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House of Representatives

The House met at 9 a.m. and was called to order by the Speaker pro tempore [Mr. MILLER of Florida].

DESIGNATION OF THE SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
September 20, 1996.

I hereby designate the Honorable DAN MILLER to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Reverend Dr. Ronald F. Christian, office of the bishop, Evangelical Lutheran Church in America, Washington, DC, offered the following prayer:

Almighty God, with Your mercy new to us every day irrespective of our nature, and with Your grace provided to each one alike without regard to need, we pray, give to each one of us, O God, Your gift of peace, so that our lives will be an example of Your righteousness.

Give to our Nation, O God, the earnest search for justice, so that our conversations and actions will show a desire for what is right.

Give to those ordained with responsibility for leadership a sense of awe and a spirit of humility that will offer thoughtful and useful commentary on behalf of those without voice.

And give to us all a measure of Your love, so that compassion can be our benchmark for honor, kindness the waterline for friendship, patience the starting pole of brother and sisterhood, and hope the finish line for our lives. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

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

Mr. MONTGOMERY 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.

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Mr. LEWIS of Georgia. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

Whereas on December 6, 1995, the Committee on Standards of Official Conduct agreed to appoint an outside counsel to conduct an independent, nonpartisan investigation of allegations of ethical misconduct by Speaker Newt Gingrich;

Whereas, after an eight-month investigation, that outside counsel has submitted an extensive document containing the results of his inquiry;

Whereas the report of the outside counsel cost the taxpayers $500,000;

Whereas the public has a right—and Members of Congress have a responsibility—to examine the work of the outside counsel and reach an independent judgment concerning the merits of the charges against the Speaker;

Whereas these charges have been before the Ethics Committee for more than two years;

Whereas a failure of the Committee to release the outside counsel's report before the adjournment of the 104th Congress will seriously undermine the credibility of the Ethics Committee and the integrity of the House of Representatives: Therefore, be it

Resolved, That the Committee on Standards of Official Conduct shall release to the public the outside counsel's report on Speaker Newt Gingrich—including any conclusions, recommendations, attachments, exhibits or accompanying material—no later than Wednesday, September 25, 1996.

The SPEAKER pro tempore. Under rule IX, a resolution offered from the floor by a Member other than the majority leader or the minority leader as a question of privileges of the House has immediate precedence only at a time or place designated by the Chair in the legislative schedule within 2 legislative days. The Chair will announce that designation at a later date.

A determination as to whether the resolution constitutes a question of privilege will be made at a later time.

DRUG USE SKYROCKETING UNDER PRESIDENT CLINTON

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

Mr. BURR. Mr. Speaker, America is losing the war against drugs. As a father of two young children, I understand the fear felt by every parent as they send their kids off to school each morning.

Over the past several years, this administration—through its irresponsible actions and indifferent words—has created a world where drug use is not only blatantly ignored but is often the source of careless chuckles and thoughtless jokes. This is not the environment I want my children to grow up in—drug use is not funny.

But worse than the rhetoric is the record. Actions speak louder than words, Mr. Speaker. President Clinton

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has eliminated drug agent after drug agent. The number of people prosecuted for Federal drug charges has dropped and programs have been cut. I ask you, how many times have you heard the President of the United States tell your children to ''Just say 'no'?''

President Clinton's abandonment of strict, effective drug policy has led our young people down a disturbing road of skyrocketing drug use. Jokes on MTV are not acceptable and reckless disregard from the bully pulpit is inexcusable.

THE ADMONISHMENT COMMITTEE

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

Mrs. SCHROEDER. Mr. Speaker, I am amazed. I think it is time we start calling the Committee on Standards of Official Conduct the admonishment committee. Yesterday they issued admonishment No. 6 for our Speaker, and they went on to say in there, which I find really quite amazing, the committee concludes that the Speaker's conduct of allowing the routine presence in his office of Mr. Jones demonstrates a continuing pattern of lax administration and poor judgment that has concerned this committee in the past with the other five admonishments.

They go on to say: Accordingly, the committee directs you to take immediate steps not only to prevent the recurrence of similar incidents and ensure compliance with standards but to guard against the appearance of impropriety.

Now, I think everyone in America ought to ask for the same standards. When you get stopped for a speeding ticket, until you get six admonishments I guess they are never really going to do anything. I would say the way Members of Congress get treated is how an average citizen should be treated. I find it absolutely amazing that the rules can be thrown over with such great abandonment.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. FILNER] is recognized for 5 minutes.

[Mr. FILNER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

COCAINE IN SOUTH-CENTRAL LOS ANGELES

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from California [Ms. WATERS] is recognized for 60 minutes as the designee of the minority leader.

Ms. WATERS. Mr. Speaker, I come today to continue my discussion on the matter of the San Jose Mercury News article that revealed the dumping of cocaine into south-central Los Angeles by CIA operatives, cocaine that was spread among the Cripps and Bloods gang members and eventually in cities throughout this Nation.

I am spending a lot of time on this issue because I believe it is important for the citizens of this country to know and understand how this country finds itself with crack addiction, crime, crack-born babies, hospitals overloaded with overdoses of crack cocaine, turf wars, all of this devastation. Where did it come from? Who caused it? This article, or these series of articles that were done by the San Jose Mercury News must be focused on. Mr. Gary Webb, the author of the series, is a Pulitzer Prize winning journalist.

This is not a fly-by-night journalist. This is not someone who just thought this up and decided they would write something. He spent over a year investigating the leads that came to him. And what did he uncover? It is absolutely startling. Mr. Gary Webb discovered that in the late 1970's, 1979, early 1980's, two CIA operatives, Mr. Danilo Blandon and one other gentlemen found their way into south-central Los Angeles. They connected up with a gentleman, a young man named Ricky ''Freeway'' Ross. They began to supply him with tons of cocaine. That cocaine was cooked into crack. Those are the rocks that plague our communities today.

Prior to the introduction of cocaine by Mr. Blandon and Mr. Meneses, cocaine was not a factor in minority neighborhoods, in the inner cities. Cocaine was the drug of the elite, of the more well-to-do, of kind of the rich and the famous. It was expensive. It could not be afforded by poor people, and it was really not a factor in poor communities. It was only when the CIA operatives, working with Ricky Ross, discovered that you could cook it and you could put it into crack form, that it could be sold cheaply because you could spread it around. You could get more out of it.

And so they began to cook up the crack. They put it out into the communities on consignment. What does that mean? Prior to this time, you had to have money to get into the drug business. If you wanted to be a drug dealer, you had to go and buy cocaine. You bought it by the kilos oftentimes. But when these CIA operatives started to work with Ricky Ross, they eliminated the need to have money to invest to become a drug dealer. They put it out on consignment.

□ 0915

When you understand this consignment spread of cocaine and crack, then you understand why they also brought the guns in with them.

We wondered in south central Los Angeles, where are these guns coming from? They were not simply handguns, they are Uzis and AK–47's, sophisticated weapons brought in by the same CIA operatives because they had to enforce bringing the profits back in.

About this time when you saw more and more guns coming into the community, you also saw more and more killings, more and more violence. Now we know what was going on. The drugs out in our communities on consignment were being put out to the gangs and others; if they did not bring the profits back, the guns were brought in so that they could enforce the control.

You got killed. People were sent out to kill others. The killings just mounted in south central Los Angeles, and people said what are they fighting about? What are these drive-by shootings about? What is this gang warfare about? And people said oh, it is about the colors; some like red, some like blue, well, you know it was about drugs. It was about crack cocaine introduced into our communities by people who brought it in with a purpose.

Why did they do this? According to Mr. Blandon, he is on record under oath testifying at a trial that, yes, he was a CIA operative but he was also engaged in funding the war in Nicaragua. He was one of those that helped form the army of the Contras, the FDN. He came from Nicaragua. He was the son of a very rich Nicaraguan. They were involved with Somoza and part of the Somoza government. When they were overthrown by the Sandinistas, they went out and formed their own army working with our Government.

They formed their own army and then they had to supply them. They had to get the guns to them; they had to feed the soldiers; they had to clothe the soldiers. They had to put together an Army. And, yes, they had a lot of support from the right wing, from conservatives right here in the Congress of the United States who set out to get the citizens of this Nation to use their hard-earned dollars to help fund that war.

That effort was resisted by many in this House, but they persisted. But long before they got any dollars, there was money flowing to the FDN and to the so-called resistance armies.

Where did that money come from? We know now that that money was coming from the sale of drugs to the citizens of America, the profits of which went back down to fund the FDN, working with Nicaraguans connected with Somoza, Nicaraguans that were embraced by the right wing of America.

America's children, American citizens exposed, crack cocaine fed into the neighborhoods in order to get money to fund the FDN and the other armies resisting, fighting against the Sandinistas.

It is an outrageous plot. It is an unconscionable plot. How would anybody

ever dream up this kind of madness? Mr. Maneses, directly connected to the Cali drug cartel, got into this country and was given citizenship, even though people in our Government knew he was a murderer.

Since when do we let murderers and criminals into this Nation? I guess we let them in when they are going to do the bidding of those who have decided they can get support by allowing criminals and crooks to come in to sell drugs to fund the Army that they want to fund.

Everybody needs to read the San Jose Mercury news series under the banner of ''The Dark Alliance.'' This is not simply a story about allegations; these are facts, names, places, dates.

I decided once I had read it that I was going to find out more. I have developed a communication with Gary Webb who wrote the story. I am in touch with him almost daily, asking questions.

Following the Democratic Convention, after I read the information, I flew back to Los Angeles and I went to San Diego and I visited Ricky ''Freeway'' Ross, one of the young men who is a principal in this story, an African-American young male who sold drugs, who got his drugs from Blandon and Maneses, a young man who had a 10-year relationship with Blandon, a young man who had been to Blandon's homes both in Rialto, CA, and in Florida, a young man who knew Blandon's wife, who had done business with both of them. The young man who had a long-term relationship because he was the recipient of the many kilos and the tons of cocaine that had been brought into south central Los Angeles.

I went to San Diego. I went to the San Diego metropolitan detention facility, a Federal facility where Mr. Rick ''Freeway'' Ross is now incarcerated. I spent time with him and I asked him about the article. I asked him about details in the article. He confirmed that and more.

He described to me the first time he had ever seen an Uzi and how it was given to him and his friends. And then he described how they continued to bring in the arms, and they had an extensive arsenal. It went so far until Mr. Blandon and his friends even tried to give them a grenade launcher. Ricky Ross said, ''My God, what do we need with a grenade launcher?''

They had everything they needed. They had scramblers so that when they talked on the telephone they could not be eavesdropped on. They had money counters. They counted money 24 hours a day. At one point in this 10-year period, they made $54 million in 1 year. They were making $2 million a day oftentimes, $1 to $2 million a day just with Blandon and this gentleman who was selling drugs.

And the story goes on and on and on naming individuals, identifying situations.

Ricky Ross is in prison not because he was apprehended during the time he was selling all of these drugs. He is in prison now because he was set up by the man who was selling him the drugs.

Ricky Ross was contacted by Mr. Blandon years later, just a couple of years ago, asking him to get back into the trade. Ricky Ross said to me that he told him, ''I do not want to get back in the trade.'' He was called any number of times by Mr. Blandon, who told him how easy it would be. Ricky Ross told me, he said to him, ''I am trying to go straight. I am trying to build a studio. I am trying to have a cultural program. I am trying to find dollars to bring the young people in and work with them and get some programs and activities going for the many young man who are very vulnerable, young men who could be approached by drug dealers who would take a chance.''

Mr. Blandon continued until Ricky Ross and two of his friends decided they were going to take another chance, and they went down to San Diego to pick up a truck loaded with 100 kilos of drugs supplied to them again by Mr. Blandon. When they got to the appointed spot, Mr. Blandon handed him the keys, they opened the truck, stepped in, and the DEA agents and others swooped down upon them, arresting him. He has been convicted and he is awaiting his sentence.

Ricky Ross should have known better. You do not get to go off without punishment when you perform these kinds of criminal acts. He should not have been involved in the trafficking of drugs. And he is going to have to do time, and so be it.

But what about Blandon? He has been selling, he is in the records if you check them. They have known about him since 1974. He is now on the payroll of the DEA. He is an informant now for the DEA.

Oh, they paid him $166,000 in the past year. Mr. Blandon, the drug dealer who introduced cocaine in large amounts into the black community into south central Los Angeles, that spread across this Nation, now in many cities whether we are talking about Harlem or the Bronx, St. Louis, Philadelphia, in southern cities, Mr. Blandon connected to Mr. Maneses and the Cali Cartel who flew drugs from Colombia, airplanes that land in Texas, in Arkansas, right in our own country, is free. He is under the protection of the DEA. He is one of their people. He is hired by them. He is an informant.

And so I guess Mr. Blandon goes free because he can go and encourage, solicit, and get another young black male involved in selling drugs, point the DEA to them, get a bust as if he has done something, while he remains free to do what he wants to do.

It is outrageous. We have got to do something about it. The Congressional Black Caucus has decided to appoint me chair of a special task force, and we are going to move to get investigations. We have got some updating that we are going to do, and we are going to come to this floor on a regular basis and we are going to give those updates.

At this time, before continuing, however, I would like to yield to the gentleman from New York, another one that is engaged in this battle, Congressman MAJOR OWENS.

Mr. OWENS. Mr. Speaker, I want to thank the gentlewoman from California for taking up this special order.

It is very not that we understand that this is a window of opportunity; the San Diego Mercury has given us that opportunity by bringing together some very important facts by exploring some court records and doing some interviews, and they have the embryo here of a truth that is very important for our community.

I was asked a question by several reporters yesterday, Why is this matter so important now? What difference does it make? The crack cocaine epidemic is out there. What difference is it going to make it these people are punished or not?

This is not about punishing a handful of people; this is about seizing this window of opportunity to fully expose one of the ways in which the African-American community has been victimized, one of the ways in which the inner-city community has been victimized. We have been victimized in so many different ways, starting with 232 years of slavery for which nobody was compensated, that free labor, 232 years where we could not acquire property, 232 years where family structures were not permitted. You could not pass down traditions. That is just one of the ways we were victimized.

Now the colored victimization takes place in various forms. We have the victimization through neglect. They do not have any policies or programs which allow our cities to get their fair share of the tax dollar. We do not have any programs which can help cities, although cities are where most of the people in America live. We have an anticity attitude in part of the Congress, especially the other body, and then we are victimized by blunders by Government programs and Government agencies. They make mistakes that mess up programs, and then the people who are the beneficiaries of those programs, they are the ones who suffer as a result of badly run programs.

☐ 0930

Here is victimization again, probably by conspiracy, conspiracy. There was an agenda that they had, an agenda which they felt was more important than the welfare of the people in the inner cities, more important than the welfare of people in the African American communities. So masses of people in the inner cities and African American communities have been put at jeopardy because they felt it was necessary to make an emergency deal in order to get funds to finance a war in Nicaragua, the Contras against the Sandinista government.

Let us just take a look at the sequence when the Contras first launched their war against the Nicaraguan Government which was in control of the

Sandinistas. At that time there was no American aid. There was no aid from this country officially, no American aid passed by the Congress.

When they first launched the war, we certainly supplied money through the various back door mechanisms that are available, through the CIA, their pockets deep but not deep enough to keep financing a war in Nicaragua interminably without some kind of new device. We certainly probably supplied money to the Contras through El Salvador, where we were funding the El Salvador Government, and the records show that the connection between the El Salvador drug trade and the key people in El Salvador with the Nicaraguan drug trade and the people involved in this story is a very close knit record. There is a connection there that comes up again and again.

So we were doing that through these back door methods, but that was not enough. They needed more money. This is then the first period of the Contra war against the Sandinistas. They needed more money. So here was an opportunity to sell drugs in the cities of America and take those profits and fund the Contras. And the CIA and American Government agents were needed to allow the Contras to get this avenue of funding from the cities of America.

We were all surprised at the swiftness with which crack cocaine came into the inner-city communities. Yes, there had been a drug problem for years, we have a problem with marijuana, a problem with heroin. It took decades for the problems of marijuana and heroin to really take a foothold in the communities. They were actually on their way out. You had a decline in the use of drugs in inner city communities at the point where crack cocaine entered.

Crack cocaine entered, and for $5 you could get that high, and it began this spread as an epidemic which continues until this day. Probably the Nicaraguan forces are not financing it or behind it today, but what happened was they had an opportunity to fund an infrastructure. They built their own infrastructure as a result of the opportunities given them by the CIA and Nicaraguan drug connection in the early days of the distribution of the crack cocaine.

So you had that era and then you had a period where we officially, Congress, authorized money for the Contras. $100 million we started out with under Reagan, authorizing money for the Contras, $100 million. So we officially, openly began to fund the Contras for a period.

And then we cut that off. I was in the Congress at that time. We cut off the funding for the Contras. The $100 million plus was cut off. It was no more. And then what happened? We had the Iran Contra deal from the basement of the White House, we know as a fact.

It is important to know that these facts because these facts have been clearly established by the special prosecutor, they have been clearly established by the joint investigation and the joint hearings of the Senate and the House. They are clearly established. Nobody refutes the fact that Oliver North was the mastermind of a scheme, hatched in the basement of the White House and then carried out, which was to supply money to fund the Contras.

How did they do it then? They went to sell weapons to Iran. While public policies were protesting that Iran was an evil empire, Iran was a terrorist nation and we would do no business with Iran, the deal was being hatched in the basement of the White House to sell weapons to Iran.

And they did it. They sold weapons to Iran, and they used the profits from the weapons sold to Iran to fund the Contras. That is in phase 3. That is so well established in fact.

Nobody was punished for it. Oliver North came into the hearings and acted as if he was America's chief Boy Scout. He stood up to them and flabbergasted a set of people that should not have been flabbergasted by his tactics, but he stood up to them and said he did it and he did it for America, but it was done. Nobody denied the fact that we went so far as to develop a deal with the evil Iranian Government in order to generate profits for the Contras, to fund the war in Nicaragua.

If we did it on the tail end, there is no reason to believe we did not have the same kind of fanaticism and the same kind of extremist reasoning did not take place at the beginning. Only they did not have an Iran Contra deal. They had a crack cocaine deal that started in Los Angeles with one set. I am sure at the same time they had another set of people who started in New York, on the east coast. It was not necessarily spread from Los Angeles. They probably spread from both ends of the Nation.

But this was to earn money when there was no other means to earn money, given the fact that at the tail end they were willing to go so far, and almost got an indictment of the President of the United States, who kept saying he did not remember, and I will not go into all that. Of course Oliver North came in and was pretty much exonerated in terms of, ''He did it, but so what?'' He ran for Senator and almost won a Senate seat in a neighboring State here. Things were that bad.

But he did it, and we know that profits to fund the Contras was the objective. So why can we not believe, why can we not accept the fact that profits to fund the Contras was also an objective at the beginning of the Contra war, and that objective was met on the backs of the people of the African-American community, the inner city communities.

