amounts of money, compared to the
total, that we spend on international
efforts to be the sole star of the show.
INL programs are a part of the team
and we must ensure that it is not the
weakest member.

I hope that you will join me in voting
for this amendment.

I yield the floor.

Mr. LEAHY. Mr. President, I see the
distinguished senior Senator from Kan-
sas on the floor. I ask how much time
she may wish.

Mrs. KASSEBAUM. Mr. President, 5
or 6 minutes.

Mr. LEAHY. I yield 6 minutes to the
distinguished senior Senator from Kan-
sas.

Mrs. KASSEBAUM. Mr. President, I
rise to speak in opposition to the
amendment offered by my colleague
from Georgia. I certainly agree with
him, and I think we all share a

from Vermont and the Senator from
Kentucky in allowing me to speak at
this time. I yield the floor.

Mr. COVERDELL. Mr. President,
haggling over this amendment now for
quite some period of time, I will put
this amendment to the Senate.

Mr. GRASSLEY. Mr. President, I
think it has been very clearly noted
that the essence of this amendment is:
If you care about kids and the problems
that they are having with drugs, then we
must support the President's request—not exceeding it, but meeting it.

With that, Mr. President, I yield up
to 5 minutes to the distinguished Sen-
ator from Iowa.

The PRESIDING OFFICER. The
Senator from Iowa.

Mr. GRASSLEY. Mr. President, I
think it is important that the Sen-
ate 's position be made on record urg-
ing action by our Govern-
ment to promote funding for
international counter-narcotics programs in Congress. Although Congress restored
some of that funding last year, we still
need to close the gap to ensure our
international programs are adequately
supported. This year I also note a sur-
prising invisibility on the part of the
administration to promote funding for its
own programs.

As the task force report on National
Drug Strategy notes, our overall drug
effort needs to be sustained and it
needs to be consistent. The administra-
tion, however, has done little to sus-
tain its own programs. And there has
not been much consistency. We must
try to change this.

I am also aware that some members
here feel that international programs
do not do much to address the problem
in this country. To that I say that respond-
ing to the drug problem in this country is
a team effort. No single program is the
magic solution to success. The problem
is multi-dimensional. Our solutions
must also be broad and multi-discipli-
nary. We cannot expect the small
amounts of money, compared to the
total, that we spend on international
efforts to be the sole star of the show.
INL programs are a part of the team
and we must ensure that it is not the
weakest member.

I hope that you will join me in voting
for this amendment.

I yield the floor.
HEALTH COVERAGE AVAILABILITY AND AFFORDABILITY ACT OF 1996

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate insist on its amendments with respect to H.R. 3103, the health care reform bill, the Senate agree to the request for a conference with the House, and the Chair be authorized to appoint conferees on behalf of the Senate.

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

Mr. LOTT. Mr. President, before we go to the other unanimous-consent requests, I again want to thank the distinguished Democratic leader for his efforts. He has worked very hard to get a medical savings account agreement. Senator Kennedy has been involved in that. Senator Kassebaum has been very helpful in working to get a medical savings account agreement.

We did come to an understanding on medical savings accounts today. Therefore, we now can go forward with appointing conferees to resolve the balance of the issues. I am prepared to give to the Democratic leader the language that we will be working on in conference as we complete these unanimous-consent requests.

Would the Democratic leader like to comment?

Mr. DASCHLE. Mr. President, I will have more to say about this later on this evening. But let me just take a moment at this point to thank the distinguished majority leader for the effort that he has put forth over the last several days. We are particular. Were it not for the cooperation that we were able to demonstrate on both sides, especially from the majority leader, I do not know that we would be here tonight.

Let me also compliment the distinguished Senator from Massachusetts. No one has been more relentless and more cooperative and more helpful in providing us with ways in which to resolve the many complicated aspects to this negotiated settlement than has the distinguished Senator from Massachusetts. I thank him, as well as the chair of the committee, the distinguished Senator from Kansas.

This has been a very cooperative effort in the last several days. It has taken a lot of time. We are here, and I applaud all of those who had a part to play in it, in particular the majority leader and the Senator from Massachusetts.

Mr. KENNEDY. Will the Senator yield?

Mr. LOTT. I yield to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I want to join in commending both the majority leader and the minority leader for giving such support and encouragement towards reaching this important agreement which hopefully will free us to move forward on the underlying issue, which is portability and the elimination of the preexisting condition for millions of Americans. This is legislation that reflected strong bipartisan support under the leadership of Senator Kassebaum and the Republicans and Democrats on that committee

I think this agreement, which includes a real, fair test of some 750,000 policies and other consumer protections, will, I think, provide for a test of this concept. But most importantly, what it will do is move us closer to the day when we can provide for the 25 million Americans that have preexisting conditions and for the millions of Americans who want portability to achieve this goal.

This has been a time where there has been strong views on certain issues. But I think it is a real tribute to both of our leaders and the persistence of Senator Kassebaum, as well as the leadership of Mr. Archer over in the House of Representatives, that we have been able to move this process forward. I want to say how much I look forward to working with the majority leader and the other conferees to moving to the conclusion of the conference. But I join others in thanking Senator Daschle—and Senator Daschle, who has been such a strong supporter of moving this process forward. I thank them for their very strong support for this conclusion.

Mr. LOTT. Mr. President, I thank the Senator from Massachusetts.

Mr. LOTT. Mr. President, I now ask unanimous consent that the Senate insist on its amendments with respect to H.R. 3448, the small business tax relief package, the Senator from Massachusetts, Mr. Daschle, and Mr. Byrd, and from the Committee on Finance, Mr. Roth, Mr. Chafee, Mr. Grassley, Mr. Hatch, Mr. Simpson, Mr. Pressler, Mr. Moynihan, Mr. Davis, Mr. Bradley, Mr. Pryor, and Mr. Rockefeller conferees on the part of the Senate.

Mr. LOTT. Mr. President, Senator Daschle and I have been working with the chairman of the Finance Committee and Senators D'Amato, Moynihan, and Reid, with regard to an issue involved in this conference. And the chairman of the Finance Committee has assured me, Senator D'Amato, and Senate Moynihan, that the language, under this legislation, with regard to electric and gas utilities that are eligible for the two-county local furnishing rule under current law, will not cause them to lose their ability to issue tax-exempt bonds, in their ability to expand service within the counties and the cities they presently serve.

Mr. DASCHLE. Mr. President, I indicated to both New York Senators my desire to work with the majority leader to ensure that we will address their concerns to their satisfaction. I am sure that we can do that, and we will work with the two Senators from New York to make that a part of whatever agreement we reach in conference. I also said that I would address both conferences, the distinguished majority leader has indicated his desire to make these truly bipartisan conferences. He has given me that assurance on the floor of occasions. He has related and reiterated his determination to make that happen privately to me on many occasions.

So, indeed, my expectation is that in both of these conferences we will have true bipartisanism in an agreement to involve every member of these delegations. That is the reason we appoint both Democrats and Republicans. I am very hopeful that our work can proceed in a way that will allow us to complete the work on these bills in the very near future. Working together, I am quite sure that can happen.

Again, I appreciate his assurances that we will see that bipartisanship through the deliberations of both of these conferences.

Mr. LOTT. Mr. President, if I could respond to that. First, the conferees on the Senate reform package did not meet today—both parties—and I understand they are going to be meeting again in the morning, to work through the differences between the two bodies.
In the case of health insurance reform, the small business tax relief package, and the minimum wage issue, I do not see any way it could be concluded without bipartisan cooperation. In fact, we would not have been able to agree on this package tonight without a lot of cooperation across the aisle in the Senate and the bicameral cooperation on the other side.

When the Congressmen from Texas, Mr. Archer, and the Senator from Massachusetts, Senator Kennedy, can get together, I think we all can get together. These conferences will proceed in this bipartisan and bicameral manner.

Mr. Kennedy. Will the Senator yield for a brief comment?

Mr. Lott. I am glad to yield.

Mr. Kennedy. I want to join in thanking both leaders in moving us forward, particularly on the minimum wage. I think all of us understand—there is virtually no difference—that we accept the House provisions on the minimum wage. We will have to make sure that we have a date for enactment in a timely way. I had hoped that we would be able to do that with a 30-day provision in there. We have done it in as short 23 days in other times when we have had the increase in the minimum wage.

I want to join with Senator Daschle and others to say that these workers have waited a long time. And I am very, very hopeful that we can get to the conference committee and settle so that we complete the conference to at least try to make sure that the working families are going to get that raise hopefully by Labor Day or very shortly thereafter.

I think the majority leader and Senator Daschle very much for moving ahead on this program.

DISTRICT OF COLUMBIA APPROPRIATIONS FOR FISCAL YEAR 1997

Mr. Lott. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of Calendar No. 509, which is S.R. 3845, the District of Columbia appropriations bill.

There being no objection, the Senate proceeded to consider the bill (H.R. 3845) making appropriations for the government of the District of Columbia and the activities chargeable either in whole or in part against revenues of said District for the fiscal year ending September 30, 1997, and for other purposes, which had been reported from the Committee on Appropriations, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italics.)

H.R. 3845

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 District of Columbia for the fiscal year ending September 30, 1997, and for other purposes, namely:

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA

For payment to the District of Columbia for the fiscal year ending September 30, 1997, $660,000,000, as authorized by section 502(a) of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, as amended (D.C. Code, Sec. 47-3061).

FEDERAL CONTRIBUTION TO RETIREMENT FUNDS

For the Federal contribution to the Police Officers and Fire Fighters', Teachers', and Judges' Retirement Funds, as authorized by the District of Columbia Retirement Reform Act, approved November 17, 1979 (93 Stat. 866; Public Law 96-122), $52,070,000.

PRESIDENTIAL INAUGURATION

For payment to the District of Columbia in lieu of reimbursement for expenses incurred in connection with Presidential inauguration activities, $5,702,000, as authorized by section 737(b) of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, as amended (D.C. Code, Sec. 1-1003), which shall be apportioned by the Chief Financial Officer within the various appropriate accounts in this Act.

DIVISION OF EXPENSES

The following amounts are appropriated for the District of Columbia for the current fiscal year out of the general fund of the District of Columbia, except as otherwise specifically provided.

GOVERNMENTAL DIRECTION AND SUPPORT

Governmental direction and support, $115,663,000 and 1,440 full-time equivalent positions, including $93,741,000 and 1,371 full-time equivalent positions from local funds, $12,192,000 and 8 full-time equivalent positions from Federal funds, and $4,780,000 and 61 full-time equivalent positions from other funds; Provided, That funds expended for operating the Executive Office of the Mayor shall be available for the purposes for which the funds were appropriated;

Governmental direction and support, $12,000,000 and 120 full-time equivalent positions from local funds, $9,700,000 and 95 full-time equivalent positions from Federal funds, and $2,500,000 and 25 full-time equivalent positions from other funds; Provided, That funds expended for operating the Executive Office of the Mayor shall be available for the purposes for which the funds were appropriated; and Provided, That such funds may not be transferred to any other position or use.

GOVERNMENTAL DIRECTION, SUPPORT, AND OPERATIONS

Governmental direction, support, and operations, $45,788,000 and 524 full-time equivalent positions from Federal funds, and $22,800,000 and 257 full-time equivalent positions from other funds; Provided, That a maximum of 25 passenger-carrying vehicles and 67 full-time equivalent positions from Federal funds, and $22,800,000 and 257 full-time equivalent positions from other funds; Provided, That funds expended for operating the Mayor's Office of Campaign Finance and the Campaign Finance Agency that are in excess of the amounts required for debt service, reserve funds, and operating expenses; Provided further, That such funds may not be transferred to any other position or use; and Provided further, That funds expended for operating the Mayor's Office of Campaign Finance and the Campaign Finance Agency that are in excess of the amounts required for debt service, reserve funds, and operating expenses; Provided further, That such funds may not be transferred to any other position or use;

GOVERNMENTAL DIRECTION, SUPPORT, AND OPERATIONS

Governmental direction, support, and operations, $22,800,000 and 257 full-time equivalent positions from both local and Federal funds; Provided, That funds expended for operating the Mayor's Office of Campaign Finance and the Campaign Finance Agency that are in excess of the amounts required for debt service, reserve funds, and operating expenses; Provided further, That such funds may not be transferred to any other position or use; and Provided further, That funds expended for operating the Mayor's Office of Campaign Finance and the Campaign Finance Agency that are in excess of the amounts required for debt service, reserve funds, and operating expenses; Provided further, That such funds may not be transferred to any other position or use;

GOVERNMENTAL DIRECTION, SUPPORT, AND OPERATIONS

Governmental direction, support, and operations, $45,788,000 and 524 full-time equivalent positions from Federal funds, and $22,800,000 and 257 full-time equivalent positions from other funds; Provided, That funds expended for operating the Mayor's Office of Campaign Finance and the Campaign Finance Agency that are in excess of the amounts required for debt service, reserve funds, and operating expenses; Provided further, That such funds may not be transferred to any other position or use; and Provided further, That funds expended for operating the Mayor's Office of Campaign Finance and the Campaign Finance Agency that are in excess of the amounts required for debt service, reserve funds, and operating expenses; Provided further, That such funds may not be transferred to any other position or use;

GOVERNMENTAL DIRECTION, SUPPORT, AND OPERATIONS

Governmental direction, support, and operations, $45,788,000 and 524 full-time equivalent positions from Federal funds, and $22,800,000 and 257 full-time equivalent positions from other funds; Provided, That funds expended for operating the Mayor's Office of Campaign Finance and the Campaign Finance Agency that are in excess of the amounts required for debt service, reserve funds, and operating expenses; Provided further, That such funds may not be transferred to any other position or use; and Provided further, That funds expended for operating the Mayor's Office of Campaign Finance and the Campaign Finance Agency that are in excess of the amounts required for debt service, reserve funds, and operating expenses; Provided further, That such funds may not be transferred to any other position or use;

GOVERNMENTAL DIRECTION, SUPPORT, AND OPERATIONS

Governmental direction, support, and operations, $45,788,000 and 524 full-time equivalent positions from Federal funds, and $22,800,000 and 257 full-time equivalent positions from other funds; Provided, That funds expended for operating the Mayor's Office of Campaign Finance and the Campaign Finance Agency that are in excess of the amounts required for debt service, reserve funds, and operating expenses; Provided further, That such funds may not be transferred to any other position or use; and Provided further, That funds expended for operating the Mayor's Office of Campaign Finance and the Campaign Finance Agency that are in excess of the amounts required for debt service, reserve funds, and operating expenses; Provided further, That such funds may not be transferred to any other position or use;
Provided further, That not to exceed $1,500 for the Chief Judge and $1,500 for the Executive Officer of the Superior Court of the District of Columbia, approved August 7, 1946 (60 Stat. 896; Public Law 79-648); section 1 of An Act to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government and Governmental Reorganization Act of 1973, approved December 24, 1973, as amended (87 Stat. 281; Public Law 93-198; D.C. Code, sec. 47-321; note; 91 Stat. 1156; Public Law 92-408; D.C. Code, sec. 47-321(a)(2); note), including interest as required thereby, $333,710,000 from local funds.

**REPAYMENT OF GENERAL FUND RECOVERY**

For the purpose of eliminating the $331,589,000 general fund accumulated deficit as of September 30, 1990, $38,314,000 from local funds, as authorized by section 461(a) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973, as amended (105 Stat. 2135; Public Law 102-106; D.C. Code, sec. 47-321(a)(1)).

**PAYMENT OF INTEREST ON SHORT-TERM BORROWING**

For payment of interest on short-term borrowing, $34,460,000 from local funds.

For reimbursement of necessary expenses incurred in connection with Presidential inauguration activities as authorized by section 4 of An Act to authorize the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, as amended, approved December 24, 1973, as amended (105 Stat. 2135; Public Law 102-106; D.C. Code, sec. 47-321(a)(1)).

**HUMAN RESOURCES DEVELOPMENT**

For Human resources development, including costs of increased employee training, administrative reforms, and an executive compensation system, $12,257,000.
and under the direction of the District of Columbia Financial Responsibility and Management Assistance Authority, make reductions of $47,411,000 and 2,411 full-time equivalent positions, and $4,488,000 and 20 full-time equivalent positions in capital outlay projects, an increase of $546,923,000 ($75,923,000 (including an increase of $34,000,000 for the highway trust fund, relocations and rescissions for a net rescission of $120,490,000 from local funds appropriated in prior years and an additional $133,419,000 in Federal funds), as authorized by An Act authorizing the laying of water mains and service sewers in the District of Columbia, the levying of assessments therefor, and for other purposes, approved April 22, 1904 (33 Stat. 244; Public Law 91-490; D.C. Code, secs. 4-1512 through 4-1519); the District of Columbia Public Works Act of 1954, approved May 18, 1954 (68 Stat. 101; Public Law 83-364); An Act to authorize and facilitate expenditures of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in payment of costs of improving the Nation's Capital City, approved June 6, 1958 (72 Stat. 183; Public Law 85-451); including acquisition of sites, preparation of plans and specifications, conducting preliminary surveys, erection of structures, including building improvement and alteration and treatment of grounds, to remain available until expended: Provided, That all funds provided by this appropriation title shall be available only for the specific projects and purposes intended: Provided further, That notwithstanding the foregoing, all authorizations for capital outlay projects, except those projects covered by the first sentence of section 105, shall expire on September 30, 1998, except authorizations for projects as to which funds have been obligated in whole or in part prior to September 30, 1998: Provided further, That upon expiration of any such project authorization the funds provided herein for the project shall lapse.

WATER AND SEWER ENTERPRISE FUND

For the Water and Sewer Enterprise Fund, $221,362,000 from other funds of which $41,833,000 shall be apportioned and payable to the debt service fund for repayment of loans incurred for capital improvement projects.

LOTTERY AND CHARITABLE GAMES ENTERPRISE FUND

For the Lottery and Charitable Games Enterprise Fund, established by the District of Columbia Appropriation Act for the fiscal year ending September 30, 1982, approved December 4, 1981 (95 Stat. 1174, 1175; Public Law 97-91), as amended, for the purpose of implementing the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia, $10,181,000 (81 Stat. 1372; D.C. Code, secs. 2-2501 et seq. and 22-1516 et seq.), $247,900,000 and 100 full-time equivalent positions (including $7,850,000 and 100 full-time equivalent positions for administrative expenses and $240,050,000 for non-administrative expenses from revenue generated under such enterprise) and less expressly so provided herein.

CABLE TELEVISION ENTERPRISE FUND

For the Cable Television Enterprise Fund, established by Reorganization Order No. 57 of the Board of Commissioners, effective August 15, 1921, $1,012,491,000 of which $59,735,000 shall be derived from the general fund and $52,684,000 shall be derived from other funds.

D.C. RETIREMENT BOARD

For the D.C. Retirement Board, established by section 121 of the District of Columbia Retirement Reform Act of 1989, approved November 17, 1979 (93 Stat. 1866; D.C. Code, sec. 2-2101), $80,000 from the earnings of applicable retirement funds to provide for retirement, reemployment, and other administrative expenses of the District of Columbia Retirement Board: Provided, That the Mayor shall submit a budget for the Armory Board for the forthcoming fiscal year as required by the District of Columbia Self-Government and Government Reorganization Act, approved December 24, 1973 (87 Stat. 824; Public Law 93-190; D.C. Code, sec. 47-301(b)).

DISTRICT OF COLUMBIA GENERAL HOSPITAL

For the District of Columbia General Hospital, established by Reorganization Order No. 57 of the Board of Commissioners, effective August 15, 1921, $1,012,491,000 of which $59,735,000 shall be derived from the general fund and $52,684,000 shall be derived from other funds.

STARPLEX FUND

For the Starplex Fund, $8,717,000 from other funds for expenses incurred by the Armory Board in the exercise of its powers granted by an Act To Establish A District of Columbia Armory Board, and for other purposes, approved June 26, 1958 (72 Stat. 183; D.C. Code, secs. 2-301 et seq.) and the District of Columbia Stadium Act of 1957, approved July 25, 1957 (68 Stat. 85-300; D.C. Code, secs. 2-321 et seq.): Provided, That the Mayor shall submit a budget for the Armory Board for the forthcoming fiscal year as required by the District of Columbia Self-Government and Government Reorganization Act, approved December 24, 1973 (87 Stat. 824; Public Law 93-190; D.C. Code, sec. 47-301(b)).

D.C. CABLE TELEVISION ENTERPRISE FUND

For the Cable Television Enterprise Fund, established by Reorganization Order No. 57 of the Board of Commissioners, effective August 15, 1921, $1,012,491,000 of which $59,735,000 shall be derived from the general fund and $52,684,000 shall be derived from other funds.

For the D.C. Retirement Board, established by section 121 of the District of Columbia Retirement Reform Act of 1989, approved November 17, 1979 (93 Stat. 1866; D.C. Code, sec. 2-2101), $80,000 from the earnings of applicable retirement funds to provide for retirement, reemployment, and other administrative expenses of the District of Columbia Retirement Board: Provided, That the District of Columbia Retirement Board shall provide to the Congress and to the Council of the District of Columbia a quarterly report of the allocations of charges by fund and of expenditures of all funds: Provided further, That the District of Columbia Retirement Board shall provide the Mayor, for transmission to the Council of the District of Columbia, an item accounting of the planned use of appropriated funds in time for each annual audited financial report.

For the Correctional Industries Fund, established by the District of Columbia Correctional Industries Establishment Act, approved October 3, 1964 (78 Stat. 1000; Public Law 90-495; D.C. Code, sec. 47-301 et seq.), $247,900,000 and 100 full-time equivalent positions (including $7,850,000 and 100 full-time equivalent positions for administrative expenses and $240,050,000 for non-administrative expenses from revenue generated under such enterprise) and less expressly so provided herein.

For the Washington Convention Center Enterprise Fund, $47,900,000 of which $5,400,000 shall be derived by transfer from the general fund.
the compensation of personnel, or for other educational purposes may be used to permit, encourage, facilitate, or further partisan political activities. Nothing herein is intended to prohibit the payment of school or office expenses for the use of any community or partisan political group during non-school hours.

SEC. 110. None of the funds appropriated in this Act shall be made available to pay the salary of any employee of the District of Columbia whose name, status, salary, past work experience, and salary history are not available for inspection by the House and Senate Committees on Appropriations, the District of Columbia Committee of the House of Representatives, the Committee on Oversight of Government Management and the District of Columbia of the Senate Committee on Governmental Affairs, and the Council of the District of Columbia, or their duly authorized representative.

SEC. 111. There are appropriated from the applicable funds of the District of Columbia such sums as may be necessary for making payments authorized by the District of Columbia Recovery Act of 1977, effective September 23, 1977 (D.C. Law 2-20; D.C. Code, sec. 47-424 et seq.).

SEC. 112. No part of this appropriation shall be used for publicity or propaganda purposes or implementation of any policy including boycotts of, or support for or defeat of legislation pending before Congress or any State legislature.

SEC. 113. At the start of the fiscal year, the Mayor shall develop an annual plan, by quarter and by project, for capital outlay borrowings: Provided, That within a reasonable time after the close of each quarter, the Mayor shall report to the Council of the District of Columbia and the Congress the actual borrowings and spending progress compared with projections.

SEC. 114. The Mayor shall not borrow any funds for capital projects unless the Mayor has obtained prior approval from the Council of the District of Columbia, by resolution, identifying the projects and amounts to be financed with such borrowings. Such borrowings shall not expend any monies borrowed for capital projects for the operating expenses of the District of Columbia government.

SEC. 115. None of the funds appropriated by this Act may be obligated or expended by reprogramming except pursuant to advance approval after the competitive bidding process has been completed: Provided, That the procedure set forth in the Joint Explanatory Statement of the Committee of Conference (House Report No. 96-443), which accompanied the District of Columbia Appropriation Act, 1980, approved October 30, 1979 (93 Stat. 713; Public Law 96-156), as modified by Public Law 104-8.

SEC. 116. None of the funds appropriated by this Act may be obligated or expended by the Mayor to provide a personal cook, chauffeur, or other personal servants to any officer or employee of the District of Columbia.

SEC. 117. None of the Federal funds provided in this Act shall be obligated or expended to procure passenger automobiles as defined in the Automobile Fuel Efficiency Act of 1975, as amended (Public Law 94-181), as in force on October 1, 1975 (69 Stat. 749; 15 U.S.C. 1901(a)), with an Environmental Protection Agency estimated miles per gallon average of 10 or less per gallon of gasoline consumed.

SEC. 118. None of the Federal funds provided in this Act shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of the District of Columbia.

SEC. 119. (a) Notwithstanding section 422(7) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 790; D.C. Code, sec. 1-242(7)), the City Administrator shall be paid, during any fiscal year, a salary at a rate established by the Mayor, not to exceed the rate established for the position of Executive Secretary under 5 U.S.C. 3315. (b) For purposes of applying any provision of law limiting the availability of funds for payment of salary for any fiscal year, the highest rate of pay established by the Mayor under subsection (a) of this section shall apply. The District of Columbia Redevelopment Act of 1945, approved August 2, 1946 (60 Stat. 793; Public Law 97-792; D.C. Code, sec. 5-803(a)), the Board of Directors of the District of Columbia Redevelopment Land Agency shall be paid, during any fiscal year, per diem compensation at a rate established by the Mayor.


SEC. 121. The Director of the Department of Administrative Services may pay rentals and repair, alter, and improve rented premises, without regard to the provisions of section 322 of the Economy Act of 1932 (Public Law 72-212; 40 U.S.C. 278a), based upon a determination by the Director, that by reason of circumstances set forth in such determination, the payment of these rents and the execution of this work, without reference to the limitation of the Act, is necessary to carry out the Administrator of District of Columbia government.