Crack cocaine, a drug epidemic unlike any that has ever probably existed in the history of the world. For $5 you can get a high. For $5 you can begin the process of addicting people so that they have got to have it, and then on and on it goes to the point where they become murderers, prostitutes, they war against each other, they kill each other, shoot down innocent people. Murder on a mass scale in our big cities, and policymakers look at the cities and say there is something genetically wrong with the African-American people. You have the bell curve theory being promulgated, that they have low IQ's. There is nothing you can do about it.

All these theories are there because the truth is not known. So what Congresswoman WATERS is doing is important, to just get the truth out there, the fact that the inner-city collapse of the social order, collapse of families is partially due to the blunders of the Government, partially due to the neglect of the Government and partially due to the conspiracy, a conspiracy in which the Government has participated. Dealing drugs is probably the lowest form of conspiracy that we have seen yet that our Government has participated in.

I would like to come back later and talk about reparations and why it is important to talk about this, so we can talk about getting to the bottom of this with an investigation that the CIA director, Mr. DEUTSCH, has said he has already launched. But there will be other investigations, getting to the bottom of it, so that we can establish that a great deal of harm has been done here, a great wrong has been done and some reparations are necessary for this reason; many other reasons why reparations are necessary, but certainly for this reason.

Ms. WATERS. Mr. Speaker, I yield to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas. I thank the gentlewoman from California. I could not help as I was working in my office, to hear the gentlewoman from California and then my colleague, the gentleman from New York, speak about a topic that is moving fast across the Nation. For those individuals who are not un-American but simply are asking the question, who does the flag fly for. Who does the flag fly for? I want to commend the gentlewoman from California for her leadership and her persistence and perseverance on trying to answer the question for many young Americans across the Nation, African-Americans, Hispanics, Anglos, Asians, anyone who wants to believe that this country does work for us.

This is a frightening exposé that has come out in the recent weeks, and we recognize that this Nation has many responsibilities. In fact, in the Constitution it indicates that it has a responsibility of commerce. In the Constitution it indicates that there is a constitutional responsibility to defend the safety and sanctity of this Nation.

So certainly anyone who would argue, as MAJOR OWENS has said, and come before congressional hearings and

talk about the need for clandestine operations to protect the sanctity of this Nation, would cause individuals in Congress and others to try to be sensitive to that, to try to understand what the needs were to protect this Nation, why we needed to be in Nicaragua and why we needed to be doing clandestine operations. But behind those words by the likes of an Oliver North, behind the White House of the 1980's, controlled by the Republicans, we now find a devastating and decided and directed effort to poison the lives of young African-Americans, inner-city youths in this Nation.

I know that we can be accused of crying wolf, making hysterical calls for investigations, suggesting that this country is in the hands of those on the other side of the law.

I would hope that good thinking people would just take a moment, and I think, as the Congresswoman has indicated, and my colleague from New York, Gary Webb is not a fly-by-night writing for purposes of grandeur. This is a well researched report. That report clearly names the names and focuses us on the issues.

''Danilo Blandon is the Johnny Appleseed of crack cocaine in California,'' so noted in the report written in the San Jose Mercury News, ''The Crips' and Bloods' first direct-connect to the cocaine cartels of Colombia.'' This Danilo Blandon, the first connect to inner-city gangs of crack cocaine or cocaine out of Colombia.

Remember when we begin to talk about a drug structure? There is really no drug structure that can really compare to the cartels in Colombia, cartels signifying major corporate structure, an infrastructure that permeates the entire Nation. This was their contact. Not someone down the street, not someone across the country in New York, but Danilo Blandon out of Columbia.

''The tons of cut-rate cocaine he brought into black L.A. in the 1980's and early 1990's became millions of rocks of crack, which spawned new crack markets wherever they landed.

''On a tape made by the Drug Enforcement Administration in July 1990, Blandon casually mentioned the flood of cocaine that corresponded through the streets of South-Central Los Angeles during the previous decade,'' in the 1980's.

'''These people have been working with me 10 years,' Blandon said. 'I've sold them about 2,000 or 4,000 kilos. I do not know. I do not remember how many.'" Some 2,000 to 4,000 kilos of drugs coming in from Colombia into one community then permeate, go throughout the Nation.

''But unlike the thousands of young blacks now serving long Federal prison sentences for selling mere handfuls of the drug, Blandon is a free man. He has a spacious new home in Nicaragua and a business exporting precious woods, courtesy of the United States Government.''

What would we say about that? What would you say if crimes were done in Iowa, blatant crimes, and someone is set up in a fabulous house in Florida? Here we have got the story, right here, clearly exposing this situation.

Interestingly enough, this gentleman, Mr. Blandon, was paid more than $166,000 over the past 18 months, records show, for his help in the war on drugs. The help in the war on drugs, I would imagine that may be, though this is not a time and place for frivolity or humor, his help is to direct it into communities

''Nothing epitomizes the drug war's uneven impact on black Americans more clearly that the intertwined lives,'' here we come with the other player, ''of Ricky Donnelly Ross, a high school dropout who became L.A.'s premier crack wholesaler, and his suave cocaine supplier,'' remember now, direct from Colombia, ''Danilo Blandon, who has a master's degree in marketing,'' as written by Gary Webb, ''and was one of the top civilian leaders in California of an anti-Communist guerrilla Army formed by the U.S. Central Intelligence Agency called the FDN. It became known to most Americans as the Contras.''

There goes the very connection that drives our message day after day. That is why as we go home to our districts, as I will leave today, and face constituents on talk shows and in town hall meetings, the cry becomes, ''Why us?''

□ 0945

The cry becomes, why us? The cry becomes, who does the flag fly for? And so I am here to support the gentlewoman from California, Ms. WATERS, and Senator BOXER and join my colleagues who believe there is a better America and would want a thorough investigation.

In a meeting with the CIA Director yesterday we have both requested and received commitment for a very strong, positive, and a noncoverup investigation. The words I used was to leave no stone unturned, for that would be the only basis upon which we have a better America.

Now, let me simply say as I close, this is not an indictment across the board, from my perspective, of all agencies who are responsible for upholding the law. It does say that behavior caused actions which we would not be proud of, and so I think it is important that the CIA's Inspector General announced on August 6 that it will conduct an internal inquiry into an air base at Mena, AR, that was reportedly used in the mid-1980's to fly guns to the Contras and drugs into Louisiana. There is another location, Houston, in Texas, close to the border and also a city that may be subject to this kind of intrusion. The base, according to former national security officer, staffer, Roger Morris, was run by the CIA and DEA informant named Barry Seale, who was murdered by Colombian gun men in Baton Rouge in 1996.

And as I said, to close, Congresswoman WATERS, it is interesting to read this article and to note when we begin to think of the so-called changes in welfare and the vigorous debate that many of us raised to disagree with this welfare reform because it did not address educating and providing bridges for changes, here we are noted by this article out of the San Jose Mercury News that it was not uncommon to move 2 to 3 million dollars' worth of crack in 1 day. It was not unusual to move this amount of money, and our good friend, Mr. Ross, who is here, indicated that the biggest problem they had was counting the money.

Now we say that the new policy of many of my Republican friends, ''just say no or do not do it,'' we have been saying that. We join you in that. That is not a drug policy. That has nothing to do with this blatant activity that causes the need for our work to ensure that this never happens again and that, as well, the truth be told for our young people.

Mr. OWENS. This ''just say no'' slogan; was it not originated about the same time that the other hand of the Government, the CIA, was encouraging the sale of drugs?

Ms. JACKSON-LEE of Texas. Absolutely. In the 1980's the big cry was——

Mr. OWENS. The 1980's, same time.

Ms. JACKSON-LEE of Texas. Same time, ''just say no,'' while at the same time we had a Government orchestrating, bringing in tons and tons of drugs and at the cost of some $2 million a day, resulting in the amounts of about 2 million to $3 million a day.

And let me say to you, Congresswoman WATERS, I really take my hat off to you because when I see these numbers, and as you have said, we do not know where it will lead, we are talking about 2 to 3 million dollars' worth of crack in 1 day in one community, and I think that is the magnitude of what you have been saying, what we join you in saying, what I have been saying and what we need to have all of America understand.

Ms. WATERS. I thank the gentlewoman for joining us in the sharing of information in this particular hour, and I appreciate the cooperation from all of the members of the Congressional Black Caucus and particularly from those of you who would take time from your schedules to make sure we share this information with the people of the United States.

Let me just continue here sharing the information of the series because it is so important to understand why we must ask for an investigation.

We have not just asked for an investigation because we do not know what we are able to get from whom. We have asked the Justice Department for an investigation, we have asked the CIA for an investigation, we asked the Speaker of this House to get an investigation going with the Permanent Select Committee on Intelligence. We have asked other committee chairs

who we believe have some oversight to join in the investigation.

We also have a resolution, or resolutions, asking for a select committee, which we may have to have at some point if we find that we run into roadblocks.

It is important for us to go in all of these directions so that we can reap information and get to the bottom of what is going on. Let me tell you——

Mr. OWENS. Will the gentlewoman yield for 1 minute?

Ms. WATERS. Yes, I yield.

Mr. OWENS. Is it true that the Justice Department has already concluded that they do not need to investigate?

Ms. WATERS. The first response we received from the Justice Department was their preliminary inquiry did not reveal any of the facts of this article. However, they were going to start an investigation with the Inspector General, and of course when we met with the CIA Director last evening, he confirmed that that investigation had started. We talked to him about our concerns about that investigation. We said that nobody believes that the CIA, first of all, will investigate itself, and he assured us that the Inspector General was independent.

We also said to him that attempts in the past had only gotten the kind of response that said we cannot respond because of national security, and we did not want an investigation that would come back telling us that we cannot get information because of national security interests.

Third, we said to him we do not want an investigation where you come back with the report under national security interests you can only share with us and not with the public. It is important for it to be shared with the public. We discovered that the CIA Director has the authority to make that public. He also has the authority not to make it public, and this is one thing we are going to have to insist on.

Mr. OWENS. So the Justice Department will not conduct its own independent investigation; it is going to cooperate with the CIA Inspector General?

Ms. WATERS. That is right, that is exactly what is going on. When we first heard a response from Janet Reno of the Justice Department, she indicated that she could not comment because of an open case. Now what we are hearing is, oh, since the CIA has decided that indeed it would hold an investigation by way of the Inspector General, she is now saying that she supports that investigation and would await the results, the results of which we are supposed to get in 60 days.

Why an investigation, why must we insist on this? People say but you have done this before, you had investigations before. Let us take a look for a moment at what happened.

In 1988 one 1988 investigation by a U.S. Senate subcommittee ran into a wall of official secrecy at the Justice Department. In that case congressional records show Senate investigators were trying to determine why the U.S. attorney in San Francisco, Joseph Rosanello, had given $36,000 back to a Nicaragua cocaine dealer arrested by the FBI. The money was returned, court records show, after two Contra leaders—unbelievable—two Contra leaders sent letters to the court swearing that the drug dealer had given the cash to buy weapons for guerrillas, had been given the cash to buy weapons for guerrillas. Rosanello said it was cheaper to give the money back than to disprove that claim. The Justice Department flipped out to prevent us from getting access to people, records, finding out anything about it, recalled Jack Blum, former chief counsel to the Senate subcommittee that investigated allegations of cocaine Contra trafficking. ''It was one of the most frustrating exercises that I could ever recall,'' said Jack Blum.

Now, Jack Blum was the former chief counsel to the Senate subcommittee that investigated these allegations of Contra cocaine trafficking. Again let me repeat. He said, ''It was one of the most frustrating exercises that I can ever recall.'' It was not until 1989, a few months after the Contra Sandinista war ended and 5 years after Meneses, the big drug dealer, moved from the peninsula to a ranch in Costa Rica that the U.S. Government decided, oh, it is time to take some action, sort of, with a wink. Federal prosecutors in San Francisco finally charged Mr. Meneses with conspiracy to distribute, they said, 1 kilo of cocaine in 1984, a year in which he was working publicly with FDA.

So, when we talk about investigation, we know what we are going to run into, walls of secrecy, Justice Department shutdown. So we do not trust anybody.

I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. If the gentlewoman will yield, I imagine, and I just want to pose a question to you in being complete, therefore, as you mention these stumbling blocks that have occurred in times past. I recall the Select Committee on Assassinations that dealt with the assassinations of King and Kennedy, and people are still having questions about those issues, that it is necesary then to cast a broad net to try and reach every agency that might be involved: CIA, DEA, FBI, Justice Department, and then hearings.

Is that my understanding that you think is necessary after reviewing those materials with us of past investigations?

Ms. WATERS. Well, I think we have to be in this for the long haul. This is not something that is going to reap us any substantial answers in the short period of time. We are going to run into walls of secrecy; I just anticipate that. I anticipate that we are not going to be satisfied.

However, we have gotten representations of cooperation from the CIA Director. Everybody wants to cooperate, they say. The proof of the pudding is in the eating.

I think we have to be prepared to move at the right time to do whatever we have to do I order to continue, in order to approach it from a different direction, and so this is a beginning. We start with this possibility of investigation by the CIA, or rather by the Inspector General. We have gotten word from NEWT GINGRICH, who responded to me and wrote me a letter indicating that he indeed was going to proceed with the chair of the Permanent Select Committee on Intelligence, the gentleman from Texas, Mr. COMBEST, in opening an investigation. I am very pleased, and I would like to thank Mr. NEWT GINGRICH, and I would like to read that letter into the RECORD. He says:

DEAR MAXINE: Thank you for your letter regarding a recent series of articles that appeared in the San Jose Mercury News that alleged CIA involvement in the introduction, financing and distribution of crack cocaine in Los Angeles. I have asked House Permanent Select Committee on Intelligence chairman, Larry Combest, to investigate the allegations contained in these articles, and I understand he has already begun to do so. In addition, I understand the Director of Central Intelligence, John Deutch, has asked the CIA Inspector General to investigate this matter despite his own rejection of the substance of the allegations. Assuming the Clinton administration will cooperate with our efforts, I am hopeful that the chairman Combest investigation as well as the CIA IG inquiry, will reveal whether or not the allegations contained in the Mercury News articles are true or false. Thank you again for your interest in this matter. Sincerely, Newt Gingrich, Speaker of the House.

□ 1000

Let me just say to the gentleman from New York that, because of our persistence, things are beginning to happen. As you know, the drug czar came out and called for an investigation. As you know, not only do we have this letter and this movement by the gentleman from Georgia, NEWT GINGRICH, and the movement by the CIA. Civil rights organizations, the NAACP, Mr. Kweisi Mfume; mayors, Mayor Kurt Schmoke, Mayor Wellington Webb; many groups up in Pennsylvania. In Los Angeles, the county board of supervisors just passed a resolution calling on the President to get involved in an investigation.

So because of our persistence, even though the major media tried to ignore us, would not carry the stories, when we held the Congressional Black Caucus weekend, 3,000 people showed up to our workshop demanding hearings, demanding investigations. My own paper, the Los Angeles Times, did not even carry that meeting, even though a Member from Los Angeles was in the forefront of the effort.

Mr. Speaker, we finally are getting a little bit of network attention, but so far most people are not able to read about this in their local newspapers. It has not been reproduced. It has not

been paid attention to. But because of our persistence, we are finally making something happen.

Again, we are going to have to be in this for the long haul. We are going to have to organize in our communities. We are going to have to get our labor organizations, our community groups, our church groups, to reproduce this and pass it out, reproduce. We have already printed thousands of copies. People are clamoring for them.

Their local newspapers will not carry the story. Their local television stations will not carry the story. But we are getting it out, and I would like the Congressional Black Caucus to continue to develop this network, working through the churches, working through private organizations, to spread the word, to get the information out.

I would like to ask the gentleman, in a colloquy here, the gentleman from New York, to describe, if he will, even though he alluded to it and spoke to the devastation in our communities, and I have alluded to it or talked about it, and I will continue to talk about it. I do not know if people really understand what is going on in many of these cities, perhaps in parts of your own district, with crack cocaine addiction. How bad is it? I yield to the gentleman from New York [Mr. OWENS].

Mr. OWENS. Mr. Speaker, the serious problems we face with the African-American community in most inner cities, one of the problems is no jobs. But I think more important than the fact that there are no jobs is the drug problem, which is more devastating, because the drug problem leads to criminal activity, including murder.

The drug problem decimates families. The drug problem leaves a legacy of babies. We are back to a problem of babies in the hospitals who are being abandoned, and many of these babies have problems as a result of their mothers being addicted, and there are high health costs. It devastates the community in many ways.

Mr. Speaker, we have had people on the one hand in the housing projects call for a National Guard to intervene in order to deal with the fact that the housing projects, certain projects are inundated with drug dealers. At the same time, other factions within the housing projects would be very much against it because it is their sons, their sons who are involved in the drug trade.

It is a problem that is interwoven so much into the community until you cannot separate it out. There is a lot of money flowing from the drug dealers that is held out to people for investment, and on and on it goes. They are in charge. They are the kingpins. They have an infrastructure now.

What started with the Nicaraguan trade and the encouragement of the CIA, the CIA does not have to be involved anymore. They allowed it to make enough money to build their own infrastructure, so they have an infrastructure which has a seemingly unlimited amount of money, and they have all these gangs that they can play against each other. There are the Colombians and the Dominicans in New York, and the so-called Jamaican Posse. What is happening is that the people behind all this, they play one group off against another. When it gets too hot for one, they shift the action to another, and it just goes on and on forever.

I do want to caution the gentlewoman from California that we must keep the heat on, because the CIA is quite a formidable foe. We may have a seeming acceptance of cooperation now. They want to investigate this fully. Certainly you may be confronted with a stone wall, as you were in the case of Haiti, where the CIA actually financed the people who stopped our troops from going in early in the implementation of the President's Haitian policy, and we had to wait for months and months after that. More and more people died, because we have been stopped from initiating a peaceful process for changing the government in Haiti.

The very person who did that, Emanuel Constans, who confessed that the CIA paid him to do it, and he was in charge, was held in jail for a while in this country and now he has been released. He is free in Queens, NY, for some strange reason. They do not explain why he is released. They will not explain why the papers that were captured from this same organization when the United States troops went into Haiti, why those papers will not be released to the Haitian Government. They have a way of suddenly deciding that whatever is not in the interests of national security they will withhold.

The danger is that we will get a stone wall here if the outrage of the American people is not expressed. If we do not understand the connection between what has happened here and the present political cry that President Clinton is the cause of drugs being used by more young people now, and just do not do it, please just say no; if you are going to deal with that kind of surface political situation without going deep and thoroughly investigating this, you are really not dealing with what is not jeopardizing just the inner cities, but it is jeopardizing youth everywhere. It spreads from the inner cities all over. I hope we will pursue it relentlessly.

Ms. WATERS. I thank the gentleman for reminding us of the kind of work and the kind of time we are going to have to put in on this issue.

Let me just say this, are your warnings about the stonewalling joined with warnings that I am getting all over about the danger of being involved in this kind of issue? People are wondering about my security and whether or not I am afraid that something may not happen.

Let me just say this from the floor of Congress: I do not fear anybody. I am aware, as we look through the records, that people have died mysteriously who are involved in investigations. But I want to put everybody on record, as we move through these investigations, that I had better not see any attempts, any attempts to violate me or anybody else involved in this work. We are not going to move with fear, we are not going to stop doing our work, because of anybody who tries to intimidate us. I just want to put anybody on record who thinks they may be able to stop us with intimidation that I have no fear.

Mr. OWENS. You have the overwhelming support of the African-American community. Our community overwhelmingly supports this effort. They want to see the truth come out. They want to get to the heart of this problem.

Ms. WATERS. That is absolutely correct. Let me also just say that, while Mr. Dole is making a part of his campaign, the priority part of his campaign, a discussion on drugs, I do not understand how he can talk about drugs and not even mention this revelation that came out August 18, 19, and 20. If you want to talk about drugs, you cannot dismiss this revelation, this series entitled ''The Dark Alliance.'' It names names, dates, and places.

Mr. Speaker, I know what is going on. Mr. Dole is using this as a campaign issue, and they are playing with us one more time, the ''just say no'' kind of attitude. It is time to find another political issue to whip people up about.

I do not want Mr. Dole or anybody else playing with my community on this issue. We have been harmed enough. We have been harmed by a lack of a war, we have been harmed by the Reagan policies, we have been harmed by the Bush policies, we have been harmed by a policy that allowed the funding of a war, the FDN, the Contras, on the backs of my children, on the backs of the young people of the inner cities. I do not want anybody playing with me on this issue.

Let me just send a warning to Mr. Dole: If you stay out on that campaign trail, you ignore this issue, I am going to find you, Mr. Dole, and I am going to ask you publicly, why, then, are you not talking about the genesis of crack cocaine? Why are you not talking about the spread of cocaine in the inner city by CIA operatives under Reagan and under Bush? Why do you ignore the fact that we now have something that we can investigate?

If you are serious about why young people have increased their use of drugs, if you are serious about getting at the bottom of this, you will take up this issue. Not only will you join us in the investigation, you will tell the Republicans further, who are in charge, not only investigate it in the Select Committee on Intelligence but all the committees that have any kind of oversight, any kind of jurisdiction.

I challenge you today, Mr. Dole, to not just play with this issue, but to do the right thing and help us get to the

bottom, and help us to understand how we are going to repair the harm, how we are going to deal with the devastation, how we are going to deal with the crack-addicted babies, how we are going to deal with the guns that you support being used in this country, coming into our communities.

WHAT IS THE CORRECT DEFINITION OF ''CUTS''?

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from California [Mr. CUNNINGHAM] is recognized for 60 minutes as the designee of the majority leader.

REPUBLICANS SUPPORT INVESTIGATION INTO ORIGIN OF ILLEGAL DRUG SUPPLY

Mr. CUNNINGHAM. Mr. Speaker, many of us do support the investigation, because a lot of the drugs, about 90 percent of them, were purported to go out of Mena, ARK, when President Clinton was Governor. If you look at the Mena chronicles, in which a lot of those drugs went out, Malek, who was then Governor Clinton's chief investigator and coroner, ruled that two children that were killed on tracks had smoked a lot of marijuana and fell asleep. The parents got upset. They had outside forensics come in, and the children were stabbed to death.

Since then, 18 people that were going to testify against Governor Clinton, Malek, the judge appointed by then-Governor Clinton, and the district attorney, who also canceled the grand jury investigation, 18 people have been murdered. Yes, we look forward to that investigation.

Mr. Speaker, I came here today to talk about something that a lot of people do not talk about. I think it is a legitimate issue for both sides, both for conservatives and liberals, on what does it really mean to cut; what is cutting and what is being cut, or the differences, at least, in definition. I would like to clarify some of those.

First of all, Mr. Speaker, in education, 95 percent of education is paid for by State and local revenues. Only about 5 percent of education in our country is paid for by Federal dollars. That 5 percent of the dollars, do not misunderstand me, is no small amount. The Department of Education, for example, has an annual budget of about $35 billion, and that is a B, with a billion. So 5 percent is not a small amount of change.

The problem is, we are getting as little, especially in the district of the gentleman from New York [Mr. OWENS] who just spoke, we are getting as little as 23 cents out of every Federal dollar back to the classroooms. Why? Twenty-three cents on a dollar for every tax dollar. Did God create those dollars? No. He has to take it from hardworking American taxpayers. It comes to Washington, DC, and then goes back to the people that they took it from, at only 23 cents on a dollar. Why is that?

This Republican Conference identified 760 education programs in the Federal system. Yesterday in a hearing the gentleman from Virginia, Mr. PAYNE, a Democrat, and the gentleman from Oklahoma, J.C. WATTS, a Republican, introduced a bill. In the hearing there were about 15 different witnesses, Republicans and Democrats, appointed and asked to come by Republicans and Democrats.

They identified over nine programs within their communities that were working on antidrug and against juvenile justice. When the question was asked, how many of them had those programs in all of their districts, none of them had any one of the other eight in their particular district, but the one that worked, they were focusing on and they were using.

Mr. Speaker, what the Republicans have tried to do is direct the money to the local level, down to the people that have the Zip Code, that know the real problems of their particular community; not something one-size-fits-all, like the Federal Government does, and mandates that you will do this. If Head Start works, do it. If drug-free schools work, do it. But the emphasis is driving the money down to the local districts, to the school teachers, to the parents, to the school boards, to the juvenile justice groups, and letting them handle the problem.

□ 1015

The Federal Government has 760 Federal education programs. Just imagine trying to fund that. Every one of them has administrations. Every one of them has bureaucracies. Every one of them has paperwork that comes down to the States that affects the 95 percent that are raised at State and local levels, just because they have to use the funds on bureaucratic redtape, on paperwork that not only goes to their State department of educations, the Governor, and then has to travel back to Washington, DC, 23 cents on the dollar, Mr. Speaker. You could not compete in business like that, and you cannot work education systems with 23 cents on the dollar.

Let me give some classic examples of how government wastes money and that the other side of the aisle says that Republicans are cutting education. Let me define the term ''cut.'' The President's direct-lending government student loan program was capped at 10 percent in a pilot project. That 10 percent cost $1 billion a year more, just to administer, than private lending institutions to do it. GAO conducted a study, said it is going to cost $5 billion more just to collect those student loans.

When the Government shut down, the President says, ''Hey, this is one of my cornerstones. I want government to spend the money down and have the power to give it out, and I want to do that.'' So at conference, we let it go to 40 percent.

But what the liberals did not see is, we put in the language that capped the administrative fees at 10 percent, instead of going up to 40 percent, to restrict Government spending. We took the savings from that and we increased Pell grants to the highest level ever, grants for poor children that achieve and do well in school, but for some circumstance, they do not have the wherewithal to go to college.

I do not mind my tax dollars going to pay for that, Mr. Speaker, because there are some disadvantaged children in this world that work hard, that want a piece of the American dream, and I think that it is part of government's role to make sure that those children are taken care of.

With those savings from the direct lending program, we took and increased student loans through the private sector by 50 percent. Did we cut education? No, sir. We drove the money down to the children that need it, the poor children, in Pell grants, to the children that need the student loans to go to school.

What we cut is the liberals' precious bureaucracy here in River City, in Washington, DC, and we took those savings and we drove it to where it is supposed to go in the first place, at a much higher rate than 23 cents on a dollar.

Let me give another good example, Mr. Speaker: AmeriCorps, another great program, according to the President. Everything that this Congress has argued over in the 2 years, Mr. Speaker, is power. That is what the American people are upset about. Power to spend money from Washington, DC, so you can send it down to your local interest groups so that they think you are a great guy or a great lady, so you can get reelected, so then you have got the majority, so you have got the power.

And over here is a bureaucracy, whether it is a direct lending program, whether it is a First Lady's government bureaucracy health care system, or all the other programs that they purport, they want the power to spend the money in Washington, DC.

AmeriCorps is a classic example. They want the dollars to come up here so that they can rain them down to different people saying, ''Look what good guys we are.'' Where does the money come from? Is there a cut?

In the first place, the money is taken from the American taxpayer. Second, the average volunteer in AmeriCorps gets $29,000. In Baltimore, just a hoot and a holler from here, the average was $50,000 per volunteer.

Can we do it better than that, Mr. Speaker? Absolutely. It is wasted dollars. Why? You pay somebody $50,000 for painting a fence, or pulling weeds, that is more than many of the steelworkers, that is more than many of your teachers make. I think we can better invest that, instead of letting the Federal Government, just because they want the ability to spend the money, force it down. And, yes, we wanted to eliminate it and use the dollars more wisely.

Let me give another example. They say, ''DUKE, why do you hate Goals 2000?'' I don't hate Goals 2000. As a matter of fact, I think the standards that are lauded in Goals 2000 are pretty noteworthy. I mean, to say that you want to have the best math standards and the best math scores in the world is a pretty noteworthy and laudable standard. But if you read the bill, Mr. Speaker, in Goals 2000, there are 43 instances in the bill that say States ''will,'' and if you are a lawyer, or even the American people, you understand the difference between ''will'' and ''shall'' in any legal document. ''Will'' is a mandate; the State will have to do this.

What is one of the 43 ''wills'' of the 760 programs, Federal programs? Just one little tiny one. You have to establish a board at a local level. You have to establish an education program. They say, ''DUKE, you are able to establish that local program. I mean, isn't that what you purport? You want education, you want teachers, you want parents, you want students and the administration to establish exactly what they are doing.'' You have to establish a separate board. They have to report this program to the principal.

My wife happens to be one of those principals, has a doctorate in education in Encinitas. She then has to give it to the superintendent. All of this paperwork from the superintendent then has to go to Governor Wilson in the State Department of Education in the State of California.

Think about all this paper flow from just the schools in my district. Now think about all the paper flow from all the schools in the State of California going to Sacramento. Now visualize all of that paperwork, all of that time and energy that is going to all of the State capitals to be reviewed.

What has to happen on a State capital level? There has to be a bureaucracy at a State level, Mr. Speaker, to receive and to review, to see if it is in compliance with the Federal regulations and the other ''wills'' that come forward in Goals 2000.

And then what does the State do with it? The State takes that same body of paperwork and sends it back here to River City, to Washington DC, to a giant $35 billion bureaucracy in the Department of Education. They review it to see if it falls within those 43 ''wills'' and some of those ''shalls.'' After they have done it, there is more paperwork that goes down that the administrators have to handle, that paperwork goes back and forth. And think of the time, waste and energy; is it any wonder that the United States is number 13 of all 13 industrialized nations in education, but yet we are purported to spend more on education. We do not spend more, Mr. Speaker, on education. We spend about one-fourth of what is purported because the rest goes to bureaucracy.

What we did is, the Governors came to us and said to the committee, ''Send us the money, do away with the paperwork, do away with the rules and regulations, let us establish our local programs and we can do it better.'' Mr. Speaker, I have yet to go to a graduation where you have students that do well, either on a high school or a college level, that you do not have parent involvement, you do not have the teachers that are lauded by the parents and by the students, and that teamwork and that fellowship. Yes, it does take a village to raise a child, and I am a Republican. But the problem is, under the Clinton plan, it takes another village to pay for it. We can do it better and we can afford to send other villages' dollars down into education where we can give the teachers the money they need to teach our children and ask for quality teachers.

Those are just a few of the reasons. I could literally go on all day on different examples of what we have done.

But you say, ''DUKE, you've shown some of the problems. What is your vision for education?''

Mr. Speaker, as chairman of the Subcommittee on Early Childhood, Youth and Families of the Committee on Education, I want to do for education what John F. Kennedy did for the space program. We can do that. We can do that as a nation. We can make an investment in education. Not cut it. Liberals have been cutting education for the last 40 years because they have been spending it on bureaucracy. They have been taking your tax dollars, sending it to Washington, and returning it at a very low rate. That is wrong. That is cutting education. We are increasing education and the resources. How do you do that? What is your vision, then?

First of all, in the telecommunications bills, Mr. Speaker, we put in the language that encourages the AT&T's, the Baby Bell's, Apple, IBM with the computer programs, to be able to invest in our schools. Mr. Speaker, less than 12 percent of our schools in this Nation, the richest nation in the world, less than 12 percent of its classrooms have a single phone jack. We have had hearings where major representatives from industry have told us that over 80 percent of the jobs, both vocational and those that are professional-bound to colleges, are going to require high-technology equipment and a high-technology education to meet the needs of the 21st century. I only have 12 percent of the schools that are even wired for a phone jack to put in those systems. So what we did is encourage the Baby Bell's, the AT&T's, the Alcoa that lays the fiber optics, to be able to invest in our schools. The President jumps up and says, Look at V-chip. V-chip, yeah, it's good. But the idea in the bill we passed is going to enable us, let industry build up those schools, let them put in the fiber optics, let them put in the computers, let them work with the local districts so that that computer is not obsolete in 6 months.

When you have teachers that don't know how to turn on a computer or even teach our children high skills, then think about that delta that the liberals talk about so much, about the successful and the poor, that delta, the difference between. That is going to grow even higher if we don't have a system to train our children in the future. We can do that through private enterprise, which we are doing now.

Let me give you a good example. In my district, I have a school called Scripps Ranch. Scripps Ranch, we built and we got private enterprise to invest in it. We put fiber optics in it when the school was built. We have computers in every single classroom that the children use and other high-technology equipment, both in science, in math, and yes, in the arts as well. The students, those that are vocationally bound, are using those computers. They are actually designing modular housing units that they sell to other schools so that they can buy more equipment for themselves. Those that are college-bound, the students in architecture or design, are using those computers. They have redesigned the entire school. And both unions—union is not a dirty word—unions and private enterprise are hiring those children in the summer and giving them OJT in job areas so that they will have a better preparation when they leave high school.

Take a look at a school like Mira Mesa that I have in my district that does not have any of that. Think of the difference in the opportunity for the children at Scripps versus the children at another school that do not have those opportunities. It is exponential. What can we do?

A charter school is a school started up by teachers, parents, or local groups that is free from the Federal regulations, and they teach the basics, reading, writing, arithmetic or math, and vocational skills.

What about choice? The voucher system is often talked about. I think the Federal Government, Mr. Speaker, mandates too much. I do not believe that there is choice in schools right now. When my wife taught in a different district, my children traveled every day with her to that school.

□ 1030

That is choice. They did not have to go to the school in the District. They participated at Fletcher Elementary with the program for special education children, because they asked them to help these special education children. And that was choice.

I think we should at least offer the option to States and localities and local communities. If they want to use it, then do it, but not to mandate it from the Federal Government. Christine Whitman, in New Jersey, has done a good job with it; Governor Engler; Governor Weld. Wisconsin has a voucher program. It works. It may not work in an inner city where you have great transportation costs that are going to take away from that education system.

Again, the money should go to the local district and let the parents, the teachers, the administrators and the local groups that are in that zip code, because they know the particular problems that go on.

What is another function? Education, Mr. Speaker, is, I think, pretty close to a wherewithal that is going to save this country. It does not mean that the Federal Government has to do it. It does not mean that the taxpayers ought to send their taxes to Washington and have it turned around at such a low rate. It is ludicrous.

What about illegal immigration? In the State of California I have over, and listen to this, Mr. Speaker, I have over 400,000 illegals, kindergarten through 12th grade. Four hundred thousand, at a cost of $5,000 each per year. That is over $2.2 billion a year that comes out of California's education fund; $2.2 billion.

We could put a computer and fiber optics into every schoolroom in the State of California. We could upgrade to where education for American citizens and their children and student loans are cheaper in the State of California. But, no, we have been mandated from the Federal Government that we have to supply this education.

The school lunch program, just for illegals, costs $1.2 million a day, and we need to address that, Mr. Speaker. It is another problem within our schools that we have to face on a daily basis.

So I look at the cost of education, what the Federal Government is killing and cutting in education every single day for the last 40 years, and we need to change that, Mr. Speaker. We can do better as a nation. We can invest in education, and we need to do it at the local level.

Let me talk about some of the things that my colleagues on the other side of the aisle said that we cut. Let me give you a good example of the lies, the deceit, the misconceptions and the rhetoric that comes out about cutting.

The other side of the aisle will say that Republicans cut safe and drug-free schools. We put the money in a block grant, again to the States, and if safe and drug-free schools works in that particular district, they can fund it; if Head Start works.

Now, get this. The Department of Education, the Department of Education, not exactly a right-wing conservative group, did a study and said across this Nation you can take two children, one in Head Start, the other not, and at the end of the training there is no difference in the results. But yet in San Diego we have a pretty good Head Start Program. It works good in San Diego.

But across the Nation it only depends on the ability of the administrators, the teachers and the parents within that zip code if that is going to succeed or not. So what we do is send the money down to the local district and say use the money where it is effective to help children, and I think that is a big difference.

But drug-safe schools. In 1994 and 1995 Democrats controlled. They controlled the House, they controlled the Senate, Mr. Speaker, and they controlled the White House. The request for safe and drug-free schools was $598.2 million. Let me repeat it for you, $598.2 million. The Democrats in the Congress, they controlled the House, the Senate and the White House, cut to $487.2 million. In 1995 the request was for $660 million for safe and drug-free schools. Democrats cut it $194 million.

We did not cut safe and drug-free schools. We funded it at the same level, and we sent the money to the local districts and said if it works for you, do it, and fund it. Do not fund it at only 23 cents on the dollar, but fund it if it works, because that is a program you need to save for children.

Let me give you some fraud, waste and abuse in that particular program that we rooted out. In Michigan, Drug Czar Bob Peterson found $81,000 spent on a giant plastic teeth and toothbrushes for safe and drug-free schools. They said if children brush their teeth, they are not going to do drugs. It went to fund bicycle pumps. It funded sex education consultants at Clemsford High School in Massachusetts; they spent $1,000 to present a compulsory attendance on hot, sexy, and safer programs for students.

Fairfax County, just right next to us here in Washington, DC, spent $176,000 for staff to spend a weekend on Maryland's Eastern Shore. They spent funds for lumber to build steps for an aerobics class and funded a field trip to Deep Run Lodge for the board of education.

That is not what the money is meant for, Mr. Speaker, and that is what we are changing, is getting the money down to the local groups.

Commerce, Justice, and State appropriations, drug enforcement. My colleagues were talking about a study into contra and drug dealings. What Senator Dole has been campaigning around the country with is that drug use since the Clinton administration started, the use in our high schools, is up 143 percent, an increase. When Ronald Reagan and George Bush were in the White House, drug use went down 50 percent.

Yes, say no to drugs. With parents, it worked. It helped. Was it the wherewithal? Absolutely not, but I think there was an awareness that the Nation had a problem.