SEC. 122. No later than 30 days after the end of each quarter, the Mayor shall submit to the Council the fiscal year estimate of funds required for the fiscal year ending September 30, 1997, based upon actual conditions as of the end of the first quarter of fiscal year 1997. These estimates shall be used in the budget request for the fiscal year ending September 30, 1998. The Mayor shall notify the Council of any adjustments at the end of the second, third, and fourth quarters of the fiscal year shall be used for the midyear report.

SEC. 123. No sole source contract with the District of Columbia government or an agency thereof may be renewed or extended without opening that contract to the competitive bidding process as set forth in section 303 of the District of Columbia Procurement Practices Act of 1985, effective February 21, 1986 (D.C. Law 6-85; D.C. Code, sec. 1-1183.3), except that the District of Columbia Public Schools may renew or extend sole source contracts for which competition is not feasible or practical, provided that the determination as to whether to invoke the sole source provision has been made in accordance with duly promulgated Board of Education rules and procedures.

SEC. 124. For purposes of the Balanced Budget and Emergency Deficit Control Act of 1985, approved December 12, 1985 (99 Stat. 1037; Public Law 99-177), as amended, the term “program, project, and activity” shall be synonymous with and refer specifically to each account appropriating Federal funds in this Act, and any sequestration order shall be applied to each of the accounts rather than to the aggregate of total of those accounts: Provided, That sequestration orders shall not be applied to any account that is subject to a program or activity which is not among those covered under the Balanced Budget and Emergency Deficit Control Act of 1985, as approved December 12, 1985 (99 Stat. 1037; Public Law 99-177), as amended.

SEC. 125. In the event a sequestration order is issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, the Council of the District of Columbia shall submit to the Secretary of the Treasury, within 15 days after receipt of a request therefor from the Secretary of the Treasury, such amounts as are sequestered by the order: Provided, That the sequestration percentage specified in the order shall be applied proportionately to each of the Federal appropriation accounts in this Act that are not specifically exempted from sequestration by the Balanced Budget and Emergency Deficit Control Act of 1985, approved December 12, 1985 (99 Stat. 1037; Public Law 99-177), as amended.

SEC. 126. Nothing in this Act shall be construed to authorize any agency of the District of Columbia to expend funds for programs or functions for which a reorganization plan is required but has not been approved by the Congress: Provided, That the Council of the District of Columbia may accept and use Federal funds for programs or functions without prior approval by the Mayor:

(1) the entities used the gift or donation during the fiscal year ending September 30, 1996, under the Act of October 25, 1977, as amended (D.C. Law 3-108; Public Law 95-354, section 303).

(2) the entities the gift or donation to carry out its authorized functions or duties.


(b) An entity of the District of Columbia government shall keep accurate and detailed records of the acceptance and use of any gift or donation under subsection (a) of this section, and shall make such records available for audit and public inspection.

(c) For the purposes of this section, the term “entity of the District of Columbia government” includes any independent agency of the District of Columbia.

(d) This section shall not apply to the District of Columbia University, which may, pursuant to the laws and regulations of the District of Columbia, accept and use gifts to the public schools without prior approval by the Mayor.

SEC. 128. None of the Federal funds provided in this Act may be used by the District of Columbia to provide for salaries, expenses, and travel of members of the United States Senate or United States Representatives under section 4(d) of the District of Columbia Statehood Constitutional Convention Act of 1979, approved March 10, 1981 (D.C. Law 3-171; D.C. Code, sec. 1-133(d)).
MONTHLY REPORTING REQUIREMENTS—BOARD OF EDUCATION

Sec. 132. The Board of Education shall submit to the Congress, the Mayor, the District of Columbia Financial Responsibility and Management Assistance Authority, and the Council of the District of Columbia no later than fifteen (15) calendar days after the end of each month a report that sets forth—
(1) current month expenditures and obligations, year-to-date payments and obligations, and total fiscal year expenditure projections vs. budget broken out on the basis of control center, responsibility center, object class, and agency reporting code, and object class, and for all funds, including capital funds;
(2) a breakdown of FTE positions and staff for the last period broken out on the basis of control center, responsibility center, and agency reporting code within each responsibility center, for all funds, including capital funds;
(3) a list of each account for which spending is frozen and the amount of funds frozen, broken out by control center, responsibility center, detailed object, and agency reporting code, and for all funding sources;
(4) a list of all active contracts in excess of $10,000 outstanding and the name of each contractor; the budget to which the contract is charged broken out on the basis of control center, responsibility center, and agency reporting code used by the D.C. Public Schools; payments made in the last month and year-to-date, the total amount of the contract and any modifications, extensions, renewals, and specific modifications made to each contract in the last month;
(5) all reprogramming requests and reports that are required to be, and have been, submitted to the Board of Education; and
(6) changes made in the last month to the organizational structure of the D.C. Public Schools, displaying previous and current control centers and responsibility centers, the names of the organizational entities that have been changed, the name of the staff member supervising each entity affected, and the reasons for the structural change.

ANNUAL REPORTING REQUIREMENTS

UNIVERSITY OF THE DISTRICT OF COLUMBIA

Sec. 133. The University of the District of Columbia shall submit, to the Congress, the Mayor, the District of Columbia Financial Responsibility and Management Assistance Authority, and the Council of the District of Columbia no later than fifteen (15) calendar days after the end of each month a report that sets forth—
(1) current month expenditures and obligations, year-to-date payments and obligations, and total fiscal year expenditure projections vs. budget broken out on the basis of control center, responsibility center, object class, and agency reporting code, and object class, and for all funds, including capital funds;
(2) a breakdown of FTE positions and staff for the most current pay period broken out on the basis of control center and responsibility center, for all funds, including capital funds;
(3) a list of each account for which spending is frozen and the amount of funds frozen, broken out by control center, responsibility center, detailed object, and for all funding sources;
(4) a list of all active contracts in excess of $10,000 annually, which contains the name of each contractor; the budget to which the contract is charged broken out on the basis of control center, responsibility center, and agency reporting code used by the University of the District of Columbia; payments made in the last month and year-to-date, the total amount of the contract and total payments made for the contract and any modifications, extensions, renewals, and specific modifications made to each contract in the last month;
(5) all reprogramming requests and reports that have been made by the University of the District of Columbia within the last month in compliance with applicable law; and
(6) changes made in the last month to the organizational structure of the University of the District of Columbia, displaying previous and current control centers and responsibility centers, the names of the organizational entities that have been changed, the name of the staff member supervising each entity affected, and the reasons for the structural change.

EDUCATIONAL BUDGET APPROVAL

Sec. 134. The Board of Education of the District of Columbia shall submit, to the Congress, the Mayor, the District of Columbia Financial Responsibility and Management Assistance Authority, and the Council of the District of Columbia no later than fifteen (15) calendar days after the end of each month a report that sets forth—
(1) current month expenditures and obligations, year-to-date payments and obligations, and total fiscal year expenditure projections vs. budget broken out on the basis of control center, responsibility center, object class, and agency reporting code, and object class, and for all funds, including capital funds;
(2) a breakdown of FTE positions and staff for the most current pay period broken out on the basis of control center and responsibility center, for all funds, including capital funds;
(3) a list of each account for which spending is frozen and the amount of funds frozen, broken out by control center, responsibility center, detailed object, and for all funding sources;
(4) a list of all active contracts in excess of $10,000 annually, which contains the name of each contractor; the budget to which the contract is charged broken out on the basis of control center, responsibility center, and agency reporting code used by the University of the District of Columbia; payments made in the last month and year-to-date, the total amount of the contract and total payments made for the contract and any modifications, extensions, renewals, and specific modifications made to each contract in the last month;
(5) all reprogramming requests and reports that have been made by the University of the District of Columbia within the last month in compliance with applicable law; and
(6) changes made in the last month to the organizational structure of the University of the District of Columbia, displaying previous and current control centers and responsibility centers, the names of the organizational entities that have been changed, the name of the staff member supervising each entity affected, and the reasons for the structural change.

ANNUAL REPORTING REQUIREMENTS

PROHIBITION AGAINST USE OF FUNDS FOR ABORTIONS

Sec. 129. None of the funds appropriated under this Act shall be expended for any abortion except where the life of the mother would be endangered if the fetus were carried to term or where the pregnancy is the result of an act of rape or incest.

PROHIBITION ON DOMESTIC PARTNERS ACT

Sec. 130. No funds made available pursuant to any provision of this Act shall be used to implement or enforce D.C. Act 9-188, signed by the Mayor, the District of Columbia on April 15, 1992.

COMPENSATION OF MEMBERS OF JUDICIAL NOMINATION COMMISSION

Sec. 131. (a) In General.—Effective as if included in the enactment of the District of Columbia Appropriations Act, 1996, section 434(b)(5) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, as amended (D.C. Code, sec. 1-121.07(a)), read as follows:
"(5) Members of the Commission shall serve without compensation for services rendered in connection with their official duties on the Commission ."  
(b) CONFORMING AMENDMENT.—Section 133(b) of the District of Columbia Appropriations Act, 1996, section 432(b)(5) of the District of Columbia Appropriations Act of 1997, and section 432(b)(5) of the District of Columbia Appropriations Act of 1998, as amended by such section is hereby restored as if such section had not been enacted into law.

MONTHLY REPORTING REQUIREMENTS—BOARD OF EDUCATION

Sec. 135. None of the funds appropriated under this Act shall be expended for any abortion except where the life of the mother would be endangered if the fetus were carried to term or where the pregnancy is the result of an act of rape or incest.

CONGRESSIONAL RECORD — SENATE

S8825

JULY 25, 1996

ANNUAL BUDGETS AND BUDGET REVISIONS

Sec. 135. (a) No later than October 1, 1996, or within fifteen calendar days after the date of the Mayor's budget submission to the Council of the District of Columbia Appropriations Act, 1997, whichever occurs later, and each succeeding year, the Board of Education and the University of the District of Columbia shall submit, to the appropriate congressional committees, the Mayor, the District of Columbia Council, the Consensus Commission, and the Authority, not later than February 15th of each year, a report setting forth a stable annual budget, in compliance with applicable law; and authorize, location for accounting purposes, job title, grade and classification, annual salary, and position control number.

(b) SUBMISSION.—The annual report required by subsection (a) of this section shall be submitted to the Congress, the Mayor, the District of Columbia Council, the Consensus Commission, and the Authority, not later than February 15th of each year.

PROHIBITION ON DOMESTIC PARTNERS ACT

Sec. 136. The Board of Education, the Board of Trustees of the University of the District of Columbia, the Board of Library Trustees, and the Board of Governors of the District of Columbia Law School, displaying previous and current positions, job title, pay plan, grade, and annual salary; and
(7) a comparison of all employees in the District of Columbia Public Schools and the University of the District of Columbia as of the preceding December 31, verified as to its accuracy in accordance with the functions for which each employee is hired, by control center, responsibility center, agency reporting code, program (including funding source), activity, location for accounting purposes, job title, grade and classification, annual salary, and position control number.

CONGRESSIONAL RECORD — SENATE

S8825

JULY 25, 1996

EDUCATIONAL BUDGET APPROVAL

Sec. 137. Notwithstanding any other provision of law, rule, or regulation, the evaluation process and instruments for evaluating public school employees shall be a non-negotiable item for collective bargaining purposes.
M O D I F I C A T I O N S O F B O A R D O F E D U C A T I O N  
R E D U C T I O N - I N - F O R C E P R O C E D U R E S


(1) in section 301 (D.C. Code, sec. 1-601.1)—
(A) by inserting after paragraph (13), the following new paragraph:

"(13A) The term 'nonschool-based personnel' means any employee of the District of Columbia public schools who is not based at a local school or who does not provide direct services to individual students.; and

(B) by inserting after paragraph (15), the following new paragraph:

"(15A) The term 'school administrators' means principals, assistant principals, school program directors, coordinators, instructional supervisors, and support personnel of the District of Columbia public schools.;"

(2) in section 801A(b)(2) (D.C. Code, sec. 1-601.1(2)(L)),—

(A) by striking "(L) reduction-in-force" and inserting "(L)(i) reduction-in-force"; and

(B) by inserting after subparagraph (L)(i), the following new clause:

"(ii) Notwithstanding any other provision of law, the Board of Education shall not issue rules that require or permit nonschool-based personnel or school administrators to be assigned to, reassigned to, or reassigned to the same competitive level as classroom teachers.;" and

(3) in section 2402 (D.C. Code, sec. 1-625.2),—

by adding at the end the following new subsection:

"(f) Notwithstanding any other provision of law, the Board of Education shall not require or permit nonschool-based personnel or school administrators to be assigned to, reassigned to, or reassigned to the same competitive level as classroom teachers."

SEC. 139. (a) Notwithstanding any other provision of law, the Board of Education shall—

(1) classify as an Educational Service employee;

(2) place under the personnel authority of the Board of Education; and

(3) subject to all Board of Education rules.

(b) School-based personnel shall constitute a separate competitive area from nonschool-based personnel.

(c) Notwithstanding any other provision of law, the Board of Education may—

(1) provide for the lateral competition of school-based personnel for retention purposes.


SEC. 140. (a) Section 2403 of the District of Columbia Government Comprehensive Merit Personnel Act of 1978 (D.C. Code, sec. 1-625.1 et seq.) is amended by amending the third sentence to read as follows: 'A personnel authority may establish lesser competitive areas within an agency on the basis of all or a combination of the following: the competitive functions of an agency, a mission or a major division of an agency.'

(b) The District of Columbia Government Comprehensive Merit Personnel Act of 1978 (D.C. Code, sec. 1-601 et seq.), as amended by section 149 of the District of Columbia Appropriations Act, 1996 (Public Law 104-134), is amended by adding the following new subsection:

"SEC. 2407. ABOLISHMENT OF POSITIONS FOR FISCAL YEAR 1997.

(a) Notwithstanding any other provision of law, regulation, or collective bargaining agreement in effect or to be negotiated while this legislation is in effect for the fiscal year ending September 30, 1997, each agency head is authorized, within the agency head's discretion, to identify positions for abolition or reduction in force.

(b) Prior to February 1, 1997, each personnel authority shall make a final determination that a position within the personnel authority is to be abolished.

(c) Notwithstanding any rights or procedures established by any other provision of law, the Board of Education shall be the exclusive competitive agency for competition or assignment rights, except as provided in this section.

(d) An employee affected by the abolishment of a position pursuant to this section who, but for this section, would be entered into competition for employment in Chapter 24 of the District of Columbia Personnel Manual, which shall be limited to positions in the employee's competitive level.

(e) Each employee identified as a bona fide Resident of the District of Columbia shall have at least five years to his or her creditable service for reduction-in-force purposes. For purposes of this subsection only, a nonresident District employee who was hired by the District government prior to January 1, 1980, and has not had a break in service since that date, or a former employee of the United States Department of Health and Human Services at Saint Elizabeths Hospital who accepted employment there on October 1, 1967, and has not had a break in service since that date, shall be considered a District resident.

(f) Each employee selected for separation pursuant to this section shall be given written notice of at least 30 days before the effective date of his or her separation.

(g) Neither the establishment of a competitive area smaller than an agency, nor the determination that a specific position is to be abolished, nor separation pursuant to this section shall be subject to review except as follows:

(1) An employee may file a complaint contesting a determination or a separation pursuant to title XV of this Act or section 303 of the Human Rights Act of 1977, effective December 13, 1977 (D.C. Law 2-28; D.C. Code, 1-2423), and

(2) An employee may file with the Office of Employee Appeals an appeal contesting that the separation procedures of subsections (d) and (f) of this section were not properly applied.

(h) An employee separated pursuant to this section shall be entitled to severance pay in accordance with title XI of this Act, except that the following shall be included in computing creditable service for severance pay for employees separated pursuant to this section:

(1) four years for an employee who qualified for veterans preference under this Act, and

(2) three years for an employee who qualified for residency preference under this Act.

(i) Separation pursuant to this section shall not affect an employee's right under either the Agency Reemployment Priority Program or the Displaced Employee Program established pursuant to Chapter 24 of the District Personnel Manual.

(j) The Mayor shall submit to the Council a listing of all positions to be abolished by agency reorganization not later than 15 days after the end of the month covered by the report.

A C C E P T A N C E A N D U S E O F G R A N T S

SEC. 141. (a) Acceptance and use of grants—

(1) In general.—Notwithstanding any other provision of law, the total amount appropriated in this Act for operating expenses for the District of Columbia for fiscal year 1997 under the caption "OPERATING EXPENSES" shall not exceed the lesser of—

(A) the sum of the total revenues of the District of Columbia for such fiscal year and $40,000,000; or

(B) $5,108,913,000 (of which $134,528,000 shall be from intra-District funds).

(2) Reporting requirements.—The Chief Financial Officer of the District of Columbia and the District of Columbia Financial Responsibility and Management Assistance Authority shall ensure that such step is taken to assure that the District of Columbia meets the requirements of this section, including the apportioning by the Chief Financial Officer of the appropriations that are available to the District during fiscal year 1997.

(b) Acceptance and use of grants not included in ceiling.—

(1) In general.—Notwithstanding subsection (a), the Mayor of the District of Columbia may accept, obligate, and expend Federal, private, and other grants received by the District government that are not reflected in the amounts appropriated in this Act.

(2) Requirement of chief financial officer report and financial responsibility and management assistance authority approval.—No such Federal, private, or other grant may be accepted, obligated, or expended pursuant to paragraph (1) until—

(A) the Chief Financial Officer of the District submits to the District of Columbia Financial Responsibility and Management Assistance Authority established by Public Law 104-8 (109 Stat. 97) a report setting forth detailed information regarding such grant; and

(B) the District of Columbia Financial Responsibility and Management Assistance Authority has reviewed and approved the acceptance, obligation, and expenditure of such grant in accordance with review and approval procedures consistent with the provisions of Public Law 104-8, the District of Columbia Financial Responsibility and Management Assistance Act of 1995.

(c) Prohibition on spending in anticipation of approval or receipt.—No money may be obligated or expended from the general fund or other funds of the District government in anticipation of the approval of or receipt of a grant under subsection (b) or in anticipation of the approval or receipt of a Federal, private, or other grant not subject to such paragraph.

(d) Monthly reports.—The Chief Financial Officer of the District shall prepare a monthly report setting forth detailed information regarding all Federal, private, and other grants subject to this section. Each such report shall be submitted to the Council of the District of Columbia, and to the Committee on Appropriations of the House of Representatives, and shall be transmitted to the Senate not later than 15 days after the end of the month covered by the report.

A C C E P T A N C E A N D U S E O F G R A N T S

SEC. 141. (a) Acceptance and use of grants—

(1) In general.—The Mayor of the District of Columbia may accept, obligate, and expend Federal, private, and other grants received by the District government that are not reflected in the amounts appropriated in this Act.

(2) Requirement of chief financial officer report and financial responsibility and management assistance authority approval.—No such Federal, private, or other grant may be accepted, obligated, or expended pursuant to paragraph (1) until—

(A) the Chief Financial Officer of the District submits to the District of Columbia Financial Responsibility and Management Assistance Authority established by Public Law 104-8 (109 Stat. 97) a report setting forth detailed information regarding such grant; and

(B) the District of Columbia Financial Responsibility and Management Assistance Authority has reviewed and approved the acceptance, obligation, and expenditure of such grant in accordance with review and approval procedures consistent with the provisions of Public Law 104-8, the District of Columbia Financial Responsibility and Management Assistance Act of 1995.

(3) Prohibition on spending in anticipation of approval or receipt.—No money may be obligated or expended from the general fund or other funds of the District government in anticipation of the approval of or receipt of a grant under subsection (b) or in anticipation of the approval or receipt of a Federal, private, or other grant not subject to such paragraph.
The Chief Financial Officer of the District shall prepare a monthly report setting forth detailed information regarding all Federal, private, and other grants subject to paragraph (3). Each such report shall be submitted to the Council of the District of Columbia and the Committee on Appropriations of the House of Representatives and the Senate, not later than 15 days after the end of the month covered by the report.

**CHIEF FINANCIAL OFFICER POWERS DURING CONTROL PERIODS**

SEC. 142. Notwithstanding any other provision of law, during any control period in effect under subtitle A of title II of the District of Columbia Financial Responsibility and Management Assistance Act of 1995 the following shall apply:

(a) The heads and all personnel of the following offices, together with all other District of Columbia executive branch accounting, budget, and financial management personnel, shall be appointed by, shall serve at the pleasure of, and shall act under the direction and control of the Chief Financial Officer:

- The Office of the Treasurer.
- The Controller of the District of Columbia.
- The Office of the District of Columbia Controller.
- The Office of the Financial Services Director.
- The Office of the Financial Information Services Director.
- The Office of the Department of Finance and Revenue.
- The Office of the District of Columbia Executive Branch Accountant.
- The Office of the District of Columbia General Accounting Officer.
- The Office of the District of Columbia Management Analyst.


(c) The Chief Financial Officer shall make recommendations concerning such estimates to the Chief Financial Officer, the Mayor, the Council of the District of Columbia, and the Council of the District of Columbia for submission to the Council of the District of Columbia for its action pursuant to sections 446 and 603(c) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973 (Public Law 93-198).

(d) The Chief Financial Officer shall have no authority to revise such estimates, but shall have no authority to reassign any portion of such estimates.

SEC. 143. (a) Up to 50 police officers and up to 50 fire and emergency medical services members with less than 20 years of departmental service who were hired before February 14, 1980, and who retire on disability before the end of calendar year 1997 shall be excluded from the computation of the rate of disability retirement for the District of Columbia Retirement Reform Act of 1979 (93 Stat. 882; D.C. Code, sec. 1-725(a)), for purposes of reducing the authorized Federal payment to the District of Columbia Police Officers and Fire Fighters' Retirement Board, the Speaker of the House of Representatives, the Secretary of the District of Columbia, the Mayor of the District of Columbia, and the Council of the District of Columbia Retirement Reform Act of 1979.

(b) Within 30 days after the enactment of this provision, the Mayor shall notify the Board of any certificate of assignment and the date of assignment.

(c) This section shall not go into effect until 15 days after the Mayor transmits the actuarial report required by section 142(d) of the District of Columbia Retirement Reform Act of 1979 (Public Law 96-122, approved November 17, 1979) to the District of Columbia Retirement Board, the Speaker of the House of Representatives, and the President pro tempore of the Senate.

SEC. 144. (a) Section 451(c)(3) of the District of Columbia Self-Government and Governmental Reorganization Act of December 24, 1973 (87 Stat. 803; D.C. Code, sec. 1-1130(c)(3)), is amended by striking the word "section" and inserting the word "sub-section" in its place.

(b) The Office of the Chief Financial Officer shall have no authority to reassign any portion of such estimates.

(c) The Chief Financial Officer shall have no authority to reassign any portion of such estimates, but shall have no authority to reassign any portion of such estimates.

SEC. 145. Section 2204(c)(2) of the District of Columbia School Reform Act of 1995 (Public Law 104-134) is amended to read as follows:

"(2) Tuition, fees, and payments.—"(A) Prohibition.—A public charter school may not, with respect to any student other than a nonresident student, charge tuition, impose fees, or otherwise require payment for any charter school financial assistance program, educational offering, or activity that—

(i) enrolls students in any grade from kindergarten through grade 12; or

(ii) is funded in whole or in part through an annual local appropriation.

"(B) Exception.—A public charter school may charge tuition, fees, and payments for the purposes of reducing the authorized Federal payment to the District of Columbia Retirement Reform Act of 1979 (93 Stat. 882; D.C. Code, sec. 1-725(a)), for purposes of reducing the authorized Federal payment to the District of Columbia Police Officers and Fire Fighters' Retirement Board, the Speaker of the House of Representatives, the Secretary of the District of Columbia, the Mayor of the District of Columbia, and the Council of the District of Columbia Retirement Reform Act of 1979.

SEC. 146. (a) Compliance with Buy American Act.—None of the funds made available in this Act may be expended by an entity unless the entity agrees that in expending the funds the entity will comply with the Buy American Act (41 U.S.C. 800-10a-10).

(b) Sense of Congress; Requirement Regarding Notice.—

(1) Purchase of American-made equipment and products.—In the case of any equipment or product that may be authorized to be purchased using funds made available in this Act, the head of each agency of the Federal or District of Columbia government shall provide to each recipient of the assistance a notice describing the statement made in paragraph (1) by the Congress.

(c) Prohibition of Contracts With Persons That Intentionally Affixed a Label Bearing a Made in America Description.—If it has been determined by a court or Federal agency that any person intentionally affixed a label bearing a Made in America description, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

advanced by the District government (including accrued interest thereon) pursuant to Congressional appropriations for fiscal years 1980 through 1992.

SEC. 148. Section 2561(b) of the District of Columbia School Reform Act of 1995 (Public Law 104-134) is amended to read as follows:

"(b) LIMITATION.—A waiver under subsection (a) shall not apply to requirements under 40 U.S.C. 267a-267a-7 and Executive Order 11246."

SEC. 149. ENERGY AND WATER SAVINGS AT DISTRICT OF COLUMBIA FACILITIES.—

(a) REDUCTION IN FACILITY ENERGY COSTS AND WATER CONSUMPTION.—

IN GENERAL.—The Director of the District of Columbia Office of Energy shall, subject to the contract approval provisions of Public Law 104-8—

(A) develop a comprehensive plan to identify and accomplish energy conservation measures to achieve maximum cost-effective energy and water savings;

(B) enter into innovative financing and contractual mechanisms including, but not limited to utility demand-side management programs and energy savings performance contracts and water conservation performance contracts; Provided, That the terms of such contracts do not exceed twenty-five years; and

(C) permit and encourage each department or agency and other instrumentality of the District of Columbia to participate in programs conducted by any gas, electric or water utility of the District, the federal government, or the federal government or for energy or water and conservation.

This Act may be cited as the District of Columbia Appropriations Act, 1997.

Mr. JEFFORDS. Mr. President, I am pleased to present the fiscal year 1997 District of Columbia appropriations bill to the Senate. This budget is, I hope, one more step in the District's path to fiscal stability and financial health.