Remember Noriega and the interdiction that we used in Colombia and other countries in stopping and going after the drug cartels? That was effective. But is that by itself going to stop the war that we have on drugs? Absolutely not. Are treatment centers? In our schools, are the safe and drug-free schools and the DARE by themselves? No. It takes a compromise of a lot of different groups to make it work.

When we have a President his first week in the White House who cuts the drug czar from 154 staff to 25, and then in his next statement on MTV makes a statement, ''I would have inhaled if I could,'' is that the message we want to come across to our children in this Nation?

Agents that are going out every day in our schools say there is not a case where the kids do not laugh and say, well, the President does it. Is that the message that we want to send to our children? Is that the message that we want to send with this nation's highest medical officer, Joycelyn Elders, who came across and said she wanted to legalize drugs in this country? I do not think that is the message we want to send to our youth.

This President cut the Coast Guard. One of our most effective stops of drugs entering this country, especially in Florida and in California, is through our Coast Guard. He cut that $328 million. We put the money back in, Mr. Speaker.

Foreign operations, State Department International Narcotics Control Program. We increased it $35 million that the President cut. DOD operations was cut by the President. Where? For drug interdiction.

When we take a look across the board at where this administration has cut drug interdiction, he even cut the White House drug testing program. And, just, what, 3 weeks ago, in the Washington Times and the Washington Post and papers across this country, it was found out that in the White House staff was using cocaine, heroin, and hallucinogens. And, guess what, the President did away with the White House drug testing program before that, even when he was warned by the FBI that these people were going to go on his staff. No wonder he took away the drug testing program. And it is a fact, it is not just a statement.

We have lost great support in our war against drugs, Mr. Speaker, and Republicans are putting that back. We elevate the war threat in the National Security Council, restore funding for interdiction efforts, restore funding on the ONDCP staff for policy support lost in 1993, restore for intelligence gathering that we lost between 1993 and 1995.

So, yes, we have a critical problem. When we talk to lawyers, Mr. Speaker, and go to your lawyers in your local district, and ask them what the No. 1 issue for juvenile justice, if they could stop it, what would they do, and I bet 99 percent of them will say stop the flow of drugs into our schools and into our Nation.

And those that are on it, let us help them get off it with our treatment centers. I know that personally because of my own son who was in a drug treatment center, Mr. Speaker, and it worked. But when he checked in, the staff there, Dr. Sambs, said, ''Duke, there is only about 10 percent of these kids that are not going to come back to this facility.''

But we can save some of those kids. My son was one of those: Drug free

since 1986. And he even dates the daughter of a judge, so I guess he has to stay straight now. But it has been a success program, and there are other children like him across the Nation.

Mr. Speaker, we talk about education and the importance. I taught and coached at Hinsdale High School outside of Chicago. Evanston, Nutria are two other very fine schools in this Nation with good teachers. But you go just a short distance away, Mr. Speaker, and you will go through 4½ miles of Federal housing projects. In that 4½ miles, those kids do not carry books, they carry guns. Their icons are pimps and prostitutes and drug dealers.

The illegitimacy rate is above 50 percent for those children. The only male figure they ever see is an older male that impregnates the unmarried daughter. That daughter has a child, then they get welfare. And the only male figure they see is that figure. And usually it is the grandmother that raises the child.

And then if it is a male child, where does that child end up? Where does he go? Usually, the only family that many of these kids have are gangs. And we are seeing the problem in our country of juvenile justice and juvenile delinquency grow exponentially across the Nation.

So education, a hope for a job, putting resources into education, not wasting them on Federal bureaucracy, and purporting to do that, I think, is a noteworthy task, Mr. Speaker.

What have we done in this Congress? The Speaker of the House holds up a bucket of ice. The last icebox where you had to put ice in it was in 1937, but yet the Democrats have been, under Democrat leadership for 40 years, have been delivering ice to this body for 40 years, two times a day. Two times a day. Do you know what that bucket of ice cost? $500,000 a year.

Did we conduct a 5-year study? No. Did we retrain the ice deliverers? No. We just went cold turkey. We cut it. And can we save dollars in this body, Mr. Speaker? Absolutely. Right on down the line. For parking places for lobbyists that we cut. We cut the size of the bureaucracy and sold a building and saved taxpayer dollars. That bucket means about 400 families that can receive the Bob Dole tax relief.

□ 1045

And the Bob Dole tax relief, let us take a look at it. A family of four, two children, earning $30,000, will receive a tax relief package of 86 percent of their taxes are going to be eliminated, 86 percent. And under this administration, if the tax system continues without the Bob Dole tax relief, you can send that 86 percent tax increase right to IRS.

We are going to rip it out by the roots, Mr. Speaker. We are going to have a safer, fairer tax for the American people because they do not want to send the valuable dollars to Washington, DC and only get 23 cents back on the dollar for education. They do not want to send it to Washington, DC, Mr. Speaker, and only get 30 cents of a dollar back down to welfare recipients. They want it effective.

They want a lean, mean government that walks beside its people, that helps them and gets off of their back. And there is a legitimate reason to have Federal help. Poor children. There is a legitimate need in medical research for AIDS and for cancer and Alzheimer's and other diseases.

States cannot do that, and that is why the speaker was insistent that our priority was to increase the dollars for medical research in the HHS bill, demanded it. And in many cases we took the dollars out of programs that some of us did not want, but overall it was a good program.

Mr. Speaker, in 2 years people say, well, DUKE, is it really worth it to stay in Congress? Is it really worth all of the battles that you go through? And I want to tell you it is one of the most difficult things I have ever done including fighting in combat for my country because you make an honest effort. You know a system, Medicare, is going broke. My mother, who lives in Escondido, is not going to have the system if we do not preserve it and save it. My little mom, my little Irish mom who fits under my arm, you think we are going to do anything to taint that? Or my children in the future?

But yet if we do not save it, and add the dollars that we need to over a period of time, we go from $4,800 to $7,300. That is not a cut, Mr. Speaker. And the most difficult thing in this body is to sit up and listen to all the demagoguery, to the smoke and mirrors, to the scare tactics when someone is saying you are cutting Medicare, when someone is saying that you are cutting education and what you are doing is cutting their precious bureaucracy.

Why do the unions dump large amounts, $35 million, into their campaigns? Because they know and they want a centralized government and the power. What we want to do, Mr. Speaker, is turn that power away from the Federal Government and turn it back to the American people.

That is a vision. In that we can increase education dollars, and we can do the rest of the things that we purport to do.

I want to thank you, Mr. Speaker. I think that the American people, when the elections are coming up on November 5, whether you are Republican or Democrat, take a look at the issues and take a look at the values, the character; take a look at the believability of the system and what we are trying to do. It is trying to make a better America, to preserve Medicare, to preserve the environment; not cut it but to cut the Federal bureaucracy that is taking away the dollars, that is taking away the American dream.

Let us give the dollars back to the pockets of the people so that we can improve education and the other systems.

CONFERENCE REPORT ON H.R. 3666, DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1997

Mr. LEWIS of California (during the special order of the gentleman from Connecticut, Mr. SHAYS) submitted the following conference report and statement on the bill (H.R. 3666) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1997, and for other purposes:

CONFERENCE REPORT (H. REPT. 104–812)

The Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3666) ''making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1997, 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 Senate recede from its amendments numbered 11, 60, 107, and 112.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 5, 8, 12, 13, 15, 17, 19, 21, 22, 23, 24, 25, 26, 27, 28, 30, 31, 32, 36, 37, 38, 39, 42, 44, 45, 46, 48, 49, 50, 51, 52, 53, 54, 55, 56, 61, 62, 63, 64, 65, 66, 69, 71, 73, 74, 75, 76, 77, 78, 79, 82, 85, 86, 87, 88, 90, 92, 93, 94, 96, 97, 98, 99, 100, 101, 103, 104, 106, 108, 109, 110, 114, 115, 116, and agree to the same.

Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$700,000,000*; and the Senate agree to the same.

Amendment numbered 6:

That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$61,207,000*; and the Senate agree to the same.

Amendment numbered 7:

That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$827,584,000*; and the Senate agree to the same.

Amendment numbered 9:

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert: *$250,858,000, of which $32,100,000 shall be for the replacement hospital at Travis Air Force Base, Fairfield, California, and shall not be released for obligation prior to January 1, 1998, unless action is taken by Congress specifically making such funds available, and all funds appropriated under the above hearing are*; and the Senate agree to the same.

Amendment numbered 10:

That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$175,000,000*; and the Senate agree to the same.

Amendment numbered 14:

That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following:

DEVELOPMENT AND ADDITIONAL NEW SUBSIDIZED HOUSING

For assistance for the purchase, construction, acquisition, or development of additional public and subsidized housing units for low income families under the United States Housing Act of 1937, as amended (''the Act'' herein) (42 U.S.C. 1437), not otherwise provided for, $1,039,000,000, to remain available until expended: Provided, That of the total amount provided under this head, $645,000,000 shall be for capital advances, including amendments to capital advance contracts, for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for project rental assistance, and amendments to contracts for project rental assistance, for supportive housing for the elderly under section 202(c)(2) of the Housing Act of 1959; and $194,000,000 shall be for capital advances, including amendments to capital advance contracts, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act, and for project rental assistance, and amendments to contracts for project rental assistance, for supportive housing for persons with disabilities as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act: Provided further, That the Secretary may designate up to 25 percent of the amounts earmarked under this paragraph for section 811 of the Cranston-Gonzalez National Affordable Housing Act for tenant-based assistance, as authorized under that section, including such authority as may be waived under the next proviso, which assistance is five years in duration: Provided further, That the Secretary may waive any provision of section 202 of the Housing Act of 1959 and section 811 of the National Affordable Housing Act (including the provisions governing the terms and conditions of project rental assistance and tenant-based assistance) that the Secretary determines is not necessary to achieve the objectives of these programs, or that otherwise impedes the ability to develop, operate or administer projects assisted under these programs, and may make provision for alternative conditions or terms where appropriate: Provided further, That of the total amount provided under this head $200,000,000 shall be for the development or acquisition cost of public housing for Indian families, including amounts for housing under the mutual help homeownership opportunity program under section 202 of the Act (42 U.S.C. 1437bb).

PREVENTION OF RESIDENT DISPLACEMENT

For activities and assistance to prevent the involuntary displacement of low-income families, the elderly and the disabled because of the loss of affordable housing stock, expiration of subsidy contracts (other than contracts for which amounts are provided under the head ''Preserving Existing Housing Investment'') or expiration of use restrictions, or other changes in housing assistance arrangements, and for other purposes, $4,640,000,000, to remain available until expended: Provided, That of the total amount provided under this head, $3,600,000,000 shall be for assistance under the United States Housing Act of 1937 (42 U.S.C. 1437) for use in connection with expiring or terminating section 8 subsidy contracts: Provided further, That the Secretary may determine not to apply section 8 (o)(6)(B) of the Act to housing vouchers during fiscal year 1997: Provided further, That of the total amount provided under this head, $850,000,000 shall be for amendments to section 8 contracts other than contracts for projects developed under section 202 of the Housing Act of 1959, as amended: Provided further, That of the total amount provided under this head, $190,000,000 shall be for assistance under the United States Housing Act of 1937 (42 U.S.C. 1437) to relocate residents of properties (i) that are owned by the Secretary and being disposed of; (ii) that are discontinuing section 8 project-based assistance; or (iii) subject to special workout assistance team intervention compliance actions; for the conversion of section 23 projects to assistance under section 8; for funds to carry out the family unification program; and for the relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency: Provided further, That of the total amount made available under this head, $50,000,000 shall be made available to nonelderly disabled families affected by the designation of a public housing development under Section 7 of such Act or the establishment of preferences in accordance with section 651 of the Housing and Community Development Act of 1992 (42 U.S.C. 13611).

PRESERVING EXISTING HOUSING INVESTMENT

For operating, maintaining, revitalizing, rehabilitating, preserving, and protecting existing housing developments for low income families, the elderly, and the disabled, $5,750,000,000, to remain available until expended: Provided, That of the total amount made available under this head, $2,900,000,000 shall be available for payments to public housing agencies and Indian housing authorities for operating subsidies for low-income housing projects as authorized by section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g): Provided further, That of the total amount made available under this head, $2,500,000,000 shall be available for modernization of existing public housing projects as authorized under section 14 of the United States Housing Act of 1937, as amended (42 U.S.C. 14371), of which $10,000,000 shall be for carrying out activities under section 6(j) of the United States Housing Act of 1937 and technical assistance for the inspection of public housing units, contract expertise, and training and technical assistance directly or indirectly, under grants, contracts, or cooperative agreements, to assist in the oversight and management of public and Indian housing (whether or not the housing is being modernized with assistance under this proviso) or tenant-based assistance, including, but not limited to, an annual resident survey, data collection and analysis, training and technical assistance by or to officials and employees of the department, and of public housing agencies and to residents in connection with the public and Indian housing program: Provided further, That of the total amount provided under this head, $350,000,000 shall be available for use in conjunction with properties that are eligible for assistance under the Low Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRHA) or the Emergency Low-Income Housing Preservation Act of 1987 (ELIHPA), of which $75,000,000 shall be available for obligation until March 1, 1997 for projects (1) that are subject to a repayment or settlement agreement that was executed between the owner and the Secretary prior to September 1, 1995; (2) whose submissions were delayed as a result of their locations in areas that were designated as a Federal disaster area in a Presidential Disaster Declaration; or (3) whose processing was, in fact or in practical effect, suspended, deferred, or interrupted for a period of twelve months or more because of differing interpretations, by the Secretary and an owner or by the Secretary and a State or local rent regulatory agency, concerning the timing of filing eligibility or the effect of a presumptively applicable State or local rent control law or regulation on the determination of preservation value under section 213 of LIHPRHA, as amended, if the owner of such project filed notice of intent to extend the low-income affordability restrictions of the housing, or transfer to a qualified purchaser who would extend such restrictions, on or before November 1, 1993; and of which, up to $100,000,000 may be used for rental assistance to prevent displacement of families residing in projects whose owners prepay their mortgages; and the balance of which shall be available from the effective date of this Act for sales to preferred priority purchasers: Provided further, That with the exception of projects described in clauses (1), (2), or (3) of the preceding proviso, the Secretary shall, notwithstanding any other provision of law, suspend further processing of preservation applications which have not heretofore received approval of a plan of action: Provided further, That $150,000,000 of amounts recaptured from interest reduction payment contracts for section 236 projects whose owners prepay their mortgages during fiscal year 1997 shall be rescinded: Provided further, That an owner of eligible low-income housing may prepay the mortgage or request voluntary termination of a mortgage insurance contract, so long as said owner agrees not to raise rents for sixty days after such prepayment: Provided further, That such developments have been determined to have preservation equity at least equal to the lesser of $5,000 per unit or $500,000 per project or the equivalent of eight times the most recently published monthly fair market rent for the area in which the project is located as the appropriate unit size for all of the units in the eligible project: Provided further, That the Secretary may modify the regulatory agreement to permit owners and priority purchasers to retain rental income in excess of the basic rental charge in projects assisted under section 236 of the National Housing Act, for the purpose of preserving the low and moderate income character of the housing: Provided further, That eligible low-income housing shall include properties meeting the requirements of this paragraph with mortgages that are held by the State agency as a result of a sale by the Secretary without insurance which immediately before the sale would have been eligible low-income housing under LIHPRHA: Provided further, That notwithstanding any other provision of law, subject to the availability of appropriated funds, each low-income family, and moderate-income family who is elderly or disabled or is residing in a low-vacancy area, residing in the housing on the date of prepayment or voluntary termination, and whose rent, as a result of a rent increase occurring no later than one year after the date of the prepayment, exceeds 30 percent of adjusted income, shall be offered tenant-based assistance in accordance with section 8 or any successor program, under which the family shall pay no less for rent than it paid on such date: Provided further, That any family receiving tenant-based assistance under the preceding proviso may elect (1) to remain in the unit of the housing and if the rent exceeds the fair market rent or payment standard, as applicable, the rent shall be deemed to be the applicable standard, so long as the administering public housing agency finds that the rent is reasonable in comparison with rents charged for comparable unassisted housing units in the market or (2) to move from the housing and the rent will be subject to the fair market rent of the payment standard, as applicable, under existing program rules and procedures: Provided further, That the tenant-based assistance made available under the preceding two provisos are in lieu of benefits provided in subsections 223(b), (c), and (d) of the low Income Housing Preservation and Resident Homeownership Act of 1990: Provided further, That any sales shall be funded using the capital grant available under section 220(d)(3)(A) of LIHPRHA: Provided further, That any extensions shall be funded using a non-interest-bearing capital (direct) loan by the Secretary not in excess of the amount of the cost of rehabilitation approved in the plan of action

plus 65 percent of the property's preservation equity and under such other terms and conditions as the Secretary may prescribe: Provided further, That any capital grant shall be limited to seven times, and any capital loan limited to six times, the annual fair market rent for the project, as determined using the fair market rent for fiscal year 1997 for the areas in which the project is located using the appropriate apartment sizes and mix in the eligible project, except where, upon the request of a priority purchaser, the Secretary determines that a greater amount is necessary and appropriate to preserve low-income housing: Provided further, That section 241(f) of the National Housing Act is repealed and insurance under such section shall not be offered as an incentive under LIHPRHA and ELIHPA: Provided further, That up to $10,000,000 of the amount of $350,000,000 made available by a preceding proviso in this paragraph may be used at the discretion of the Secretary to reimburse owners of eligible properties for which plans of action were submitted prior to the effective date of this Act, but were not executed for lack of available funds, with such reimbursement available only for documented costs directly applicable to the preparation of the plan of action as determined by the Secretary, and shall be made available on terms and conditions to be established by the Secretary: Provided further, That, notwithstanding any other provision of law, a priority purchaser may utilize assistance under the HOME Investment Partnerships Act or the Low Income Housing Tax Credit; Provided further, That projects with approved plans of action which exceed the limitations on eligibility for funding imposed by its Act may submit revised plans of action which conform to these limitations by March 1, 1997 and retain the priority for funding otherwise applicable from the original date of approval of their plan of action, subject to securing any additional necessary funding commitments by August 1, 1997.

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING

For grants to public housing agencies for assisting in the demolition of obsolete public housing projects or portions thereof, the revitalization (where appropriate) of sites (including remaining public housing units) on which such projects are located, replacement housing which will avoid or lessen concentrations of very low-income families, and tenant-based assistance in accordance with section 8 of the United States Housing Act of 1937; and for providing replacement housing and assisting tenants to be displaced by the demolition, $550,000,000, to remain available until expended, of which the Secretary may use up to $2,500,000 for technical assistance, to be provided directly or indirectly by grants, contracts or cooperative agreements, including training and cost of necessary travel for participants in such training, by or to officials and employees of the Department and of public housing agencies and to residents: Provided, That no funds appropriated in this title shall be used for any purpose that is not provided for herein, in the Housing Act of 1937, in the Appropriations Acts for Veterans Affairs, Housing and Urban Development, and Independent Agencies, for the fiscal years 1993, 1994, and 1995, and the Omnibus Consolidated Rescissions and Appropriations Act of 1996: Provided further, That none of such funds shall be used directly or indirectly by granting competitive advantage in awards to settle litigation or pay judgments, unless expressly permitted herein: Provided further, That, notwithstanding any other provision of law, the funds made available to the Housing Authority of New Orleans under HOPE VI for purposes of Desire Homes, shall not be obligated or expended for on-site construction until an independent third party has determined whether the site is appropriate.