Our goal, in this bill and every one to follow, must be a city worthy in every respect to be the symbol of our Nation—from its streets, to its schools, to its safety. The District of Columbia is at a critical juncture. If we do not exercise great care over the next few years, we will be left with a Potomak Village on the Potomac—one with gleaming monuments and grinding poverty.

The bill presented is within the sub-committee's allocation and contains a Federal payment of $660 million. This is the authorized level and the same amount as was appropriated for 1995 and 1996.

The bill also contains $52 million in Federal contributions to the pension funds for police officers, firefighters, judges, and teachers. The Federal Government accepted this commitment when it transferred these pension funds to the District over a decade ago. Finally, the bill contains some $5.7 million for reimbursement for expenses resulting from next January's Presidential inauguration.

As a quick and recent recall, the District's financial situation had so deteriorated that last year we established a control board for the city. A little over a year ago the President appointed the five members of the District of Columbia Financial Responsibility and Management Assistance Authority and its work began.

The budget before us is the first to fully benefit from the work of the Financial Authority and the process established by its authorizing legislation. The Mayor, the city council, the chief financial officer and the Financial Authority have worked together and produced a budget which each supports. The committee's bill adopts the consensus budget without change. I think we should respect the process we established in the control board legislation and defer to the budget presented us. I think this budget is a sound one. It restrains spending, which is up from about $5 billion this year to some $5.1 billion next year, and relies on much more conservative assumptions than some past budget submissions.

The budget reduces spending in some areas, and increases it in others, such as public safety. As we trim spending, I think it is vital that we support spending in such core functions as public safety and education.

To further insure fiscal integrity, this bill removes any ambiguity in the authority of the CFO. The committee intends that he shall oversee all financial personnel in the executive branch, excluding the independent agencies.

Section 148 of the bill contains an important amendment to the Director of the District of Columbia Energy Office to negotiate energy performance contracts, the terms of which can extend up to 25 years. Under current law, the District is limited to entering 1 year contracts which acts to discourage companies from entering such contracts.

The Department of Energy's [DOE] Federal Energy Management Program is an ambitious program to reduce energy consumption in all Federal buildings and installations. Agencies and Departments invite energy service companies to install energy efficient lighting, heating, and cooling systems.

The companies provide the investment capital and their payback comes from the portion of the money saved when the Agency's energy bills are lowered. A good example of the program's success is the DOE's headquarters building recently remodeled without any Federal appropriation. It lowered the cost of operating the Forestall Building, reduced energy costs and saved taxpayer money.

The District's public buildings and particularly its public schools are in desperate need of repair and rehabilitation. With the management contracting authority, the city can attract capital improvement investments from energy service companies prepared to install energy efficient equipment.

Under this program, we can reduce the District's $50 million annual energy bill without the need to appropriate funds. Many school districts across America have come to rely upon this contracting mechanism and it is time the District of Columbia has this authority. While this would provide the District with much needed flexibility, these contracts would be subject to the same review by the Financial Authority for all other contracts.

Mr. President, I want to thank my colleagues on the subcommittee, Senator KOHL and Senator CAMPBELL. I also want to thank the chairman of the Committee on Appropriations, Senator HATFIELD, and our distinguished ranking member, Senator BYRD, for their leadership and assistance on this bill.

Finally, I would like to briefly thank a former Senate staff member, Mr. B. Timothy Leeth, for all of his work on this bill and so many appropriations bills before it.

As my colleagues on the Appropriations Committee know, Tim joined the committee staff in 1980 and has served during most of his tenure as the clerk of the District Subcommittee, Congress after Congress he would inherit new chairmen and committee members who probably, like me, know very little about the details of the District's operations.

With extraordinary patience, intelligence, and good humor, he would suffer the same questions from each one of us year after year. He worked hard and well for members on both sides of the aisle, of all different political philosophies and professional manner. He was, and remains, an outstanding public servant.

We will miss his efforts on behalf of the committee and the Senate, but the District of Columbia is fortunate that it will continue to benefit from his work.

Mr. President, I yield the floor.

Mr. BYRD. Mr. President, I commend the distinguished majority [Mr. JEFFORDS] and minority [Mr. KOHL] managers of the Fiscal Year 1997 District of Columbia Appropriations Bill. I know, from 7 years of personal experience as Chairman of the District of Columbia Appropriations Subcommittee, how much effort is required, and how much frustration is involved, in dealing with the problems encountered in formulating this legislation. It is a thankless job.

The bill before the Senate recommends the $5.1 billion Fiscal Year 1997 District of Columbia budget that was forwarded to Congress. That budget represents a consensus agreed to by the District of Columbia City Council, the Mayor, and the Control Board. The Administration supports the consensus budget.

Mr. President, last year the Congress enacted the District of Columbia Financial Responsibility and Management Assistance Act, which was designed to restore fiscal integrity of the District of Columbia. Section 201(c) of that legislation requires that progress for equalizing expenditures and revenues of the District Government must be made with the balance being achieved in 1999. The Subcommittee Chairman and Ranking Member are working with the rest of the Caucus, and are working with the Control Board, the City Council, and the Mayor, to achieve the desired result.
I want to commend the staff of the Subcommittee. Tim Leeth, on the majority, and Terry Sauvain, on the minority, are two experienced committee staffers. Mr. Leeth has worked for both the majority and minority and represented the president pro tempore of the Senate Appropriations Committee staff. Mr. Leeth is leaving the Committee and will serve on the staff of the Control Board. He has done a fine job as a member of the Committee staff and made many important contributions. I thank him for his excellent service and wish him well in his new assignment.

Mr. Sauvain continues to serve as my Deputy Staff Director of the Appropriations Committee, in addition to his work for the Subcommittee.

Mr. KOHL, Mr. President, I commend the distinguished Subcommittee Chairman (Mr. JEFFORDS), in connection with the Fiscal Year 1997 District of Columbia Appropriations Bill. He has done a good job and I support him in his efforts.

The bill before the Senate recommends the $5.1 billion Fiscal Year 1997 District of Columbia budget that was forwarded to Congress. That budget represents a consensus agreement by the District of Columbia City Council, the Mayor, and the Control Board. The Administration supports the consensus budget.

Mr. President, last year the Congress enacted the District of Columbia Financial Responsibility and Management Assistance Act, which was designed to restore fiscal integrity of the District of Columbia. Section 201(c) of that legislation requires that progress for equalizing expenditures and revenues of the District Government must be made with the balance being achieved in 1999. The Subcommittee is keenly aware of this requirement and is working with the Control Board, the City Council, and the Mayor, to achieve a balance.

I want to commend the staff of the Subcommittee. Tim Leeth, on the majority, and Terry Sauvain, on the minority, are two able and experienced staffers. After many years on the Committee staff, Mr. Leeth is leaving the Committee and will continue to be associated with the District of Columbia as a senior staff member of the Control Board. Tim is an excellent person and professional staff member. I have appreciated wise counsel in matters relating to the District of Columbia. My colleagues and I will miss him here in the Senate. I am pleased that his expertise in District matters and good humor will be available to the members of the Control Board.

Mr. President, I yield the floor.

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 421, H.R. 2980.

The PRESIDING OFFICER. Without objection, the Senate is so ordered.

The bill (H.R. 3845), as amended, was deemed read a third time, and passed. Mr. LOTT. Mr. President, I ask unanimous consent that the Senate insist on its amendments and request a conference with the House, and that the Chair be authorized to appoint conferees on the part of the Senate.

There being no objection, the Presiding Officer (Mr. BENNETT) appointed Mr. CAMPBELL, Mr. HATFIELD, Mr. KOHL, and Mr. INOUE conferees on the part of the Senate.

Mr. LOTT. Mr. President, I would like to go on record as being against this bill, which ignores the very grave problems of the District of Columbia and only throws money at what can only be called a complete mess.

In the D.C. control board we have an organization that seems incapable of dealing decisively with the D.C. government, a government that cannot provide such basic services as law enforcement, fire fighting, water, sewers, and road maintenance—just to name a few. Compare this with, say, the State of North Dakota, which, with approximately the same population but with 70,636 more square miles to manage, can fulfill all its basic governing duties.

For the State of North Dakota, total government spending—State and local—for 1995 was approximately $2.7 billion. Washington, DC, by contrast, spent a total of $5.2 billion for 1995. In other words, the D.C. government spends twice as much as North Dakota and still comes up short. Let's look at it another way: Per capita government spending in North Dakota is $3,857; in D.C., it's nearly $9,000.

Comparing Washington, DC, to the rest of the Nation, the picture looks equally bleak. Looking at numbers from sworn testimony before the D.C. Appropriations Subcommittee, published studies and the Washington Post:

"D.C. employs over 37,000 people to service a population of 550,000 people. The city of Los Angeles has the same number of employees but a population of three million people—six times that of D.C. Even though Washington, D.C.—unlike Los Angeles—has responsibilities of a state government, these numbers are still striking."

"Despite a 25 percent drop in the number of school-aged children in the 1980s, D.C. public education expenditures have grown to over $9,400 per student, the highest in the nation."

"The District spent so little on maintenance that a court had to step in to correct fire code violations."

What is the District's problem? Quite simply, there is no accountability in this District government. There is certainly no accountability in the city government. By simply continuing to write checks, and not demanding a change in behavior, we perpetuate the problem.

If it is going to improve—financially, service-wise, and in terms of just plain carrying out its day-to-day duties—if that is to happen, Mr. President, then we are going to have to stop doing the things we've been doing. A change of course is in order. No more bailing out the District; no more saving the District from itself. The city of Washington, DC, must take the initiative and make the changes necessary to bring itself out of its present misrable condition and begin to function more efficiently and affectively. Congress cannot continue to hold the District's hand, always standing by, ready to get the city out of a tight spot. Accountability and responsibility are in order. The District must face the source of its problems and government virtually incapable of governing—and tackle them head-on.

Mr. President, I would offer the strongest possible suggestion to my colleagues on the D.C. Appropriations Committee that they take a new look at how they determine funding for the District of Columbia. Only by adapting a course of radical change can Washington, DC, hope to be a normal, functioning city.

**INTERSTATE STALKING PUNISHMENT AND PREVENTION ACT OF 1996**

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 421, H.R. 2980.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

H.R. 3845. To amend title 18, United States Code, with respect to stalking.

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

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

Mr. LOTT. I ask unanimous consent that an amendment which is at the desk be immediately agreed to, the bill be advanced to third reading and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill appear at the appropriate place in the Record.

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

The amendment (No. 5083) was agreed to, as follows:

SEC. 2. GUN BAN FOR INDIVIDUALS COMMITTING DOMESTIC VIOLENCE.

(a) DEFINITIONS.—Subsection (a) of title 18, United States Code, is amended by adding at the end the following new paragraph:

"(33) The term `crime involving domestic violence' means a felony or misdemeanor crime of violence, regardless of length, term, or manner of punishment, committed by a...
The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, I would be glad to defer to Senator LAUTENBERG.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. I thank the Chair.

I rise to express my appreciation for the hard work that has gone into resolving the problem that we had. There was an attempt, a serious attempt to work it out. And at times it looked like we just could not come together. But through the persistence of the leaders, the help of Senator CRAIG and the agreement with Senator HUTCHISON, we were able to do this.

It is an important piece of legislation. I will take time later on to talk about it, but I want to express my thanks to all of those who enabled this piece of legislation to go through. It is going to be very meaningful to women and families across this country. Two cases that are reported within households each and every year, and this will take the murder away from substantial numbers of them.

Again, I express my appreciation for the cooperation to get this bill passed.

Mr. LOTT. I am happy to yield to the distinguished Senator from Texas, who moved this legislation, the idea of getting some Federal ability to deal with stalkers across State lines. It is an issue that obviously affects people to the greatest degree in this country. She has shown real compassion and a determination to get it done, and I commend her for her efforts. I am pleased we have been able to get it worked out tonight. I would be glad to yield for her comments on it.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mrs. HUTCHISON. I thank the Chair. I thank the distinguished majority leader and the minority leader for helping us work this out. This is a bill that has been pending since Memorial Day and this will allow us to look them up, and if someone crosses State lines breaking the law, we will be able to apprehend them. I hope we will be able to prevent the harm and even murders of women and children in this country.

Senator LAUTENBERG is to be commended for working with us to make his amendment a good amendment, and I applaud him for it. I think it adds to the bill.

I was willing to work with us, and I think we now have a very strong bill. Because of Senator Lautenberg's amendment, we are also going to be able to keep people who batter their wives or people with whom they live from having handguns. So I think it is going to be a great bill that will give the victims and children of this country some protection that they do not now have, and I am very pleased to be supportive of this compromise.

I thank the Chair.

HYDROELECTRIC PROJECT
EXTENSION

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 234, H.R. 1051.

The PRESIDING OFFICER. The clerk will report.

The legislative calendar reads as follows:

A bill (H.R. 1051) to provide for the extension of certain hydroelectric projects located in the State of West Virginia.

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

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

I ask unanimous consent that the bill be deemed read a third time, passed, the motion to reconsider be laid upon the table, and that no statements relating to the bill be printed at the appropriate place in the Record.

The PRESIDING OFFICER (Mr. BROWN). Is there objection? The Chair hears none, and it is so ordered.

The bill (H.R. 1051) was deemed to have been read three times and passed.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. LOTT. I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nominations on the Executive Calendar No. 579, Calendar No. 580, Calendar No. 680.

I further ask unanimous consent that the nominations be confirmed en bloc and the motions to reconsider be laid upon the table, and that any statements relating to the bill be printed at the appropriate place in the Record.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF JUSTICE

Glenn Dale Cunningham, of New Jersey, to be United States Marshal for the District of New Jersey for the term of four years.

THE JUDICIARY

Joan B. Gottschall, of Illinois, to be United States District Judge for the Northern District of Illinois.

Robert L. Hinkle, of Florida, to be United States District Judge for the Northern District of Florida.

Nomination of Glenn Cunningham

Mr. LAUTENBERG. Mr. President, it is my pleasure to offer congratulations
to Glenn Cunningham, President Clinton's nominee for United States Marshal for New Jersey, upon his confirmation by the U.S. Senate. I also extend my congratulations to Mr. Cunningham's proud family and friends.

I had the honor and privilege of recommending Mr. Cunningham to the President, and I want to take a few moments of the Senate's time to explain why I am convinced that he will do an outstanding job in this important position.

Mr. President, Glenn Cunningham has a long and distinguished record of public service. For over 25 years he has been a widely respected law enforcement officer in command-level positions.

Currently, Mr. Cunningham serves as Director of Public Safety for Hudson County, N.J. In that capacity, he oversees a department with a $42 million budget and over 700 employees. By any measure, he has been outstanding in the performance of his duties.

Previously, Mr. President, Glenn spent 14 years in the Jersey City Police Department, where he rose from the rank of Detective to Captain. He has also served as an instructor at Jersey City State College in criminal justice, as a Commissioner of the New Jersey Alcohol and Beverage Control Commission, and as Security and Housing Manager of the Jersey City Housing Authority.

Mr. President, in all of these endeavors, Glenn Cunningham has demonstrated that he is a man of real integrity, as well as a man of real talent. He has also himself to be dedicated to serving the public through law enforcement.

LEGISLATIVE SESSION
The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

Mr. LOTT. I yield the floor, Mr. President.

Mr. President, I am proud to have recommended Mr. Cunningham to the President, and I am very proud and pleased to offer my congratulations to him today. I wish him all the best in his new position, and I hope that he will serve our State and country for many years. I know that he will serve with integrity, dedication and distinction.

Mr. President, Glenn Cunningham has been a widely respected law enforcement officer in command-level positions.

He has also shown himself to be dedicated to serving the public through law enforcement.

That is not just my judgment. It is the judgment of those who have known him for many years, and who have worked closely with him.

Mr. President, I want to explain for a moment why this amendment is needed. Under current Federal law it is illegal for persons convicted of felonies to possess firearms. Yet many people who engage in serious spousal or child abuse ultimately are not charged with or convicted of the crime. At the end of the day, due to outdated thinking, or perhaps after a plea bargain, they are—most convicted of a misdemeanor.

In fact, Mr. President, most of those who commit family violence are never even prosecuted. When they are, one-third of the cases that would be considered felonies if committed by strangers are, instead, filed as misdemeanors. The fact is, in many places today, domestic violence is not taken as seriously as other forms of criminal behavior. Often, acts of serious spouse abuse are not even considered felonies.

In just the past few years, some judges have demonstrated outrageous callousness and disregard for women's lives. Right up the road from here, Baltimore County, just 2 years ago, a State circuit court judge was hearing a case involving a man who shot his wife and killed her. As he handed down a sentence that was primarily served on weekends for a short period of time, the judge said that the worst part of his job is "sentencing noncriminals as criminals." Can you imagine, as if shooting one's wife in the head was not criminal behavior.

Or the case of a man who tracked down his wife and shot her five times, killing her. The judge in that case gave the man a minimal sentence, to be served on weekends. In explaining why he was being so lenient, the judge said that the victim had provoked her husband by not telling him that she was leaving their abusive marriage.
These, Mr. President, are just two examples of the way our criminal justice system often refuses to treat domestic violence as a serious crime. Yet the scope of the problem is enormous. Each year, using a very conservative estimate, 1,500 women die because of domestic abuse involving a gun. Many believe that the number is closer to several thousand. Neither of these numbers include children.

Mr. President, when women are killed in domestic disputes, the murderers are holding a gun about 65 percent of the time. It is not just beatings and other types of punishment. Put another way, two-thirds of domestic violence murders involve firearms. Many of these murders would never have happened but for the presence of a gun.

The New England Journal of Medicine reports that in households with a history of battering, a gun in the home increases the likelihood that a woman would be murdered by three times—threefold. In other words, when you combine wife beaters and guns, the result is death.

Mr. President, I focused thus far mainly on wife beaters, but domestic violence also involves children. In at least one-half of wife-abusing families, the children are battered as well. Mr. President, 2,000 American children are killed each year from abuse inflicted by a parent or a caretaker. Yet, as I said before, many of these abusers and batters are prosecuted only for misdemeanors, and under Federal law they are still free to possess firearms. This amendment closes this dangerous loophole and keeps guns away from violent individuals who threaten their own families, people who show they cannot control themselves and are prone to fits of violent rage, directed, unbelievably enough, against their own loved ones. The amendment says abuse your child and lose your gun. Beat your wife, and lose your gun. Assault your ex-wife, lose your gun, no ifs, ands or buts.

It is a tough policy, Mr. President. But when it comes to domestic violence, we have to get tough. There is no margin of error when it comes to domestic abuse and guns. A firearm in the hand of an abuser all too often means death.

If this bill had been law, maybe, just maybe, a person named Marilyn Garland of Barberton, OH, would be alive today. Her husband had previously been convicted of domestic violence offenses for physically abusing her. But even though he had shown himself to be violent and prone to wife beating, no law prevented him from owning a gun. Eventually, as it often does, the cycle of violence spun out of control and Marilyn’s husband used the gun to kill her. He then disposed of her body. It was a horrible, brutal act that was committed. It did not have to happen.

By their nature, acts of domestic violence are especially dangerous and require special attention. These crimes involve people who have a history together and perhaps share a home or a child. These are not violent acts between strangers, and they don’t arise from a chance meeting. Even after a separation, the individuals involved, often by necessity, have a continuing relationship of some sort, either custody of children or common property ownership.

This amendment is based on legislation that I introduced earlier this year which has been endorsed by over 30 prominent national organizations, including the National Coalition Against Domestic Violence, the National Network to End Domestic Violence, the Family Violence Prevention Fund, the American Academy of Pediatrics, and the YWCA of the U.S.A., just to name a few.

The people who commit these crimes often have a history of violent or threatening behavior. Yet, frequently, they are permitted to possess firearms with no legal restrictions. The statistics and the data are clear. Domestic violence, no matter how it is labeled, leads to more domestic violence. Guns in the hands of convicted wife beaters leads to murder.

I made a change from the introduced version to respond to a suggestion from some of my colleagues. Like my original bill, which covered persons indicted for domestic violence offenses, this amendment applies only to those who have actually been convicted of domestic violence. This amendment would save the lives of many innocent Americans, but it would also send a message about our Nation’s commitment to ending domestic violence and about our determination to protect millions of women and children who suffer from this abuse.

To put it directly, Mr. President, there are over 2 million cases of household violence reported each and every year, and 150,000 of those show a gun present, a firearm present, during a violent rage or an argument. We ought not to expose those people who are abused by a spouse or a father to further violence by enabling them to have a gun, with the permission of our country.

So the amendment, which passed earlier, simply stands for the proposition that wife beaters and child abusers should not have guns. I think the overwhelming majority of Americans would agree. I look forward to a prompt passage by the House and the signature of the President making this law.

Mr. President, the following Members were original cosponsors of the bill I introduced, S. 1632: Senators Feinstein, Bradley, Murray, Kennedy, Kerry, Kohl, Akaka, Inouye, and Simon.

I thank the Chair and I thank the staff who worked so late this evening to accommodate me.

I yield the floor.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

The PRESIDING OFFICER. In accordance with the previous order, the Senate stands adjourned until 9:30 tomorrow.

Thereupon, the Senate, at 11:18 p.m., adjourned until Friday, JJuly 26, 1996, at 9:30 a.m.

CONFIRMATIONS

Executive nominations confirmed by the SenateJuly 25, 1996

DEPARTMENT OF JUSTICE

GLENN DALE CUNNINGHAM, OF NEW JERSEY, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF NEW JERSEY FOR THE TERM OF 4 YEARS.

THE JUDICIARY

JOAN B. GOTTSCHALL, OF ILLINOIS, TO BE U.S. DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF ILLINOIS.

ROBERT L. HINKLE, OF FLORIDA, TO BE U.S. DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF FLORIDA.
HIGHLIGHTS

Senate passed D.C. Appropriations, 1997.
House committee ordered reported 10 sundry measures.

Senate

Chamber Action

Routine Proceedings, pages S8741-S8832

Measures Introduced: Four bills were introduced, as follows: S. 1989-1992. (See next issue.)

Measures Passed:

Sexual Offender Tracking and Identification Act: Committee on the Judiciary was discharged from further consideration of S. 1675, to provide for the nationwide tracking of convicted sexual predators and the bill was then passed, after agreeing to the following amendment proposed thereto:

Gramm Amendment No. 5038, in the nature of a substitute.

Pages S8777-81

D.C. Appropriations, 1997: Senate passed H.R. 3845, making appropriations for government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1997, after agreeing to committee amendments.

Senate insisted on its amendments, requested a conference with the House thereon, and the Chair appointed the following conferees: Senators Jeffords, Campbell, Hatfield, Kohl, and Inouye.

Pages S8821-29

Interstate Stalking Punishment and Prevention Act: Senate passed H.R. 2980, to amend title 18, United States Code, with respect to stalking, after agreeing to the following amendment proposed thereto:

Lott (for Lautenberg) Amendment No. 5083, to prohibit persons convicted of a crime involving domestic violence from owning or possessing firearms.

Pages S8829-32

Hydroelectric Project Extension: Senate passed H.R. 1051, to provide for the extension of certain hydroelectric projects located in the State of West Virginia, clearing the measure for the President.

Pages S8830


Cambodia Most-Favored-Nation Treatment: Senate passed H.R. 1642, to extend nondiscriminatory treatment (most-favored-nation treatment) to the products of Cambodia, after agreeing to a committee amendment in the nature of a substitute.

(See next issue.)

Small Business Investment Company Improvement Act: Senate passed S. 1784, to amend the Small Business Investment Act of 1958, after agreeing to a committee amendment in the nature of a substitute, and the following amendment proposed thereto:

Murkowski (for Bond/Bumpers) Amendment No. 5090, to provide for an extension of the Small Business Competitiveness Demonstration Program.

(See next issue.)

Health Coverage Availability and Affordability Act: Committee on the Judiciary was discharged from further consideration of H.R. 3166, to amend the Internal Revenue Code of 1986 to improve portability and continuity of health insurance coverage in the group and individual markets, to combat waste, fraud, and abuse in health insurance and health care delivery, to promote the use of medical savings accounts, to improve access to long-term care services and coverage, to simplify the administration of health insurance, and to reform medical liability, and the bill was then passed, after agreeing to the following amendment proposed thereto:

Murkowski (for Specter) Amendment No. 5091, in the nature of a substitute.

(See next issue.)
Federal Employee Representation Improvement Improvement Act: Senate passed H.R. 782, to amend title 18 of the United States Code to allow members of employee associations to represent their views before the United States Government, after agreeing to a committee amendment in the nature of a substitute.

(See next issue.)

Foreign Operations Appropriations, 1997: Senate continued consideration of H.R. 3540, making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1997, with a committee amendment in the nature of a substitute, taking action of amendments proposed thereto, as follows:

- By a unanimous vote of 96 yeas (Vote No. 238), McConnell Modified Amendment No. 5017, to require information on cooperation with United States antiterrorism efforts in the annual country reports on terrorism. Pages S8741-44
- By 51 yeas to 46 nays (Vote No. 244), Coverdell Amendment No. 5018, to increase the amount of funds available for international narcotics control programs. Pages S8745, S8819-20 (continued next issue)
- McCain Amendment No. 5019, to sanction certain U.S. assistance to Burma unless such sanctions would be contrary to U.S. national security interests. (By 45 yeas to 54 nays (Vote No. 243), Senate failed to table the amendment.) Pages S8745-58, S8795-96, S8808-16
- McConnell (for Bumpers) Amendment No. 5020, to allocate foreign assistance for Mongolia. Pages S8758, S8760
- McConnell (for Reid) Amendment No. 5021, to restrict the use of funds for any country that permits the practice of female genital mutilation. Pages S8758, S8760
- McConnell (for Inouye/Bennett) Amendment No. 5022, to earmark funds for support of the United States Telecommunications Training Institute. Pages S8758, S8760
- McConnell (for Leahy) Amendment No. 5023, to delete provisions relating to a landmine use moratorium. Pages S8758, S8760
- McConnell (for Leahy/Inouye) Amendment No. 5024, to require a report on actions of the Government of Tunisia with respect to civil liberties and the independence of the judiciary. Pages S8758-60
- McConnell (for Leahy) Amendment No. 5025, to provide additional funds to support the International Development Association. Pages S8758-60
- McConnell/Leahy Amendment No. 5026, to amend the notification requirements provisions. Pages S8758, S8760, S8817

Subsequently, the amendment was modified.