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING (INCLUDING TRANSFER OF FUNDS)

For grants to public and Indian housing agencies for use in eliminating crime in public housing projects authorized by 42 U.S.C. 11901–11908, for grants for federally assisted low-income housing authorized by 42 U.S.C. 11909, and for drug information clearinghouse services authorized by 42 U.S.C. 11921–11925, $290,000,000, to remain available until expended, $10,000,000 of which shall be for grants, technical assistance, contracts and other assistance training, program assessment, and execution for or on behalf of public housing agencies and resident organizations (including the cost of necessary travel for participants in such training), $5,000,000 of which shall be used in connection with efforts to combat violent crime in public and assisted housing under the Operation Safe Home program administered by the Inspector General of the Department of Housing and Urban Development, and $5,000,000 of which shall be provided to the Office of Inspector General for Operation Safe Home: Provided further, That the term ''drug-related crime'', as defined in 42 U.S.C. 11905(2), shall also include other types of crime as determined by the Secretary: Provided further, That notwithstanding section 5130(c) of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11909(c)), the Secretary may determine not to use any such funds to provide public housing youth sports grants.

And the Senate agree to the same.

Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$67,000,000*; and the Senate agree to the same.

Amendment numbered 18:

That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following:

Of the Amount provided under this heading, the Secretary of Housing and Urban Development may use up to $60,000,000 for grants to public housing agencies (including Indian housing authorities), nonprofit corporations, and other appropriate entities for a supportive service program to assist residents of public and assisted housing, former residents of such housing receiving tenant-based assistance under section 8 of such Act (42 U.S.C. 1437f), and other low-income families and individuals to become self-sufficient: Provided, That the program shall provide supportive services, principally for the benefit of public housing residents, to the elderly and the disabled, and to families with children where the head of household would benefit for the receipt of supportive services and in working, seeking work, or in preparing for work by participating in job training or educational programs: Provided further, That the supportive services may include congregate services for the elderly and disabled, service coordinators, and coordinated educational, training, and other supportive services, including academic skills training, job search assistance, assistance related to retaining employment, vocational and entrepreneurship development and support programs, transportation, and child care: Provided further, That the Secretary shall require applications to demonstrate firm commitments of funding or services from other sources: Provided further, That the Secretary shall select public and Indian housing agencies to receive assistance under this head on a competitive basis, taking into account the quality of the proposed program (including any innovative approaches, the extent of the proposed coordination of supportive services, the extent of commitments of funding or services from other sources, the extent to which the proposed program includes reasonably achievable, quantifiable goals for measuring performance under the program over a three-year period, the extent of success an agency has had in carrying out other comparable initiatives, and other appropriate criteria established by the Secretary): Provided further, That from the foregoing $60,000,000, up to $5,000,000 shall be available for the Tenant Opportunity Program, and up to $5,000,000 shall be available for the Moving to Work Demonstration for public housing families.

And the Senate agree to the same.

Amendment numbered 20:

That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$30,000,000*; and the Senate agree to the same.

Amendment numbered 29:

That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following: *$976,840,000, of which $15,000,000 may be used for additional retraining, relocation, permanent change of station, and other activities related to downsizing only upon submission of a detailed and specific, multi-year downsizing plan to the Committee on Appropriations of the House of Representatives and the Senate, and*; and the Senate agree to the same.

Amendment numbered 33:

That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$15,500,000*; and the Senate agree to the same.

Amendment numbered 34:

That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

SEC. 201. EXTENDERS.—(a) PUBLIC HOUSING FUNDING FLEXIBILITY.—Section 201(a)(2) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 is amended by striking ''1996'' and inserting ''1997''.

(b) ONE-FOR-ONE REPLACEMENT OF PUBLIC AND INDIAN HOUSING.—Section 1002(d) of Public Law 104–19 is amended by striking ''before September 30, 1996'' and inserting ''on or before September 30, 1997''.

(c) PUBLIC AND ASSISTED HOUSING RENTS, INCOME ADJUSTMENTS, AND PREFERENCES.—(1)(A) Section 402(a) of The Balanced Budget Downpayment Act, I is amended—

(i) by striking ''effective for fiscal year 1996 and no later than October 30, 1995'' and inserting ''and subsection (f) of this section, effective for fiscal year 1997'';

(ii) in paragraphs (1), (2), and (4), by striking ''not less than $25, and may require a minimum monthly rent of''; and

(iii) in paragraph (3), by striking ''not less than $25 for the unit, and may require a minimum monthly rent of''.

(B) Section 230 of Public Law 104–134 is hereby repealed.

(2) Section 402(f) of The Balanced Budget Downpayment Act, I is amended by striking ''fiscal year 1996'' and inserting ''fiscal years 1996 and 1997''.

(d) APPLICABILITY TO IHAS.—In accordance with section 201(b)(2) of the United States Housing Act of 1937, the amendments made by subsections (a), (b), and (c) shall apply to public housing developed or operated pursuant to a contract between the Secretary of Housing and Urban Development and an Indian housing authority.

(e) STREAMLINING SECTION 8 TENANT-BASED ASSISTANCE.—Section 203(d) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 is amended by striking ''fiscal year 1996'' and inserting ''fiscal years 1996 and 1997''.

(f) SECTION 8 FAIR MARKET RENTALS AND DELAY IN REISSUANCE.—(1) The first sentence of section 403(a) of the Balanced Budget Downpayment Act, I, is amended by striking ''1996'' and inserting ''1997''.

(2) Section 403(c) of such Act is amended—

(A) by striking ''fiscal year 1996'' and inserting ''fiscal years 1996 and 1997''; and

(B) by inserting before the semicolon the following: ''for assistance made available during fiscal year 1996 and October 1, 1997 for assistance made available during fiscal year 1997''.

(g) SECTION 8 RENT ADJUSTMENTS.—Section 8(c)(2)(A) of the United States Housing Act of 1937 is amended—

(1) in the third sentence by inserting '', fiscal year 1996 prior to April 26, 1996, and fiscal year 1997'' after ''1995'';

(2) in the fourth sentence, by striking ''For'' and inserting ''Except for assistance under the certificate program, for'';

(3) after the fourth sentence, by inserting the following new sentence: ''In the case of assistance under the certificate program, 0.01 shall be subtracted from the amount of the annual adjustment factor (except that the factor shall not be reduced to less than 1.0), and the adjusted rent shall not exceed the rent for a comparable unassisted unit of similar quality, type, and age in the market area.''; and

(4) in the last sentence, by—

(A) striking ''sentence'' and inserting ''two sentences''; and

(B) inserting '', fiscal year 1996 prior to April 26, 1996, and fiscal year 1997'' after ''1995''.

And the Senate agree to the same.

Amendment numbered 35:

That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows:

At the end of the matter proposed by said amendment, insert the following: *Any grant or assistance made under this section shall be made in accordance with section 102 of the Department of Housing and Urban Development Reform Act of 1989 on a competitive basis.*

And the Senate agree to the same.

Amendment numbered 40:

That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following:

SEC. 210. (a) FINANCING ADJUSTMENT FACTORS.—Fifty per centum of the amounts of budget authority, or in lieu thereof 50 per centum of the cash amounts associated with such budget authority, that are recaptured from projects described in section 1012(a) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (Public Law 100–628, 102 Stat. 3224, 3268) shall be rescinded, or in the case of cash, shall be remitted to the Treasury, and such amounts of budget authority or cash recaptured and not rescinded or remitted to the Treasury shall be used by State housing finance agencies or local governments or local housing agencies with projects approved by the Secretary of Housing and Urban Development for which settlement occurred after January 1, 1992, in accordance with such section.

(b) In addition to amounts otherwise provided by this Act, $464,442 is appropriated to the Department of Housing and Urban Development for payment to the Utah Housing Finance Agency, in lieu of amounts lost to such agency in bond refinancings during 1994, for its use in accordance with subsection (a).

And the Senate agree to the same.

Amendment numbered 41:

That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following:

SEC. 211. SECTION 8 CONTRACT RENEWAL AUTHORITY.

(a) DEFINITIONS.—For purposes of this section—

(1) the term ''expiring contract'' means a contract for project-based assistance under section 8 of the United States Housing Act of 1937 that expires during fiscal year 1997;

(2) the term ''family'' has the same meaning as in section 3(b) of the United States Housing Act of 1937;

(3) the term ''multifamily housing project'' means a property consisting of more than 4 dwelling units that is covered in whole or in part by a contract for project-based assistance under section 8 of the United States Housing Act of 1937;

(4) the term ''owner'' has the same meaning as in section 8(f) of the United States Housing Act of 1937;

(5) the term ''project-based assistance'' means rental assistance under section 8 of the United States Housing Act of 1937 that is attached to a multifamily housing project;

(6) the term ''public agency'' means a State housing finance agency, a local housing agency, or other agency with a public purpose and status;

(7) the term ''Secretary'' means the Secretary of Housing and Urban Development; and

(8) the term ''tenant-based assistance'' has the same meaning as in section 8(f) of the United States Housing Act of 1937.

(b) SECTION 8 CONTRACT RENEWAL AUTHORITY.—

(1) IN GENERAL.—Notwithstanding section 405(a) of the Balanced Budget Downpayment Act, I, upon the request of the owner of a multifamily housing project that is covered by an expiring contract, the Secretary shall use amounts made available for the renewal of assistance under section 8 of the United States Housing Act of 1937 to renew the expiring contract as project-based assistance for a period of not more than 1 year, at rent levels that are equal to those under the expiring contract as of the date of which the contract expires, provided that those rent levels do not exceed 120 percent of the fair market rent for the market area in which the project is located. For a FHA-insured multifamily housing project with an expiring contract at rent levels that exceed 120 percent of the fair market rent for the market area, the Secretary shall provide, at the request of the owner, section 8 project-based assistance, for a period of not more than 1 year, at rent levels that do not exceed 120 percent of the fair market rent.

(2) EXEMPTION FOR STATE AND LOCAL HOUSING AGENCY PROJECTS.—Notwithstanding paragraph (1), upon the expiration of a contract with rent levels that exceed the percentage described in that paragraph, if the Secretary determines that the primary financing or mortgage insurance for the multifamily housing project that is covered by that expiring contract was provided by a public agency, the Secretary shall, at the request of the owner and the public agency, renew the expiring contract—

(A) for a period of not more than 1 year; and

(B) at rent levels that are equal to those under the expiring contract as of the date on which the contract expires.

(3) Section 202, Section 811, and Section 515 Projects. Notwithstanding paragraph (1), for section 202 projects, section 811 projects and section 515 projects, upon the expiration of a section 8 contract, the Secretary shall, at the request of the owner, renew the expiring contract—

(A) for a period of not more than 1 year; and

(B) at rent levels that are equal to those under the expiring contract as of the date on which the contract expires.

(4) OTHER CONTRACTS.—

(A) PARTICIPATION IN DEMONSTRATION.—For a contract covering an FHA-insured multifamily housing project that expires during fiscal year 1997 with rent levels that exceed the percentage described in paragraph (1) and after notice to the tenants, the Secretary shall, at the request of the owner of the project and after notice to the tenants, include that multifamily housing project in the demonstration program under section 212 of this Act. The Secretary shall ensure that a multifamily housing project with an expiring contract in fiscal year 1997 shall be allowed to be included in the demonstration.

(B) EFFECT OF MATERIAL ADVERSE ACTIONS OR OMISSIONS.—Notwithstanding paragraph (1) or any other provision of law, the Secretary shall not renew an expiring contract if the Secretary determines that the owner of the multifamily housing project has engaged in material adverse financial or managerial actions or omissions with regard to the project (or with regard to other similar projects if the Secretary determines that such actions or omissions constitute a pattern of mismanagement that would warrant suspension or debarment by the Secretary).

(C) TRANSFER OF PROPERTY.—For properties disqualified from the demonstration program because of actions by an owner or purchaser in accordance with subparagraph (B), the Secretary shall establish procedures to facilitate the voluntary sale or transfer of the property, with a preference for tenant organizations and tenant-endorsed community-based nonprofit and public agency purchasers meeting such reasonable qualifications as may be established by the Secretary. The Secretary may include the transfer of section 8 project-based assistance.

(5) TENANT PROTECTIONS.—Any family residing in an assisted unit in a multifamily housing project that is covered by an expiring contract that is not renewed, shall be offered tenant-based assistance before the date on which the contract expires or is not renewed.

SEC. 212. FHA MULTIFAMILY DEMONSTRATION AUTHORITY.

(a) IN GENERAL.—

(1) REPEAL.—

(A) IN GENERAL.—Section 210 of the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 1996 (110 Stat. 1321) is repealed.

(B) EXCEPTION.—Notwithstanding the repeal under subparagraph (A), amounts made available under section 210(f) the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 1996 shall remain available for the demonstration program under this section through the end of fiscal year 1997.

(2) SAVINGS PROVISIONS.—Nothing in this section shall be construed to affect any commitment entered into before the date of enactment of this Act under the demonstration program under section 210 of the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 1996.

(3) DEFINITIONS.—For purposes of this section—

(A) the term ''demonstration program'' means the program established under subsection (b);

(B) the term ''expiring contract'' means a contract for project-based assistance under section 8 of the United States Housing Act of 1937 that expires during fiscal year 1997;

(C) the term ''family'' has the same meaning as in section 3(b) of the United States Housing Act of 1937;

(D) the term ''multifamily housing project'' means a property consisting of more than 4 dwelling units that is covered in whole or in part by a contract for project-based assistance;

(E) the term ''owner'' has the same meaning as in section 8(f) of the United States Housing Act of 1937;

(F) the term ''project-based assistance'' means rental assistance under section 8 of the United

States Housing Act of 1937 that is attached to a multifamily housing project;

(G) the term ''Secretary'' means the Secretary of Housing and Urban Development; and

(H) the term ''tenant-based assistance'' has the same meaning as in section 8(f) of the United States Housing Act of 1937.

(b) DEMONSTRATION AUTHORITY.—

(1) IN GENERAL.—Subject to the funding limitation in subsection (l), the Secretary shall administer a demonstration program with respect to multifamily projects—

(A) whose owners agree to participate;

(B) with rents on units assisted under section 8 of the United States Housing Act of 1937 that are, in the aggregate, in excess of 120 percent of the fair market rent of the market area in which the project is located; and

(C) the mortgages of which are insured under the National Housing Act.

(2) PURPOSE.—The demonstration program shall be designed to obtain as much information as is feasible on the economic viability and rehabilitation needs of the multifamily housing projects in the demonstration, to test various approaches for restructuring mortgages to reduce the financial risk to the FHA Insurance Fund while reducing the cost of section 8 subsidies, and to test the feasibility and desirability of—

(A) ensuring, to the maximum extent practicable, that the debt service and operating expenses, including adequate reserves, attributable to such multifamily projects can be supported at the comparable market rent with or without mortgage insurance under the National Housing Act and with or without additional section 8 rental subsidies;

(B) utilizing section 8 rental assistance, while taking into account the capital needs of the projects and the need for adequate rental assistance to support the low- and very low-income families residing in such projects; and

(C) preserving low-income rental housing affordability and availability while reducing the long-term cost of section 8 rental assistance.

(c) GOALS.—

(1) IN GENERAL.—The Secretary shall carry out the demonstration program in a manner that will protect the financial interests of the Federal Government through debt restructuring and subsidy reduction and, in the least costly fashion, address the goals of—

(A) maintaining existing affordable housing stock in a decent, safe, and sanitary condition;

(B) minimizing the involuntary displacement of tenants;

(C) taking into account housing market conditions;

(D) encouraging responsible ownership and management of property;

(E) minimizing any adverse income tax impact on property owners; and

(F) minimizing any adverse impacts on residential neighborhoods and local communities.

(2) BALANCE OF COMPETING GOALS.—In determining the manner in which a mortgage is to be restructured or a subsidy reduced under this subsection, the Secretary may balance competing goals relating to individual projects in a manner that will further the purposes of this section.

(d) PARTICIPATION ARRANGEMENTS.—

(1) IN GENERAL.—In carrying out the demonstration program, the Secretary may enter into participation arrangements with designees, under which the Secretary may provide for the assumption by designees (by delegation, by contract, or otherwise) of some or all of the functions, obligations, responsibilities and benefits of the Secretary.

(2) DESIGNEES.—In entering into any arrangement under this subsection, the Secretary shall select state housing finance agencies, housing agencies or nonprofits (separately or in conjunction with each other) to act as designees to the extent such agencies are determined to be qualified by the Secretary. In locations where there is no qualified state housing finance agency, housing agency or nonprofit to act as a designee, the Secretary may act as a designee. Each participation arrangement entered into under this subsection shall include a designee as the primary partner. Any organization selected by the Secretary under this section shall have a long-term record of service in providing low-income housing and meet standards of fiscal responsibility, as determined by the Secretary.

(3) DESIGNEE PARTNERSHIPS.—For purposes of any participation arrangement under this subsection, designees are encouraged to develop partnerships with each other, and to contract or subcontract with other entities, including—

(A) public housing agencies;

(B) financial institutions;

(C) mortgage servicers;

(D) nonprofit and for-profit housing organizations;

(E) the Federal National Mortgage Association;

(F) the Federal Home Loan Mortgage Corporation;

(G) Federal Home Loan Banks; and

(H) other State or local mortgage insurance companies or bank lending consortia.

(e) LONG-TERM AFFORDABILITY.—

(1) IN GENERAL.—After the renewal of a section 8 contract pursuant to a restructuring under this section, the owner shall accept each offer to renew the section 8 contract, for a period of 20 years from the date of the renewal under the demonstration, if the offer to renew is on terms and conditions, as agreed to by Secretary or designee and the owner under a restructuring.

(2) AFFORDABILITY REQUIREMENTS.—Except as otherwise provided by the Secretary, in exchange for any mortgage restructuring under this section, a project shall remain affordable for a period of not less than 20 years. Affordability requirements shall be determined in accordance with guidelines established by the Secretary or designee. The Secretary or designee may waive these requirements for good cause.

(f) PROCEDURES.—

(1) NOTICE OF PARTICIPATION IN DEMONSTRATION.—Not later than 45 days before the date of expiration of an expiring contract (or such later date, as determined by the Secretary, for good cause), the owner of the multifamily housing project covered by that expiring contract shall notify the Secretary or designee and the residents of the owner's intent to participate in the demonstration program.