By 70 yeas to 28 nays (Vote No. 240), Helms Amendment No. 5028, to prohibit United States voluntary contributions to the United Nations and its specialized agencies if the United Nations attempts to implement or impose taxation on United States persons to raise revenue for the United Nations.

Murkowski Amendment No. 5029, to express the sense of the Congress regarding implementation of United States-Japan Insurance Agreement.

McConnell (for Helms) Amendment No. 5030, to express the sense of Congress regarding the conflict in Chechnya.

McConnell (for Brown) Amendment No. 5031, to allocate funds for demining operations in Afghanistan. Pages S8770, S8772

McConnell (for Faircloth) Amendment No. 5032, to require a General Accounting Office study and report on the grants provided to foreign governments, foreign entities, and international organizations by United States agencies. Pages S8770-72

McConnell (for Faircloth) Amendment No. 5033, to require a GAO study and report on the grants provided to foreign governments, foreign entities, and international organizations by United States agencies. Pages S8770-72

McConnell (for Simon) Amendment No. 5034, to clarify the use of certain development funds for Africa. Pages S8770, S8772

McConnell (for Moynihan) Amendment No. 5039, to require certain reports on the situation in Burma regarding labor practices. Pages S8775-76

McConnell (for Graham) Amendment No. 5040, to make Haiti eligible to purchase defense articles and services. Pages S8775-76

McConnell (for Brown/Simon) Amendment No. 5041, to express the sense of the Congress that the United States should take steps to improve economic relations between the United States and the countries of Eastern and Central Europe. Pages S8775-76

McConnell (for Specter) Amendment No. 5042, to permit certain claims against foreign states to be heard in United States courts where no extradition treaty with the state existed at the time the claim arose and where no other adequate and available remedies exist. Pages S8775-76

McConnell (for Brown) Amendment No. 5043, to express the sense of the Congress that Croatia be commended for its contributions to NATO and peacekeeping efforts in Bosnia. Pages S8775-76

McConnell (for Brown) Amendment No. 5044, to express the sense of the Congress that Romania is...
making significant progress toward admission to NATO.

Kerry Amendment No. 5046 (to Amendment No. 5045), to promote the establishment of a permanent multilateral regime to govern the transfer of conventional arms. (Subsequently, the amendment fell when Amendment No. 5045, listed below, was tabled.)

Pages S873–84

By 96 yeas to 3 nays (Vote No. 242), Domenici Amendment No. 5047, to withhold international military education and training assistance from Mexico unless the Mexican Government apprehends and prosecutes or extradites the ten most wanted drug lords indicted in the United States.

Pages S8875–76

McConnell (for Bingaman) Amendment No. 5080, to express the sense of the Senate in opposition to the military overthrow of the Government of Burundi and to encourage the swift and prompt end to the current crisis.

Pages S8816–19

McConnell (for Abraham) Amendment No. 5081, to provide for $15,000,000 earmarked for the American Schools and Hospitals Abroad Program from the Development Assistance Account.

Pages S8816–17

McConnell (for Abraham) Amendment No. 5082, to provide for $5,000,000 earmarked for a land and resource management institute to identify nuclear contamination at Chernobyl.

Pages S8816–17 (continued next issue)

Subsequently, the amendment was modified.

Pages S8816–17 (see next issue.)

McConnell (for Cochran) Amendment No. 5084, to reduce the contribution to the International Fund for Agricultural Development.

(see next issue.)

McConnell/Leahy/Lautenberg Amendment No. 5085, to establish the Bank for Economic Cooperation and Development in the Middle East and North Africa.

(see next issue.)

McConnell (for Leahy) Amendment No. 5086, to provide for the transfer of unobligated and unearmarked funds to International Organizations and Programs.

(see next issue.)

McConnell (for Pell) Amendment No. 5087, to express the sense of the Senate that the United States Government should encourage other governments to draft and participate in regional treaties aimed at avoiding any adverse impacts on the physical environment or environmental interests of other nations or a global commons area, through the preparation of Environmental Impact Assessments, where appropriate.

(see next issue.)

Murkowski Amendment No. 5089 (to Amendment No. 5078), to provide conditions for funding North Korea's implementation of the nuclear framework agreement.

(see next issue.)

Rejected:
By 43 yeas to 56 nays (Vote No. 239), Smith Amendment No. 5027, to strike funds made available for the Socialist Republic of Vietnam.

(see next issue.)

Dorgan/Hatfield Amendment No. 5045, to establish standards of eligibility for arms transfers and give Congress a role in reviewing which governments are eligible for U.S. arms transfers and military assistance. (By 65 yeas to 35 nays (Vote No. 241), Senate tabled the amendment.)

Pages S8760–65, S8773–74

Pending:
Simpson Amendment No. 5088, to strike the provision which extends reduced refugee standards for certain groups.

(see next issue.)
Lieberman Amendment No. 5078, to reallocate funds for the Korean Peninsula Energy Development Organization. 

A unanimous-consent agreement was reached providing for further consideration of the bill and certain amendments to be proposed thereto, on Friday, July 26, 1996. 

Health Insurance Reform Act—Conferes: Senate insisted on its amendment to H.R. 3103, to amend the Internal Revenue Code of 1986 to improve portability and continuity of health insurance coverage in the group and individual markets, to combat waste, fraud, and abuse in health insurance and health care delivery, to promote the use of medical savings accounts, to improve access to long-term care services and coverage, and to simplify the administration of health insurance, agreed to the request of the House for a conference thereon, and the Chair appointed the following conferees: Senators Roth, Kassebaum, Lott, Kennedy, and Moynihan. 

Small Business Job Protection Act—Conferes: Senate insisted on its amendment to H.R. 3448, to provide tax relief for small businesses, to protect jobs, to create opportunities, to increase the take home pay of workers, requested a conference with the House thereon, and the Chair appointed the following conferees: from the Committee on Labor and Human Resources: Senators Kassebaum, Jeffords, and Kennedy; and from the Committee on Finance: Senators Roth, Chafee, Grassley, Hatch, Simpson, Pressler, Moynihan, Baucus, Bradley, Pryor, and Rockefeller. 

Energy and Water Appropriations, 1997—Agreement: A unanimous-consent agreement was reached providing for the consideration of S. 595, making appropriations for energy and water development for the fiscal year ending September 30, 1997, on Friday, July 26, 1996. 

Nominations Confirmed: Senate confirmed the following nominations: 

Glenn Dale Cunningham, of New Jersey, to be United States Marshal for the District of New Jersey for the term of four years. 

Joan B. Gottschall, of Illinois, to be United States District Judge for the Northern District of Illinois. 

Robert L. Hinkle, of Florida, to be United States District Judge for the Northern District of Florida. 

Committee Meetings 

(Committees not listed did not meet) 

COMMERCE ONLINE 

Committee on Commerce, Science, and Transportation: Committee concluded hearings on S. 1726, to promote electronic commerce by facilitating the use of privacy-enhancing technologies, after receiving testimony from Louis J. Freeh, Director, Federal Bureau of Investigation, Department of Justice; William A. Reinsch, Under Secretary of Commerce for Export Administration; William P. Crowell, Deputy Director, National Security Agency; James Barksdale, Netscape Communications, Mountain View, California; Roel Pieper, Tandem Computers, Inc., Cupertino, California; and Grover Norquist, Americans for Tax Reform, and Michael Skol, Diplomatic Resolutions, both of Washington, D.C. 

NATIONAL PARKS/SITES 

Committee on Energy and Natural Resources: Subcommittee on Parks, Historic Preservation and Recreation concluded hearings on S. 1699, to require the Secretary of the Interior to establish the National Cave and Karst Research Institute in the vicinity and outside the boundaries of Carlsbad Caverns National Park, New Mexico, and S. 1809, entitled "Aleutian World War II National Historic Sites Act", after receiving testimony from John Reynolds, Deputy Director, National Park Service, Department of the Interior; and Brad Gilman, Ounalashka Corporation, Unalaska, Alaska. 

WORLD BANK PROJECTS 

Committee on Foreign Relations: Committee held hearings to examine the nature of Xingjiang Production and Construction Corp and its role in administering World Bank projects in Xinjiang, China, receiving testimony from David Lipton, Assistant Secretary of the Treasury for International Affairs; Jeffrey L. Felder, Washington, D.C., and Harry Wu, Milpitas,
California, both of the Laogai Research Foundation, Washington; Teresa Buczacki, Falls Church, Virginia; Mohammed Ferhat, Munich, Germany; and Abulaijiang Baret, Urumqi, Xinjiang, China.

Hearings were recessed subject to call.

BUSINESS MEETING
Committee on Governmental Affairs: Committee ordered favorably reported the following business items:

The nomination of Franklin D. Raines, of the District of Columbia, to be Director, Office of Management and Budget;

S. 1376, to terminate unnecessary and inequitable Federal corporate subsidies, with an amendment in the nature of a substitute;

S. 1931, to provide that the United States Post Office building that is to be located at 9 East Broad Street, Cookeville, Tennessee, shall be known and designated as the “L. Clure Morton Post Office and Courthouse”, with an amendment in the nature of a substitute; and

S. 1718, authorizing funds for fiscal year 1997 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and for the Central Intelligence Agency Retirement and Disability System, with an amendment.

BUSINESS MEETING
Committee on the Judiciary: Committee ordered favorably reported the following bills:

S. 1237, to revise certain provisions of law relating to child pornography, with an amendment in the nature of a substitute;

S. 1887, to make improvements in the operation and administration of the Federal courts, with an amendment in the nature of a substitute; and

S. 1556, to prohibit economic espionage, and to provide for the protection of United States proprietary economic information in interstate and foreign commerce, with an amendment in the nature of a substitute.

GENETICS RESEARCH
Committee on Labor and Human Resources: Committee concluded hearings to examine recent developments in genetics research, public policy issues with regard to access to and use of genetic information, and the impact of genetic technologies on certain sectors of industry, health care delivery system, and the public, after receiving testimony from Senators Mack and Domenici; Francis S. Collins, Director, National Center for Human Genome Research, National Institutes of Health, Department of Health and Human Services; Karen H. Rothenberg, University of Maryland School of Law, and Neil A. Holtzman, Johns Hopkins Medical Institutions, both of Baltimore, Maryland; Patricia D. Murphy, OncorMed, Inc., Gaithersburg, Maryland; Kate T. Christensen, Permanente Medical Group, Oakland, California; Judy E. Garber, Dana-Farber Cancer Institute/Harvard University Medical School, Boston, Massachusetts; and Wendy L. McGoodwin, Council for Responsible Genetics, Cambridge, Massachusetts.

House of Representatives

Chamber Action


Pages H8556–57

Reports Filed: Reports were filed as follows:

Conference report on H.R. 1617, to consolidate and reform workforce development and literacy programs (H. Rept. 104–707); and

H. Res. 489, providing for the consideration of, H.R. 2823 to amend the Marine Mammal Protection Act of 1972 to support the International Dolphin Conservation Program in the eastern tropical Pacific Ocean (H. Rept. 104–708).

Pages H8387–H8458, H8516, H8556

Speaker Pro Tempore: Read a letter from the Speaker wherein he designates Representative Myrick to act as Speaker pro tempore for today.

Page H8381

Committees to Sit: The following committees and their subcommittees received permission to sit today during proceedings of the House under the 5-minute rule: Committees on Agriculture, Banking and Financial Services, Commerce, Economic and Educational Opportunities, Government Reform and Oversight, International Relations, Judiciary, Resources, Small Business, and Transportation and Infrastructure.

Page H8384

Energy and Water Development Appropriations: By a yea-and-nay vote of 391 yeas to 23 nays, Roll
No. 360, the House passed H.R. 3816, making appropriations for energy and water development for the fiscal year ending September 30, 1997.

Agreed To:
The Schaefer amendment that increases funding for renewable energy programs by $30 million, debated on July 24 (agreed to by a recorded vote of 279 ayes to 135 noes, Roll No. 358).

Rejected:
The Obey amendment that sought to eliminate the $17 million funding for the Advanced Light Water Reactor Program, debated on July 24 (rejected by a recorded vote of 198 ayes to 211 noes, Roll No. 357); and

The Markey en bloc amendment that sought to eliminate the $20 million funding for pyroprocessing or electrometallurgical treatment by reducing energy research and development by $5 million and defense environmental restoration and waste management by $15 million, debated on July 24 (rejected by a recorded vote of 138 ayes to 278 noes, Roll No. 359).