(2) DEMONSTRATION CONTRACT.—Upon receipt of a notice under paragraph (1), the owner and the Secretary or designee shall enter into a demonstration contract, which shall provide for initial section 8 project-based rents at the same rent levels as those under the expiring contract or, if practical, the budget-based rent to cover debt service, reasonable operating expenses (including reasonable and appropriate services), and a reasonable return to the owner, as determined solely by the Secretary. The demonstration contract shall be for the minimum term necessary for the rents and mortgages of the multifamily housing project to be restructured under the demonstration program, but shall not be for a period of time to exceed 180 days, unless extended for good cause by the Secretary.

(g) PROJECT-BASED SECTION 8.—The Secretary shall renew all expiring contracts under the demonstration as section 8 project-based contracts, for a period of time not to exceed 1 year, unless otherwise provided under subsection (h).

(h) DEMONSTRATION ACTIONS.—

(1) DEMONSTRATION ACTIONS.—For purposes of carrying out the demonstration program, and in order to ensure that contract rights are not abrogated, subject to such third party consents as are necessary (if any), including consent by the Government National Mortgage Association if it owns a mortgage insured by the Secretary, consent by an issuer under the mortgage-backed securities program of the Association, subject to the responsibilities of the issuer to its security holders an the Association under such program, and consent by parties to any contractual agreement which the Secretary proposes to modify or discontinue, the Secretary or, except with respect to subparagraph (B), designee, subject to the funding limitation in subsection (l), shall take not less than 1 of the actions specified in subparagraphs (G), (H), and (I) and may take any of the following actions:

(A) REMOVAL OF RESTRICTIONS.—

(i) IN GENERAL.—Consistent with the purposes of this section, subject to the agreement of the owner of the project and after consultation with the tenants of the project, the Secretary or designee may remove, relinquish, extinguish, modify, or agree to the removal of any mortgage, regulatory agreement, project-based assistance contract, use agreement, or restriction that had been imposed or required by the Secretary, including restrictions on distributions of income which the Secretary or designee determines would interfere with the ability of the project to operate without above-market rents.

(ii) ACCUMULATED RESIDUAL RECEIPTS.—The Secretary or designee may require an owner of a property assisted under the section 8 new construction/substantial rehabilitation program under the United States Housing Act of 1937 to apply any accumulated residual receipts toward effecting the purposes of this section.

(B) REINSURANCE.—With respect to not more than 5,000 units within the demonstration during fiscal year 1997, the Secretary may enter into contracts to purchase reinsurance, or enter into participations or otherwise transfer economic interest in contracts of insurance or in the premiums paid, or due to be paid, on such insurance, on such terms and conditions as the Secretary may determine. Any contract entered into under this paragraph shall require that any associated units be maintained as low-income units for the life of the mortgages, unless waived by the Secretary for good cause.

(C) PARTICIPATION BY THIRD PARTIES.—The Secretary or designee may enter into such agreement, provide such concessions, incur such costs, make such grants (including grants to cover all or a portion of the rehabilitation costs for a project) and other payments, and provide other valuable consideration as may reasonably be necessary for owners, lenders, services, third parties, and other entities to participate in the demonstration program. The Secretary may establish performance incentives for designees.

(D) SECTION 8 ADMINISTRATIVE FEES.—Notwithstanding any other provision of law, the Secretary may make fees available from the section 8 contract renewal appropriation to a designee for contract administration under section 8 of the United States Housing Act of 1937 for purposes of any contract restructured or renewed under the demonstration program.

(E) FULL OR PARTIAL PAYMENT OF CLAIM.—Notwithstanding any other provision of law, the Secretary may make a full payment of claim or partial payment of claim prior to default.

(F) CREDIT ENHANCEMENT.—

(i) IN GENERAL.—The Secretary or designee may provide FHA multifamily mortgage insurance, reinsurance, or other credit enhancement alternatives, including retaining the existing FHA mortgage insurance on a restructured first mortgage at market value or using the multifamily risk-sharing mortgage programs, as provided under section 542 of the Housing and Community Development Act of 1992. Any limitations on the number of units available for mortgage insurance under section 542 shall not apply to insurance issued for purposes of the demonstration program.

(ii) MAXIMUM PERCENTAGE.—During fiscal year 1997, not more than 25 percent of the units in multifamily housing projects with expiring contracts in the demonstration, in the aggregate, may be restructured without FHA insurance, unless otherwise agreed to by the owner of a project.

(iii) CREDIT SUBSIDY.—Any credit subsidy costs of providing mortgage insurance shall be

paid from amounts made available under subsection (l).

(G) MORTGAGE RESTRUCTURING.—

(i) IN GENERAL.—The Secretary or designee may restructure mortgages to provide a restructured first mortgage to cover debt service and operating expenses (including a reasonable rate of return to the owner) at the market rent, and a second mortgage equal to the difference between the restructured first mortgage and the mortgage balance of the eligible multifamily housing project at the time of restructuring.

(ii) CREDIT SUBSIDY.—Any credit subsidy costs of providing a second mortgage shall be paid from amounts made available under subsection (l).

(H) DEBT FORGIVENESS.—The Secretary or designee, for good cause and at the request of the owner of a multifamily housing project, may forgive at the time of the restructuring of a mortgage any portion of a debt on the project that exceeds the market value of the project.

(I) BUDGET-BASED RENTS.—The Secretary or designee may renew an expiring contract, including a contract for a project in which operating costs exceed comparable market rents, for a period of not more than 1 year, at a budget-based rent that covers debt service, reasonable operating expenses (including all reasonable and appropriate services), and a reasonable rate of return to the owner, as determined solely by the Secretary, provided that the contract does not exceed the rent levels under the expiring contract. The Secretary may establish a preference under the demonstration program for budget-based rents for unique housing projects, such as projects designated for occupancy by elderly families and projects in rural areas.

(J) SECTION 8 TENANT-BASED ASSISTANCE.—For not more than 10 percent of units in multifamily housing projects that have had their mortgages restructured in any fiscal year under the demonstration, the Secretary or designee may provide, with the agreement of an owner and in consultation with the tenants of the housing, section 8 tenant-based assistance for some or all of the assisted units in a multifamily housing project in lieu of section 8 project-based assistance. Section 8 tenant-based assistance may only be provided where the Secretary determines and certifies that there is adequate available and affordable housing within the local area and that tenants will be able to use the section 8 tenant-based assistance successfully.

(2) OFFER AND ACCEPTANCE.—Notwithstanding any other provision of law, an owner of a project in the demonstration must accept any reasonable offer made by the Secretary or a designee under this subsection. An owner may appeal the reasonableness of any offer to the Secretary and the Secretary shall respond within 30 days of the date of appeal with a final offer. If the final offer is not acceptable, the owner may opt out of the program.

(i) COMMUNITY AND TENANT INPUT.—In carrying out this section, the Secretary shall develop procedures to provide appropriate and timely notice, including an opportunity for comment and timely access to all relevant information, to officials of the unit of general local government affected, the community in which the project is situated, and the tenants of the project.

(j) TRANSFER OF PROPERTY.—The Secretary shall establish procedures to facilitate the voluntary sale or transfer of multifamily housing projects under the demonstration to tenant organizations and tenant-endorsed community-based nonprofit and public agency purchasers meeting such reasonable qualifications as may be established by the Secretary.

(k) LIMITATION ON DEMONSTRATION AUTHORITY.—The Secretary shall carry out the demonstration program with respect to mortgages not to exceed 50,000 units.

(l) FUNDING.—In addition to the $30,000,000 made available under section 210 of the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 1996 (110 Stat. 1321), for the costs (including any credit subsidy costs associated with providing direct loans or mortgage insurance) of modifying and restructuring loans held or guaranteed by the Federal Housing Administration, as authorized under this section, $10,000,000 is hereby appropriated, to remain available until September 30, 1998.

(m) REPORT TO CONGRESS.—

(1) IN GENERAL.—

(A) QUARTERLY REPORTS.—Not less than every 3 months, the Secretary shall submit to the Congress a report describing and assessing the status of the projects in the demonstration program.

(B) FINAL REPORT.—Not later than 6 months after the end of the demonstration program, the Secretary shall submit to the Congress a final report on the demonstration program.

(2) CONTENTS.—Each report submitted under paragraph (1)(A) shall include a description of—

(A) each restructuring proposal submitted by an owner of a multifamily housing project, including a description of the physical, financial, tenancy, and market characteristics of the project;

(B) the Secretary's evaluation and reasons for each multifamily housing project selected or rejected for participation in the demonstration program;

(C) the costs to the FHA General Insurance and Special Risk Insurance funds;

(D) the subsidy costs provided before and after restructuring;

(E) the actions undertaken in the demonstration program, including the third party arrangements made; and

(F) the demonstration program's impact on the owners of the projects, including any tax consequences.

(3) CONTENTS OF FINAL REPORT.—The report submitted under paragraph (1)(B) shall include—

(A) the required contents under paragraph (2); and

(B) any findings and recommendations for legislative action.

And the Senate agree to the same.

Amendment numbered 43:

That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following:

SEC. 214. USES OF CERTAIN ASSISTED HOUSING AMOUNTS.

(a) TRANSFER AUTHORITY.—The Secretary may transfer recaptured section 8 amounts from the Annual Contributions for Assisted Housing account under Public Law 104–134 (approved April 26, 1996; 110 Stat. 1321, 1321–265) and prior laws to the accounts and for the purposes set forth in subsection (b). The amounts transferred under this section shall be made available for use as prescribed under this section notwithstanding section 8(bb) of the United States Housing Act of 1937.

(b) RECEIVING ACCOUNTS.—

(1) PREVENTION OF RESIDENT DISPLACEMENT.—The Secretary may transfer to the Prevention of Resident Displacement account an amount up to $50,000,000, in addition to amounts in such account, that may be used to renew, under existing terms and conditions, existing project-based section 8 contracts in effect before a Plan of Action was approved, so that these contracts expire 5 years from the date on which funds were obligated for the Plan of Action approved under the Low Income Housing Preservation and Resident Homeownership Act of 1990 or the Emergency Low-Income Housing Preservation Act of 1987. The Secretary shall transfer all amounts that the Secretary determines to be necessary for fiscal year 1997 for the purposes of this paragraph before transferring any amounts under any other paragraph in this subsection.

(2) HOPWA.—The Secretary may transfer to the Housing Opportunities For Persons With AIDS account up to $25,000,000, for use in addition to amounts appropriated in such account.

And the Senate agree to the same.

Amendment numbered 47:

That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following:

SEC. 218. ACCOUNT TRANSITION.

The amounts of obligated balances in appropriations accounts, as set forth in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 and prior Acts that are recaptured hereafter, to the extent not governed by the specific language in an account or provision in this Act, shall be held in reserve subject to reprogramming, notwithstanding any other provision of law.

SEC. 219. TREATMENT OF CERTAIN PROPERTIES.

Notwithstanding any other provision of law, rehabilitation activities undertaken in projects using the Low-Income Housing Tax Credit allocated to developments in the City of New Brunswick, New Jersey, in 1991, are deemed to have met the requirements for rehabilitation in accordance with clause (ii) of the third sentence of section 8(d)(2)(A) of the United States Housing Act of 1937, as in effect before the date of the enactment of this Act.

SEC. 220. AMENDMENT RELATING TO COMMUNITY DEVELOPMENT ASSISTANCE.

Section 105(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)(8)) is amended by striking ''through 1997'' and inserting ''through 1998''.

SEC. 221. SECTION 236 PROGRAM AMENDMENTS.

(a) Section 236(f)(1) of the National Housing Act (12 U.S.C. 1715z-1), as amended by section 405(d)(1) of the Balanced Budget Downpayment Act, I, and by section 228(a) of The Balanced Budget Downpayment Act, II, is amended—

(1) in the second sentence, by striking ''the lower of (i)'';

(2) in the second sentence, by striking ''or (ii) the fair market rental established under section 8(c) of the United States Housing Act of 1937 for the market area in which the housing is located, or (iii) the actual rent (as determined by the Secretary) paid for a comparable unit in comparable unassisted housing in the market area in which the housing assisted under this section is located, ''; and

(3) by inserting after the second sentence the following:

''However, in the case of a project which contains more than 5,000 units, is subject to an interest reduction payments contract, and is financed under a State or local program, the Secretary may reduce the rental charge ceiling, but in no case shall the rent be below basic rent. For plans of action approved for Capital Grants under the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRHA) or the Emergency Low Income Housing Preservation Act of 1987 (ELIHPA), the rental charge for each dwelling unit shall be at the basic rental charge or such greater amount, not exceeding the lower of (i) the fair market rental charge determined pursuant to this paragraph, or (ii) the actual rent paid for a comparable unit in comparable unassisted housing in the market area in which the housing assisted under this section is located, as represents 30 percent of the tenant's adjusted income, but in no case shall the rent be below basic rent.''.

(b) Section 236(b) of the National Housing Act is amended by adding the following new paragraph at the end:

''(7) The Secretary shall determine whether and under what conditions the provisions of this subsection shall apply to mortgages sold by the Secretary on a negotiated basis.''.

(c) Section 236(g) of the National Housing Act is amended to read as follows:

''(g) The project owner shall, as required by the Secretary, accumulate, safeguard, and periodically pay the Secretary or such other entity as determined by the Secretary and upon such terms and conditions as the Secretary deems appropriate, all rental charges collected on a unit-by-unit basis in excess of the basic rental charges. Unless otherwise directed by the Secretary, such excess charges shall be credited to a reserve fund to be used by the Secretary to make additional assistance payments as provided in paragraph (3) of subsection (f). However, a project owner with a mortgage insured under this section may retain some or all of such excess charges for project use if authorized by the Secretary and upon such terms and conditions as established by the Secretary.''.

And, the matter under the heading ''Fair housing and equal opportunity, fair housing activities'', on page 35, line 22, through page 36, line 5 of the House engrossed bill is amended to read as follows: *For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, and section 561 of the Housing and Community Development Act of 1987, as amended, $30,000,000, to remain available until September 30, 1998, of which $15,000,000 shall be to carry out activities pursuant to section 561. No funds made available under this heading shall be used to lobby the executive or legislative branches of the Federal Government in connection with a specific contract, grant or loan.*

And the Senate agree to the same.

Amendment numbered 57:

That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert: *$542,000,000*; and the Senate agree to the same.

Amendment numbered 58:

That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert: *$1,710,000,000*; and the Senate agree to the same.

Amendment numbered 59:

That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$87,220,000*; and the Senate agree to the same.

Amendment numbered 67:

That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$2,875,207,000*; and the Senate agree to the same.

Amendment numbered 68:

That the House recede from its disagreement to the amendment of the Senate numbered 68, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$1,900,000,000*; and the Senate agree to the same.

Amendment numbered 70:

That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows: *$136,000,000 for making grants for the construction of wastewater and water treatment facilities and the development of groundwater in accordance with the terms and conditions specified for such grants in the conference report and joint explanatory statement of the committee of conference accompanying this Act (H.R. 3666);* ; and the Senate agree to the same.

Amendment numbered 72:

That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$1,900,000,000*; and the Senate agree to the same.

Amendment numbered 80:

That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert: *: Provided, That notwithstanding any other provision of this paragraph, amounts appropriated herein shall be available for obligation on October 1, 1996: Provided further, That the Director of the Federal Emergency Management Agency (FEMA) shall submit to the appropriate committees of Congress within 120 days of enactment of this Act a comprehensive report on FEMA's plans to reduce disaster relief expenditures and improve management controls on the Disaster Relief Fund*; and the Senate agree to the same.

Amendment numbered 81:

That the House recede from its disagreement to the amendment of the Senate numbered 81, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$167,500,000*; and the Senate agree to the same.

Amendment numbered 83:

That the House recede from its disagreement to the amendment of the Senate numbered 83, and agree to the same with an amendment, as follows:

In Lieu of the sum proposed by said amendment, insert: *$206,701,000*; and the Senate agree to the same.

Amendment numbered 84:

That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert: *The first sentence of section 1376(c) of the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4127(c)), is amended by striking all after ''this subsection'' and inserting ''such sums as may be necessary through September 30, 1997 for studies under this title.''.*

And the Senate agree to the same.

Amendment numbered 89:

That the House recede from its disagreement to the amendment of the Senate numbered 89, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following: *Upon the determination by the Administrator that such action is necessary, the Administrator may, with the approval of the Office of Management and Budget, transfer not to exceed $177,000,000 of funds made available in this Act to the National Aeronautics and Space Administration for the International Space Station between ''Science, aeronautics and technology'' and ''Human space flight'', to be merged with and to be available for the same purposes, and for the same time period, as the appropriation to which transferred: Provided, That such authority to transfer may not be used unless for higher priority items than those for which originally appropriated: Provided further, That the Administrator of the National Aeronautics and Space Administration shall notify the Congress promptly of all transfers made pursuant to this authority.*

And the Senate agree to the same.

Amendment numbered 91:

That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$619,000,000*; and the Senate agree to the same.

Amendment numbered 95:

That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

SEC. 421. (a) The purpose of this section is to provide for the special needs of certain children of Vietnam veterans who were born with the birth defect spina bifida, possibly as the result of the exposure of one or both parents to herbicides during active service in the Republic of Vietnam during the Vietnam era, through the provision of health care and monetary benefits.

(b)(1) Part II of title 38, United States Code, is amended by inserting after chapter 17 the following new chapter:

''CHAPTER 18—BENEFITS FOR CHILDREN OF VIETNAM VETERANS WHO ARE BORN WITH SPINA BIFIDA

''Sec.
''1801. Definitions.
''1802. Spina bifida conditions covered.
''1803. Health care.
''1804. Vocational training and rehabilitation.
''1805. Monetary allowance.
''1806. Effective date of awards.

''§ 1801. Definitions

''For the purposes of this chapter—

''(1) The term 'child', with respect to a Vietnam veteran, means a natural child of the Vietnam veteran, regardless of age or marital status, who was conceived after the date on which the veteran first entered the Republic of Vietnam during the Vietnam era.

''(2) The term 'Vietnam veteran' means a veteran who performed active military, naval, or air service in the Republic of Vietnam during the Vietnam era.

''§ 1802. Spina bifida conditions covered

''This chapter applies with respect to all forms and manifestations of spina bifida except spina bifida occulta.

''§ 1803. Health care

''(a) In accordance with regulations which the Secretary shall prescribe, the Secretary shall provide a child of a Vietnam veteran who is suffering from spina bifida with such health care as the Secretary determines is needed by the child for the spina bifida or any disability that is associated with such condition.

''(b) The Secretary may provide health care under this section directly or by contract or other arrangement with any health care provider.

''(c) For the purposes of this section—

''(1) The term 'health care'—

''(A) means home care, hospital care, nursing home care, outpatient care, preventive care, habilitative care, case management, and respite care; and

''(B) includes—

''(i) the training of appropriate members of a child's family or household in the care of the child; and

''(ii) the provisions of such pharmaceuticals, supplies, equipment, devices, appliances, assistive technology, direct transportation costs to and from approved sources of health care, and other materials as the Secretary determines necessary.

''(2) The term 'health care provider' includes specialized spina bifida clinics, health care plans, insurers, organizations, institutions, and any other entity or individual who furnishes health care that the Secretary determines authorized under this section.

''(3) The term 'home care' means outpatient care, habilitative and rehabilitative care, preventive health services, and health-related services furnished to an individual in the individual's home or other place of residence.

''(4) The term 'hospital care' means care and treatment for a disability furnished to an individual who has been admitted to a hospital as a patient.

''(5) The term 'nursing home care' means care and treatment for a disability furnished to an individual who has been admitted to a nursing home as a resident.

''(6) The term 'outpatient care' means care and treatment of a disability, and preventive health services, furnished to an individual other than hospital care or nursing home care.

''(7) The term 'preventive care' means care and treatment furnished to prevent disability or illness, including periodic examinations, immunizations, patient health education, and such other services as the Secretary determines necessary to provide effective and economical preventive health care.

''(8) The term 'habilitative and rehabilitative care' means such professional, counseling, and guidance services and treatment programs (other than vocational training under section 1804 of this title) as are necessary to develop, maintain, or restore, to the maximum extent practicable, the functioning of a disabled person.

''(9) The term 'respite care' means care furnished on an intermittent basis for a limited period to an individual who resides primarily in a private residence when such care will help the individual to continue residing in such private residence.

''§ 1804. Vocational training and rehabilitation

''(a) Pursuant to such regulations as the Secretary may prescribe, the Secretary may provide vocational training under this section to a child of a Vietnam veteran who is suffering from spina bifida if the Secretary determines that the achievement of a vocational goal by such child is reasonably feasible.

''(b) Any program of vocational training for a child under this section shall be designed in consultation with the child in order to meet the child's individual needs and shall be set forth in an individualized written plan of vocational rehabilitation.

''(c)(1) A vocational training program for a child under this section—

''(A) shall consist of such vocationally oriented services and assistance, including such placement and post-placement services and personal and work adjustment training, as the Secretary determines are necessary to enable the child to prepare for and participate in vocational training or employment; and

''(B) may include a program of education at an institution of higher education if the Secretary determines that the program of education is predominantly vocational in content.

''(2) A vocational training program under this subsection may not include the provision of any loan or subsistence allowance or any automobile adaptive equipment.

''(d)(1) Except as provided in paragraph (2) and subject to subsection (e)(2), a vocational training program under this section may not exceed 24 months.

''(2) The Secretary may grant an extension of a vocational training program for a child under this section for up to 24 additional months if the Secretary determines that the extension is necessary in order for the child to achieve a vocational goal identified (before the end of the first 24 months of such program) in the written plan of vocational rehabilitation formulated for the child pursuant to subsection (b).

''(e)(1) A child who is pursuing a program of vocational training under this section and is also eligible for assistance under a program under chapter 35 of this title may not receive assistance under both such programs concurrently. The child shall elect (in such form and manner as the Secretary may prescribe) the program under which the child is to receive assistance.

''(2) The aggregate period for which a child may receive assistance under this section and chapter 35 of this title may not exceed 48 months (or the part-time equivalent thereof).

''§ 1805. Monetary allowance

''(a) The Secretary shall pay a monthly allowance under this chapter to any child of a Vietnam veteran for any disability resulting from spina bifida suffered by such child.

''(b)(1) The amount of the allowance paid to a child under this section shall be based on the degree of disability suffered by the child, as determined in accordance with such schedule for rating disabilities resulting from spina bifida as the Secretary may prescribe.

''(2) The Secretary shall, in prescribing the rating schedule for the purposes of this section, establish three levels of disability upon which the amount of the allowance provided by this section shall be based.

''(3) The amounts of the allowance shall be $200 per month for the lowest level of disability prescribed, $700 per month for the intermediate level of disability prescribed, and $1,200 per month for the highest level of disability prescribed. Such amounts are subject to adjustment under section 5312 of this title.

''(c) Notwithstanding any other provision of law, receipt by a child of an allowance under this section shall not impair, infringe, or otherwise affect the right of the child to receive any other benefit to which the child may otherwise be entitled under any law administered by the Secretary, nor shall receipt of such an allowance impair, infringe, or otherwise affect the right of any individual to receive any benefit to which the individual is entitled under any law administered by the Secretary that is based on the child's relationship to the individual.

''(d) Notwithstanding any other provision of law, the allowance paid to a child under this section shall not be considered income or resources in determining eligibility for or the amount of benefits under any Federal or federally assisted program.

''§ 1806. Effective date of awards

''The effective date for an award of benefits under this chapter shall be fixed in accordance with the facts found, but shall not be earlier than the date of receipt of application for the benefits.''.

(2) The tables of chapters before part I and at the beginning of part II of such title are each amended by inserting after the item referring to chapter 17 the following new item:

''18. Benefits for Children of Vietnam Veterans Who Are Born With Spina Bifida ..... 1801''.

(c) Section 5312 of title 38, United States Code, is amended—

(1) in subsection (a)—

(A) by striking out ''and the rate of increased pension'' and inserting in lieu thereof '', the rate of increased pension''; and

(B) by inserting after ''on account of children,'' the following: ''and each rate of monthly allowance paid under section 1805 of this title,''; and

(2) in subsection (c)(1), by striking out ''and 1542'' and inserting in lieu thereof ''1542, and 1805''.

(d) This section and the amendments made by this section shall take effect on January 1, 1997.

SEC. 422. (a) Section 1151 of title 38, United States Code, is amended—

(1) by striking out the first sentence and inserting in lieu thereof the following:

''(a) Compensation under this chapter and dependency and indemnity compensation under chapter 13 of this title shall be awarded for a qualifying additional disability or a qualifying death of a veteran in the same manner as if such additional disability or death were service-connected. For purposes of this section, a disability or death is a qualifying additional disability or qualifying death if the disability or death was not the result of the veteran's willful misconduct and—

''(1) the disability or death was caused by hospital care, medical or surgical treatment, or examination furnished the veteran under any law administered by the Secretary, either by a Department employee or in a Department facility as defined in section 1701(3)(A) of this title, and the proximate cause of the disability or death was—

''(A) carelessness, negligence, lack of proper skill, error in judgment, or similar instance of fault on the part of the Department in furnishing the hospital care, medical or surgical treatment, or examination; or

''(B) an event not reasonably foreseeable; or

''(2) the disability or death was proximately caused by the provision of training and rehabilitation services by the Secretary (including by a service-provider used by the Secretary for such purpose under section 3115 of this title) as part of an approved rehabilitation program under chapter 31 of this title.''; and

(2) in the second sentence—

(A) by redesignating that sentence as subsection (b);

(B) by striking out '', aggravation,'' both places it appears; and

(C) by striking out ''sentence'' and substituting in lieu thereof ''subsection''.

(b)(1) The amendments made by subsection (a) shall take effect on October 1, 1996.

(2) Section 1151 of title 38, United States Code (as amended by subsection (a)), shall govern all administrative and judicial determinations of eligibility for benefits under such section that are made with respect to claims filed on or after the effective date set forth in paragraph (1), including those based on original applications and applications seeking to reopen, revise, reconsider, or otherwise readjudicate on any basis claims for benefits under such section 1151 or any provision of law that is a predecessor of such section.

(c) Notwithstanding subsection (b)(1), section 421(d), or any other provision of this Act, section 421 and this section shall not take effect until October 1, 1997, unless legislation other than this Act is enacted to provide for a earlier effective date.

And the Senate agree to the same.

Amendment numbered 102:

That the House recede from its disagreement to the amendment of the Senate numbered 102, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows:

SEC. 427. The amount provided in title I for ''Veterans Health Administration—Medical Care'' is hereby increased by $5,000,000.

And the Senate agree to the same.

Amendment numbered 105:

That the House recede from its disagreement to the amendment of the Senate number 105, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

SEC. 432. CALCULATION OF DOWNPAYMENT.—Section 203(b) of the National Housing Act (12 U.S.C. 1709(b)) is amended by adding at the end thereof the following new paragraph:

''(10) ALASKA AND HAWAII.—

''(A) IN GENERAL.—Notwithstanding any other provision of this subsection, with respect to a mortgage originated in the State of Alaska or the State of Hawaii and endorsed for insurance in fiscal year 1997, involve a principal obligation not in excess of the sum of—

''(i) the amount of the mortgage insurance premium paid at the time the mortgage is insured; and

''(ii)(I) in the case of a mortgage for a property with an appraised value equal to or less than $50,000, 98.75 percent of the appraised value of the property;

''(II) in the case of a mortgage for a property with an appraised value in excess of $50,000 but not in excess of $125,000, 97.65 percent of the appraised value of the property.

''(III) in the case of a mortgage for a property with an appraised value in excess of $125,000, 97.15 percent of the appraised value of the property; or

''(IV) notwithstanding subclauses (II) and (III), in the case of a mortgage for a property with an appraised value in excess of $50,000 that is located in an area of the State for which the average closing cost exceeds 2.10 percent of the average, for the State, of the sale price of properties located in the State for which mortgages have been executed, 97.75 percent of the appraised value of the property.

''(B) AVERAGE CLOSING COST.—For purposes of this paragraph, the term 'average closing cost' means, with respect to a State, the average, for mortgages executed for properties that are located within the State, of the total amounts (as determined by the Secretary) of initial service charges, appraisal, inspection, and other fees (as the Secretary shall approve) that are paid in connection with such mortgages.''.

SEC. 433. DELEGATION OF SINGLE FAMILY MORTGAGE INSURING AUTHORITY TO DIRECT ENDORSEMENT MORTGAGEES.—Title II of the National Housing Act (12 U.S.C. 1707 et seq.) is amended by adding at the end the following new section:

''DELEGATION OF INSURING AUTHORITY TO DIRECT ENDORSEMENT MORTGAGEES

''SEC. 256. (a) AUTHORITY.—The Secretary may delegate, to one or more mortgages approved by the Secretary under the direct endorsement program, the authority of the Secretary under this Act to insure mortgages involving property upon which there is located a dwelling designed principally for occupancy by 1 to 4 families.

''(b) CONSIDERATIONS.—In determining whether to delegate authority to a mortgage under this section, the Secretary shall consider the experience and performance of the mortgage compared to the default rate of all insured mortgages in comparable markets, and such other factors as the Secretary determines appropriate to minimize risk of loss to the insurance funds under this Act.

''(c) ENFORCEMENT OF INSURANCE REQUIREMENTS.—

''(1) IN GENERAL.—If the Secretary determines that a mortgage insured by a mortgagee pursuant to delegation of authority under this section was not originated in accordance with the requirements established by the Secretary, and the Secretary pays an insurance claim with respect to the mortgage within a reasonable period specified by the Secretary, the Secretary may require the mortgagee approved under this section to indemnify the Secretary for the loss.

''(2) FRAUD OR MISREPRESENTATION.—If fraud or misrepresentation was involved in connection with the origination, the Secretary may require the mortgagee approved under this section to indemnify the Secretary for the loss regardless of when an insurance claim is paid.

''(d) TERMINATION OF MORTGAGEE'S AUTHORITY.—If a mortgagee to which the Secretary has made a delegation under this section violates the requirements and procedures established by the Secretary or the Secretary determines that other good cause exists, the Secretary may cancel a delegation of authority under this section to the mortgagee by giving notice to the mortgagee. Such a cancellation shall be effective upon receipt of the notice by the mortgagee or at a later date specified by the Secretary. A decision by the Secretary to cancel a delegation shall be final and conclusive and shall not be subject to judicial review.

''(e) REQUIREMENTS AND PROCEDURES.—Before approving a delegation under this section, the Secretary shall issue regulations establishing appropriate requirements and procedures, including requirements and procedures governing the indemnification of the Secretary by the Mortgagee.''.

And the Senate agree to the same.

Amendment numbered 111:

That the House recede from its disagreement to the amendment of the Senate numbered 111, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following:

SEC. 438. None of the funds appropriated or otherwise made available to the National Aeronautics and Space Administration by this Act, or any other Act enacted before the date of enactment of this Act, may be used by the Administrator of the National Aeronautics and Space Administration to relocate aircraft of the National Aeronautics and Space Administration based east of the Mississippi River to the Dryden Flight Research Center in California for the purpose of the consolidation of such aircraft.

And the Senate agree to the same.

Amendment numbered 113:

That the House recede from its disagreement to the amendment of the Senate numbered 113, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following:

SEC. 439. To promote and support management reorganization of the National Aeronautics and Space Administration. Subsection may be cited as the ''National Aeronautics and Space Administration Federal Employment Reduction Assistance Act of 1996.''

SUBSECTION B. DEFINITIONS

(1) For the purposes of this section—

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

(b) the term ''employee'' means an employee of the National Aeronautics and Space Administration serving under an appointment without time limitation, who has been currently employed with NASA for a continuous period of at least 12 months, except that such term does not include—

(1) a reemployed annuitant under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, or another retirement system for employees of the Government;

(2) an employee who is in receipt of a specific notice of involuntary separation for misconduct or unacceptable performance;

(3) an employee who, upon completing an additional period of service as referred to in section 3(b)(2)(B)(ii) of the Federal Workforce Restructuring Act of 1994 (Public Law 103–226; 108 Stat. 111), would qualify for a voluntary separation incentive payment under section 3 of such Act; or

(4) an employee who has previously received any voluntary separation incentive payment by the Federal Government under this Act or any other authority and has not repaid such payment.

SUBSECTION C. INCENTIVE PAYMENT PROGRAM

In order to avoid or minimize the need for involuntary separations due to a reduction in force, installation closure, reorganization, transfer of function, or other similar action affecting the National Aeronautics and Space Administration, the Administrator shall establish a program under which separation pay, subject to the availability of appropriated funds, may be offered to encourage eligible employees to separate from service voluntarily (whether by retirement or resignation).

SUBSECTION D. INCENTIVE PAYMENTS

In order to receive a voluntary separation incentive payment, an employee must separate voluntarily (whether by retirement or resignation) during the period of time for which the payment of incentives has been authorized for the employee under the agency plan. Such separation payments—

(1) shall be paid in a lump sum after the employee's separation, and

(2) shall be equal to the lesser of—

(A) an amount equal to the amount the employee would be entitled to receive under section 5595(c) of title 5, United States Code, if the employee were entitled to payment under such section; or

(B) an amount that shall not exceed $25,000

(3) shall not be a basis for payment, and shall not be included in the computation, of any other type of Government benefit;

(4) shall not be taken into account for purposes of determining the amount of any severance pay to which an individual may be entitled under section 5595 of title 5, United States Code, based on any other separation;

(5) shall be considered payment for a voluntary separation; and

(6) shall be paid from the appropriations or funds available for payment of the basic pay of the employee.

SUBSECTION E. EFFECT OF SUBSEQUENT EMPLOYMENT WITH THE GOVERNMENT

(1) An individual who has received a voluntary separation incentive payment under this section and accepts any employment with the Government of the United States within five years after the date of the separation on which the payment is based shall be required to repay, prior to the individual's first day of employment, the entire amount of the incentive payment to NASA.

(2) If the employment under paragraph (1) above is with an Executive agency (as defined by section 105 of title 5, United States Code), the United States Postal Service, or the Postal Rate Commission, the Director of the Office of Personnel Management may, at the request of the head of the agency, waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

(3) If the employment under paragraph (1) above is with an entity in the legislative branch, the head of the entity or the appointing official may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

(4) If the employment under paragraph (1) above is with the judicial branch, the Director of the Administrative Office of the United States Courts may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

(5) For the purpose of this section, the term ''employment''—

(a) includes employment of any length or under any type of appointment, but does not include employment that is without compensation; and

(b) includes employment under a personal services contract.

SUBSECTION F. EFFECT OF SUBSEQUENT DISABILITY RETIREMENT

An employee who has received an incentive payment is ineligible to receive an annuity for reasons of disability under applicable regulations, unless the incentive payment is repaid.

SUBSECTION G. ADDITIONAL AGENCY CONTRIBUTIONS TO THE RETIREMENT FUND

(1) In addition to any other payments which it is required to make under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, NASA shall remit to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund an amount equal to 15 percent of the final basic pay of each employee who is covered under subchapter III of chapter 83 or chapter 84 of title 5 to whom a voluntary separation incentive has been paid under this Act.

(2) For the purpose of this section, the term ''final basic pay'', with respect to an employee,

means the total amount of basic pay which would be payable for a year of service by such employee, computed using the employee's final rate of basic pay, and, if last serving on other than a full time basis, with appropriate adjustment therefor.

SUBSECTION H. REDUCTION OF AGENCY EMPLOYMENT LEVELS

(1) Total full time equivalent employment in NASA shall be reduced by one for each separation of an employee who receives a voluntary separation incentive payment under this Act. The reduction will be calculated by comparing the agency's full time equivalent employment for the fiscal year in which the voluntary separation payments are made with the authorized full time equivalent employment for the prior fiscal year.

(2) The Office of Management and Budget shall monitor and take appropriate action necessary to ensure that the requirements of this section are met.

(3) The President shall take appropriate action to ensure that functions involving more than 10 full time equivalent employees are not converted to contracts by reason of the enactment of this section, except in cases in which a cost comparison demonstrates such contracts would be to the advantage of the Government.

(4) The provisions of subsections (1) and (3) of this section may be waived upon a determination by the President that—

(1) the existence of a state of war or other national emergency so requires; or

(2) the existence of an extraordinary emergency which threatens life, health, safety, property, or the environment so requires.

SUBSECTION I. REPORTS

No later than March 31 of each fiscal year, NASA shall submit to the Office of Personnel Management, who will subsequently report to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform and Oversight of the House of Representatives a report which, with respect to the preceding fiscal year, shall include—

(1) the number of employees who received voluntary separation incentives;

(2) the average amount of such incentives; and,

(3) the average grade or pay level of the employees who received incentives.

SUBSECTION J. EFFECTIVE DATE

(1) The provisions of this section shall take effect on the date of enactment of this section.

(2) No voluntary separation incentive under this section may be paid based on the separation of an employee after September 30, 2000.

SEC. 440. (a) Subject to the concurrence of the Administrator of the General Services Administration (GSA) and notwithstanding section 707 of Public Law 103–433, the Administrator of the National Aeronautics and Space Administration may convey to the city of Downey, California, all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 60 acres and known as Parcels III, IV, V, and VI of the NASA Industrial Plant, Downey, California.

(b)(1) DELAY IN PAYMENT OF CONSIDERATION.—After the end of the 20-year period beginning on the date on which the conveyance under subsection (a) is completed, the City of Downey shall pay to the United States an amount equal to fair market value of the conveyed property as of the date of the Federal conveyance.