Campaign Finance Reform: By a yea-and-nay vote of 162 yeas to 259 nays, Roll No. 365, the House failed to pass H.R. 3820, to amend the Federal Election Campaign Act of 1971 to reform the financing of Federal election campaigns.

By a recorded vote of 209 ayes to 212 noes, Roll No. 364, the House rejected the Fazio amendment that sought to recommit the bill to the Committee on House Oversight with instructions to report it back forthwith with an amendment that clarifies the definitions relating to independent expenditures.

Rejected, by a recorded vote of 177 ayes to 243 noes, Roll No. 363, the Fazio amendment in the nature of a substitute consisting of the text of H.R. 3505, to amend the Federal Election Campaign Act of 1971, modified by the amendment printed in the report of the Committee on Rules, H. Rept. 104-685.

By a yea-and-nay vote of 270 yeas to 140 nays, Roll No. 362, the House agreed to H. Res. 481, the rule which provided for consideration of the bill.

Child Labor Provisions: Agreed to the Senate amendment to H.R. 1114, to authorize minors who are under the child labor provisions of the Fair Labor Standards Act of 1938 and who are under 18 years of age to load materials into balers and compactors that meet appropriate American National Standards Institute design safety standards—clearing the measure for the President.

Senate Messages: Message received from the Senate today appears on page H 3831.

Quorum Calls—Votes: Four yea-and-nay votes and five recorded votes developed during the proceedings of the House today and appear on pages H 3834–85, H 3835–86, H 3836, H 3837, H 3838–70, H 3840, H 8513–14, H 8515–16, and H 8516. There were no quorum calls.

Adjournment: Met at 10 a.m. and adjourned at 9:40 p.m.

Committee Meetings

PROCESSOR-FUNDED MILK PROMOTION PROGRAM
Committee on Agriculture: Subcommittee on Livestock, Dairy, and Poultry held an oversight hearing on the processor-funded milk promotion program (MilkPEP) established by the Fluid Milk Promotion Act of 1990. Testimony was heard from Richard M. McKee, Director, Dairy Division, Agricultural Marketing Service, USDA; and public witnesses.

BUDGET RECONCILIATION
Committee on Banking and Financial Services: Began consideration of the following reconciliation recommendations to be transmitted to the Committee on the Budget for inclusion in the Budget Reconciliation Act: Title III, Subtitle A—Deposit Insurance Funds; Subtitle B—Thrift Charter Conversion.

Committee recessed subject to call.

CONSUMER PRODUCTS—ENERGY EFFICIENCY
Committee on Commerce: Subcommittee on Energy and Power held a hearing on Federal Energy Efficiency Standards for Consumer Products. Testimony was heard from Representative Gillmor; the following officials of the Department of Energy: Christine A. Ervin, Assistant Secretary, Energy Efficiency and Renewable Energy; and Michael McCabe, Director, Office of Codes and Standards; and public witnesses.

JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT AMENDMENTS
Committee on Economic and Educational Opportunities: Subcommittee on Early Childhood, Youth and Families approved for full Committee action amended H.R. 3876, Juvenile Crime Control and Delinquency Prevention Act of 1996.
MISCELLANEOUS MEASURES; DRAFT REPORTS


The Committee also approved the following draft reports: “Protecting the Nation’s Blood Supply from Infectious Agents: The Need for New Standards to Meet New Threats”; “Health Care Fraud: All Public and Private Payers Need Federal Criminal Anti-Fraud Protections”; “Investigation into the Activities of Federal Law Enforcement Agencies Toward the Branch Davidians”; and “Two Year Review of the White House Communications Agency Reveals Major Mismanagement, Lack of Accountability and Mission Creep”.

SYRIA AND SUPPORT FOR INTERNATIONAL TERRORISM

Committee on International Relations: Held a hearing on Syria: Peace Partner or Rogue Regime? Testimony was heard from Philip Wilcox, Coordinator for Counterterrorism, Department of State; and public witnesses.

ALBANIA—HUMAN RIGHTS AND DEMOCRACY

Committee on International Relations: Subcommittee on International Operations and Human Rights held a hearing on Human Rights and Democracy in Albania. Testimony was heard from Rudolf V. Perina, Senior Deputy Assistant Secretary, Bureau of European and Canadian Affairs, Department of State; and public witnesses.

OVERSIGHT

Committee on the Judiciary: Subcommittee on Commercial and Administrative Law held an oversight hearing to review whether Congress should adopt legislation that would exempt from local taxation wireless service providers who transmit satellite-delivered video programming. Testimony was heard from public witnesses.

CIVIL RIGHTS COMMISSION ACT

Committee on the Judiciary: Subcommittee on the Constitution approved for full Committee action H.R. 3874, Civil Rights Commission Act of 1996.

LABORER'S INTERNATIONAL UNION OF NORTH AMERICA

Committee on the Judiciary: Subcommittee on Crime concluded hearings on the Administration’s efforts against the influence of organized crime in the Laborer’s International Union of North America. Testimony was heard from the following officials of the Department of Justice: James Burns, U.S. Attorney, Northern District, Illinois; John C. Keeney, Deputy Assistant Attorney General, Criminal Division; Paul E. Coffey, Organized Crime and Racketeering, Section; Michel Ross, Supervisory Special Agent, FBI; Abner J. Mikva, former Counsel, The White House; and public witnesses.

OVERSIGHT—OUTER CONTINENTAL SHELF MORATORIA

Committee on Resources: Subcommittee on Energy and Mineral Resources held an oversight hearing on Outer Continental Shelf moratoria. Testimony was heard from Representatives Goss, Seastrand, Riggs, Woolsey, Pallone, Eshoo, and Pelosi; and Cynthia L. Quartermann, Director, Minerals Management Service, Department of the Interior.

OVERSIGHT—NATIONAL WILDLIFE REFUGE

Committee on Resources: Subcommittee on Fisheries, Wildlife and Oceans held an oversight hearing on National Wildlife Refuge System. Testimony was heard from Robert Streeter, Assistant Director, Refuges and Wildlife, U.S. Fish and Wildlife Service, Department of the Interior.

MISCELLANEOUS MEASURES

Committee on Resources: Subcommittee on National Parks, Forests and Lands held a hearing on the following bills: H.R. 3099, Washita Battlefield National Historic Site Act of 1996; H.R. 3819, to amend the Act establishing the National Park Foundation; H.R. 3486, to dispose of certain Federal properties at Dutch John, Utah, and to assist local government in the interim delivery of basic services to the Dutch John community; H.R. 3769, to provide for the conditional transfer of the Oregon and California Railroad Grant Lands, the Coos Bay Military Wagon Road Lands, and related public domain lands to the State of Oregon; and H.R. 3497, Snoqualmie National Forest Boundary Adjustment Act of 1996. Testimony was heard from Representatives Bunn of Oregon, Dunn, Lucas, and Orton; the following officials of the Department of the Interior: Katherine
Stevenson, Associate Director, Cultural Resource Stewardship and Partnerships, National Park Service; Nancy Hayes, Chief of Staff and Counselor, Bureau of Land Management; and Steve Richardson, Director, Policy and External, Bureau of Reclamation; Eleanor Towns, Director, Lands, Forest Service, USDA; and public witnesses.

OVERSIGHT
Committee on Resources: Subcommittee on Water and Power Resources held an oversight hearing on deferred maintenance and energy reliability issues at facilities generating power marketed by the Southeastern Power Administration. Testimony was heard from Representatives Franks of New Jersey and Meehan; Victor S. Rezendes, Director, Energy, Resources and Science Issues, GAO; Charles Borchardt, Administrator, Southeastern Power Administration, Department of Energy; Daniel R. Burns, Chief of Operations, Construction and Readiness Division, Corps of Engineers, Department of the Army; and public witnesses.

INTERNATIONAL DOLPHIN CONSERVATION PROGRAM ACT
Committee on Rules: Granted, by voice vote, a modified closed rule providing 1 hour of debate on H.R. 2823, International Dolphin Conservation Program Act.

In lieu of the Committee on Resources amendment, the rule provides for an amendment in the nature of a substitute printed in the Congressional Record and numbered 1 to be considered as an original bill for the purpose of amendment. The amendment numbered 1 shall be considered as read.

The rule also provides for an amendment to be offered by Representative Miller of California or his designee, which shall be considered as read, shall be debatable for 1 hour equally divided and controlled by the proponent and an opponent, and shall not be subject to amendment. Finally, the rule provides one motion to recommit, with or without instructions. Testimony was heard from Chairman Young and Representatives Saxton, Gilchrest, and Miller of California.

OVERSIGHT—EFFECTIVENESS OF U.S. EXPORT ASSISTANCE CENTERS
Committee on Small Business: Subcommittee on Procurement, Exports, and Business Opportunities held an oversight hearing on the Effectiveness of U.S. Export Assistance Centers. Testimony was heard from JayEtta Hecker, Director, International Trade, Finance and Competitiveness Division, GAO; the following officials of the Department of Commerce: Johnnie Frazier, Assistant Inspector General, Inspections and Program Evaluations; and Lauri-Fitz-Pegado, Assistant Secretary and Director General, U.S. Commercial Service; James P. Morris, Director, Regional Office, Export-Import Bank of the United States; and Mary N. Joyce, International Trade Specialist, SBA.

COMMITTEE BUSINESS
Committee on Standards of Official Conduct: Met in executive session to consider pending business.

ISTEA REAUTHORIZATION
Committee on Transportation and Infrastructure: Subcommittee on Surface Transportation continued hearings on ISTEA Reauthorization: Maintaining Adequate Infrastructure: The Surface Transportation Program. Testimony was heard from Representative Visclosky; William G. Burnett, Executive Director, Department of Transportation, State of Texas; Brian Rude, Senator, State of Wisconsin; and public witnesses.

Hearings continue July 30.

SOCIAL SECURITY MISCELLANEOUS AMENDMENTS ACT; SSA AS AN INDEPENDENT AGENCY
Committee on Ways and Means: Subcommittee on Social Security approved for full Committee action the Social Security Miscellaneous Amendments Act of 1996.

The Subcommittee also held a hearing to Review the Performance of the Social Security Administration as an Independent Agency. Testimony was heard from Rogello Garcia, Specialist in American National Government, Government Management and Operations Section, Government Division, Congressional Research Service, Library of Congress; Charles A. Bowsher, Comptroller General, GAO; and Shirley Sears Chater, Commissioner, SSA.

U.S. TRADE COMPETITIVENESS AND WORKFORCE EDUCATION AND TRAINING
Committee on Ways and Means: Subcommittee on Trade held a hearing on U.S. Trade Competitiveness and Workforce Education and Training. Testimony was heard from Robert R. Reich, Secretary of Labor; David Longanecker, Assistant Secretary, Post-Secondary Education, Department of Education; and public witnesses.

Joint Meetings
BUDGET RECONCILIATION
Conferees met to resolve the differences between the Senate- and House-passed versions of H.R. 3734, to provide for reconciliation pursuant to section 201(a)(1) of the concurrent resolution on the budget
July 25, 1996

CONGRESSIONAL RECORD — DAILY DIGEST

for fiscal year 1997, but did not complete action thereon, and recessed subject to call.

NEW PUBLIC LAWS

(For last listing of Public laws, see DAILY DIGEST, p. D794)

H.R. 701, to authorize the Secretary of Agriculture to convey lands to the City of Rolla, Missouri. Signed July 24, 1996. (P.L. 104-165)

COMMITTEE MEETINGS FOR FRIDAY, JULY 26, 1996

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Banking, Housing, and Urban Affairs, to hold oversight hearings to review the General Accounting Office report on the Federal Reserve System, 9:15 a.m., SD-538.

House

Committee on Banking and Financial Services, Subcommittee on Housing and Community Opportunity, hearing on Expanding Section 8 Contracts and FHA Insurance, 10 a.m., 2128 Rayburn.

Committee on Commerce Subcommittee on Commerce, Trade, and Hazardous Materials, hearing on H.R. 3391, to amend the Solid Waste Disposal Act to require at least 85 percent of funds appropriated to the Environmental Protection Agency from the Leaking Underground Storage Tank Trust Fund to be distributed to States for cooperative agreements for undertaking corrective action and for enforcement of subtitle I of such Act, 10 a.m., 2322 Rayburn.

Committee on Government Reform and Oversight, Subcommittee on Human Resources and Intergovernmental Relations, hearing on Consumers and Health Informatics, 10 a.m., 2154 Rayburn.

Committee on Resources, briefing on proposed National Petroleum Reserve—Alaska Land Exchange contained in the House counter-offer to the Senate on the Presidio legislation, 11:30 a.m., 1324 Longworth.

Joint Meetings

Conferees, on S. 1316, to authorize funds for programs of the Safe Drinking Water Act, 9:15 a.m., 2123 Rayburn Building.
Next Meeting of the SENATE
9:30 a.m., Friday, July 26

Senate Chamber


Next Meeting of the HOUSE OF REPRESENTATIVES
9 a.m., Friday, July 26

House Chamber

Program for Friday: Consideration of H.R. 2391, Working Families Flexibility Act (modified open rule, 1 hour of general debate).