(2) EFFECT OF RECONVEYANCE BY THE CITY.—If the City of Downey reconveys all or any part of the conveyed property during such 20-year period, the City shall pay to the United States an amount equal to the fair market value of the reconveyed property as of the time of the reconveyance, excluding the value of any improvements made to the property by the City.

(3) DETERMINATION OF FAIR MARKET VALUE.—The Administrator of GSA shall determine fair market value in accordance with Federal appraisal standards and procedures.

(4) TREATMENT OF LEASES.—The Administrator of GSA may treat a lease of the property within such 20-year period as a reconveyance if the Administrator determines that the lease is being used to avoid application of paragraph (b)(2).

(5) DEPOSIT OF PROCEEDS.—The Administrator of GSA shall deposit any proceeds received under this subsection in the special account established pursuant to section 204(h)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)(2)).

(c) The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Administrator of GSA. The cost of the survey shall be borne by the City of Downey, California.

(d) The Administrator of GSA may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Administrator of GSA considers appropriate to protect the interests of the United States.

(e) If the City at any time after the conveyance of the property under subsection (a) notifies the Administrator of GSA that the City no longer wishes to retain the property, it may convey the property under the terms of subsection (b), or, it may revert all right, title, and interest in and to the property (including any facilities, equipment, or fixtures conveyed, but excluding the value of any improvements made to the property by the City) to the United States, and the United States shall have the right of immediate entry onto the property.

And the Senate agree to the same.

Amendment numbered 117:

That the House recede from its disagreement to the amendment of the Senate numbered 117, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

TITLE VI—NEWBORNS' AND MOTHERS' HEALTH PROTECTION ACT OF 1996

SEC. 601. SHORT TITLE.

This title may be cited as the ''Newborns' and Mothers' Health Protection Act of 1996''.

SEC. 602. FINDING.

Congress finds that—

(1) the length of post-delivery hospital stay should be based on the unique characteristics of each mother and her newborn child, taking into consideration the health of the mother, the health and stability of the newborn, the ability and confidence of the mother and the father to care for their newborn, the adequacy of support systems at home, and the access of the mother and her newborn to appropriate follow-up health care; and

(2) the timing of the discharge of a mother and her newborn child from the hospital should be made by the attending provider in consultation with the mother.

SEC. 603. AMENDMENTS TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

(a) IN GENERAL.—Part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (added by section 101(a) of the Health Insurance Port-ability and Accountability Act of 1996) is amended—

(1) by amending the heading of the part to read as follows:

''PART 7—GROUP HEALTH PLAN REQUIREMENTS'';

(2) by inserting after the part heading the following:

''SUBPART A—REQUIREMENTS RELATING TO PORTABILITY, ACCESS, AND RENEWABILITY'';

(3) by redesignating sections 704 through 707 as sections 731 through 734, respectively;

(4) by inserting before section 731 (as so redesignated) the following new heading:

''SUBPART C—GENERAL PROVISIONS'';

and

(5) by inserting after section 703 the following new subpart:

''SUBPART B—OTHER REQUIREMENTS

''SEC. 711. STANDARDS RELATING TO BENEFITS FOR MOTHERS AND NEWBORNS.

''(a) REQUIREMENTS FOR MINIMUM HOSPITAL STAY FOLLOWING BIRTH.—

''(1) IN GENERAL.—A group health plan, and a health insurance issuer offering group health insurance coverage, may not—

''(A) except as provided in paragraph (2)—

''(i) restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child, following a normal vaginal delivery, to less than 48 hours, or

''(ii) restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child, following a caesarean section, to less than 96 hours; or

''(B) require that a provider obtain authorization from the plan or the issuer for prescribing any length of stay required under subparagraph (A) (without regard to paragraph (2)).

''(2) EXCEPTION.—Paragraph (1)(A) shall not apply in connection with any group health plan or health insurance issuer in any case in which the decision to discharge the mother or her newborn child prior to the expiration of the minimum length of stay otherwise required under paragraph (1)(A) is made by an attending provider in consultation with the mother.

''(b) PROHIBITIONS.—A group health plan, and a health insurance issuer offering group health insurance coverage in connection with a group health plan, may not—

''(1) deny to the mother or her newborn child eligibility, or continued eligibility, to enroll or to renew coverage under the terms of the plan, solely for the purpose of avoiding the requirements of this section;

''(2) provide monetary payments or rebates to mothers to encourage such mothers to accept less than the minimum protections available under this section;

''(3) penalize or otherwise reduce or limit the reimbursement of an attending provider because such provider provided care to an individual participant or beneficiary in accordance with this section;

''(4) provide incentives (monetary or otherwise) to an attending provider to induce such provider to provide care to an individual participant or beneficiary in a manner inconsistent with this section; or

''(5) subject to subsection (c)(3), restrict benefits for any portion of a period within a hospital length of stay required under subsection (a) in a manner which is less favorable than the benefits provided for any preceding portion of such stay.

''(c) RULES OF CONSTRUCTION.—

''(1) Nothing in this section shall be construed to require a mother who is a participant or beneficiary—

''(A) to give birth in a hospital; or

''(B) to stay in the hospital for a fixed period of time following the birth of her child.

''(2) This section shall not apply with respect to any group health plan, or any group health insurance coverage offered by a health insurance issuer, which does not provide benefits for hospital lengths of stay in connection with childbirth for a mother or her newborn child.

''(3) Nothing in this section shall be construed as preventing a group health plan or issuer from imposing deductibles, coinsurance, or other cost-sharing in relation to benefits for hospital lengths of stay in connection with childbirth for a mother or newborn child under the plan (or under health insurance coverage offered in connection with a group health plan), except that such coinsurance or other cost-sharing for any portion of a period within a hospital length of stay required under subsection (a) may not be greater than such coinsurance or cost-sharing for any preceding portion of such stay.

''(d) NOTICE UNDER GROUP HEALTH PLAN.—The imposition of the requirements of this section shall be treated as a material modification in the terms of the plan described in section 102(a)(1), for purposes of assuring notice of such requirements under the plan; except that the summary description required to be provided under the last sentence of section 104(b)(1) with respect to such modification shall be provided by not later than 60 days after the first day of the first plan year in which such requirements apply.

''(e) LEVEL AND TYPE OF REIMBURSEMENTS.—Nothing in this section shall be construed to prevent a group health plan or a health insurance issuer offering group health insurance coverage from negotiating the level and type of reimbursement with a provider for care provided in accordance with this section.

''(f) PREEMPTION; EXCEPTION FOR HEALTH INSURANCE COVERAGE IN CERTAIN STATES.—

''(1) IN GENERAL.—The requirements of this section shall not apply with respect to health insurance coverage if there is a State law (as defined in section 731(d)(1)) for a State that regulates such coverage that is described in any of the following subparagraphs:

''(A) Such State law requires such coverage to provide for at least a 48-hour hospital length of stay following a normal vaginal delivery and at least a 96-hour hospital length of stay following a cesarean section.

''(B) Such State law requires such coverage to provide for maternity and pediatric care in accordance with guidelines established by the American College of Obstetricians and Gynecologists, the American Academy of Pediatrics, or other established professional medical associations.

''(C) Such State law requires, in connection with such coverage for maternity care, that the hospital length of stay for such care is left to the decision of (or required to be made by) the attending provider in consultation with the mother.

''(2) CONSTRUCTION.—Section 731(a)(1) shall not be construed as superseding a State law described in paragraph (1).''.

(b) CONFORMING AMENDMENTS.—

(1) Section 731(c) of such Act (as added by section 101 of the Health Insurance Portability and Accountability Act of 1996 and redesignated by the preceding provisions of this section) is amended by striking ''Nothing'' and inserting ''Except as provided in section 711, nothing''.

(2) Section 732(a) of such Act (as added by section 101 of the Health Insurance Portability and Accountability Act of 1996 and redesignated by the preceding provisions of this section) is amended by inserting ''(other than section 711)'' after ''part''.

(3) Title I of such Act (as amended by section 101 of the Health Insurance Portability and Accountability Act of 1996 and the preceding provisions of this section) is further amended—

(A) in the last sentence of section 4(b), by striking ''section 706(b)(2)'', ''section 706(b)(1)'', and ''section 706(a)(1)'' and inserting ''section 733(b)(2)'', ''section 733(b)(1)'', and ''section 733(a)(1)'', respectively;

(B) in section 101(g), by striking ''section 706(a)(2)'' and inserting ''section 733(a)(2)'';

(C) in section 102(b), by striking ''section 706(a)(1)'' each place it appears and inserting ''section 733(a)(1), and by striking ''section 706(b)(2)'' and inserting ''section 733(b)(2)'';

(D) in section 104(b)(1), by striking ''section 706(a)(1)'' each place it appears and inserting ''section 733(a)(1);

(E) in section 502(b)(3), by striking ''section 706(a)(1)'' and inserting ''section 733(a)(1)'';

(F) in section 506(c), by striking ''section 706(a)(2)'' and inserting ''section 733(a)(2)'';

(G) in section 514(b)(9), by striking ''section 704'' and inserting ''section 731'';

(H) in the last sentence of section 701(c)(1), by striking ''section 706(c)'' and inserting ''section 733(c)'';

(I) in section 732(b), by striking ''section 706(c)(1)'' and inserting ''section 733(c)(1)'';

(J) in section 732(c)(1), by striking ''section 706(c)(2)'' and inserting ''section 733(c)(2)'';

(K) in section 732(c)(2), by striking ''section 706(c)(3)'' and inserting ''section 733(c)(3)''; and

(L) in section 732(c)(3), by striking ''section 706(c)(4)'' and inserting ''section 733(c)(4)''.

(4) The table of contents in section 1 of such Act is amended by striking the items relating to part 7 and inserting the following:

''PART 7—GROUP HEALTH PLAN REQUIREMENTS

''SUBPART A—REQUIREMENTS RELATING TO PORTABILITY, ACCESS, AND RENEWABILITY

''Sec. 701. Increased portability through limitation on preexisting condition exclusions.

''Sec. 702. Prohibiting discrimination against individual participants and beneficiaries based on health status.

''Sec. 703. Guaranteed renewability in multiemployer plans and multiple employer welfare arrangements.

''SUBPART B—OTHER REQUIREMENTS

''Sec. 711. Standards relating to benefits for mothers and newborns.

''SUBPART C—GENERAL PROVISIONS

''Sec. 731. Preemption; State flexibility; construction.

''Sec.732. Special rules relating to group health plans.

''Sec. 733. Definitions.

''Sec. 734. Regulations.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to group health plans for plan years beginning on or after January 1, 1998.

SEC. 604. AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT RELATING TO THE GROUP MARKET.

(a) IN GENERAL.—Title XXVII of the Public Health Service Act (as added by section 102 of the Health Insurance Portability and Accountability Act of 1996) is amended—

(1) by amending the title heading to read as follows:

''TITLE XXVII—REQUIREMENTS RELATING TO HEALTH INSURANCE COVERAGE'';

(2) by redesignating subparts 2 and 3 of part A as subparts 3 and 4 of such part;

(3) by inserting after subpart 1 of part A the following new subpart:

''Subpart 2—Other Requirements

''SEC. 2704. STANDARDS RELATING TO BENEFITS FOR MOTHERS AND NEWBORNS.

''(a) REQUIREMENTS FOR MINIMUM HOSPITAL STAY FOLLOWING BIRTH.—

''(1) IN GENERAL.—A group health plan, and a health insurance issuer offering group health insurance coverage, may not—

''(A) except as provided in paragraph (2)—

''(i) restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child, following a normal vaginal delivery, to less than 48 hours, or

''(ii) restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child, following a cesarean section, to less than 96 hours, or

''(B) require that a provider obtain authorization from the plan or the issuer for prescribing any length of stay required under subparagraph (A) (without regard to paragraph (2)).

''(2) EXCEPTION.—Paragraph (1)(A) shall not apply in connection with any group health plan or health insurance issuer in any case in which the decision to discharge the mother or her newborn child prior to the expiration of the minimum length of stay otherwise required under paragraph (1)(A) is made by an attending provider in consultation with the mother.

''(b) PROHIBITIONS.—A group health plan, and a health insurance issuer offering group health insurance coverage in connection with a group health plan, may not—

''(1) deny to the mother or her newborn child eligibility, or continued eligibility, to enroll or to renew coverage under the terms of the plan, solely for the purpose of avoiding the requirements of this section;

''(2) provide monetary payments or rebates to mothers to encourage such mothers to accept less than the minimum protections available under this section;

''(3) penalize or otherwise reduce or limit the reimbursement of an attending provider because such provider provided care to an individual participant or beneficiary in accordance with this section;

''(4) provide incentives (monetary or otherwise) to an attending provider to induce such provider to provide care to an individual participant or beneficiary in a manner inconsistent with this section; or

''(5) subject to subsection (c)(3), restrict benefits for any portion of a period within a hospital length of stay required under subsection (a) in a manner which is less favorable than the benefits provided for any preceding portion of such stay.

''(c) RULES OF CONSTRUCTION.—

''(1) Nothing in this section shall be construed to require a mother who is a participant or beneficiary—

''(A) to give birth in a hospital; or

''(B) to stay in the hospital for a fixed period of time following the birth of her child.

''(2) This section shall not apply with respect to any group health plan, or any group health insurance coverage offered by a health insurance issuer, which does not provide benefits for hospital lengths of stay in connection with childbirth for a mother or her newborn child.

''(3) Nothing in this section shall be construed as preventing a group health plan or issuer from imposing deductibles, coinsurance, or other cost-sharing in relation to benefits for hospital lengths of stay in connection with childbirth for a mother or newborn child under the plan (or under health insurance coverage offered in connection with a group health plan), except that such coinsurance or other cost-sharing for any portion of a period within a hospital length of stay required under subsection (a) may not be greater than such coinsurance or cost-sharing for any preceding portion of such stay.

''(d) NOTICE.—A group health plan under this part shall comply with the notice requirement under section 711(d) of the Employee Retirement Income Security Act of 1974 with respect to the requirements of this section as if such section applied to such plan.

''(e) LEVEL AND TYPE OF REIMBURSEMENTS.—Nothing in this section shall be construed to prevent a group health plan or a health insurance issuer offering group health insurance coverage from negotiating the level and type of reimbursement with a provider for care provided in accordance with this section.

''(f) PREEMPTION; EXCEPTION FOR HEALTH INSURANCE COVERAGE IN CERTAIN STATES.—

''(1) IN GENERAL.—The requirements of this section shall not apply with respect to health insurance coverage if there is a State law (as defined in section 2723(d)(1)) for a State that regulates such coverage that is described in any of the following subparagraphs:

''(A) Such State law requires such coverage to provide for at least a 48-hour hospital length of stay following a normal vaginal delivery and at least a 96-hour hospital length of stay following a cesarean section.

''(B) Such State law requires such coverage to provide for maternity and pediatric care in accordance with guidelines established by the American College of Obstetricians and Gynecologists, the American Academy of Pediatrics, or other established professional medical associations.

''(C) Such State law requires, in connection with such coverage for maternity care, that the

hospital length of stay for such care is left to the decision of (or required to be made by) the attending provider in consultation with the mother.

''(2) CONSTRUCTION.—Section 2723(a)(1) shall not be construed as superseding a State law described in paragraph (1).''.

(b) CONFORMING AMENDMENTS.—

(1) Section 2721 of such Act (as added by section 102 of the Health Insurance Portability and Accountability Act of 1996) is amended—

(A) in subsection (a), by striking ''subparts 1 and 2'' and inserting ''subparts 1 and 3'', and

(B) in subsections (b) through (d), by striking ''subparts 1 and 2'' each place it appears and inserting ''subparts 1 through 3''.

(2) Section 2723(c) of such Act (as added by section 102 of the Health Insurance Portability and Accountability Act of 1996) is amended by inserting ''(other than section 2704)'' after ''part''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to group health plans for plan years beginning on or after January 1, 1998.

SEC. 605. AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT RELATING TO THE INDIVIDUAL MARKET.

(a) IN GENERAL.—Part B of title XXVII of the Public Health Service Act (as added by section 111 of the Health Insurance Portability and Accountability Act of 1996) is amended—

(1) by inserting after the part heading the following:

''Subpart 1—Portability, Access, and Renewability Requirements'';

(2) by redesignating sections 2745, 2746, and 2747 as sections 2761, 2762, and 2763, respectively;

(3) by inserting before section 2761 (as so redesignated) the following:

''Subpart 3—General Provisions''; and

(4) by inserting after section 2744 the following:

''Subpart 3—Other Requirements

''SEC. 2751. STANDARDS RELATING TO BENEFITS FOR MOTHERS AND NEWBORNS.

''(a) IN GENERAL.—The provisions of section 2704 (other than subsections (d) and (f)) shall apply to health insurance coverage offered by a health insurance issuer in the individual market in the same manner as it applies to health insurance coverage offered by a health insurance issuer in connection with a group health plan in the small or large group market.

''(b) NOTICE REQUIREMENT.—A health insurance issuer under this part shall comply with the notice requirement under section 711(d) of the Employee Retirement Income Security Act of 1974 with respect to the requirements referred to in subsection (a) as if such section applied to such issuer and such issuer were a group health plan.

''(c) PREEMPTION; EXCEPTION FOR HEALTH INSURANCE COVERAGE IN CERTAIN STATES.—

''(1) IN GENERAL.—The requirements of this section shall not apply with respect to health insurance coverage if there is a State law (as defined in section 2723(d)(1)) for a State that regulates such coverage that is described in any of the following subparagraphs:

''(A) Such State law requires such coverage to provide for at least a 48-hour hospital length of stay following a normal vaginal delivery and at least a 96-hour hospital length of stay following a cesarean section.

''(B) Such State law requires such coverage to provide for maternity and pediatric care in accordance with guidelines established by the American College of Obstetricians and Gynecologists, the American Academy of Pediatrics, or other established professional medical associations.

''(C) Such State law requires, in connection with such coverage for maternity care, that the hospital length of stay for such care is left to the decision of (or required to be made by) the attending provider in consultation with the mother.

''(2) CONSTRUCTION.—Section 2762(a) shall not be construed as superseding a State law described in paragraph (1).''.

(b) CONFORMING AMENDMENTS.—Such part (as so added) is further amended as follows:

(1) In section 2744(a)(1), strike ''2746(b)'' and insert ''2762(b)''.

(2) In section 2745(a)(1) (before redesignation under subsection (a)(1)), strike ''2746'' and insert ''2762''.

(3) In section 2746(b) (before redesignation under subsection (a)(1))—

(A) by inserting ''(1)'' after the dash, and

(B) by adding at the end the following:

''(2) Nothing in this part (other than section 2751) shall be construed as requiring health insurance coverage offered in the individual market to provide specific benefits under the terms of such coverage.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to health insurance coverage offered, sold, issued, renewed, in effect, or operated in the individual market on or after January 1, 1998.

SEC. 606. REPORTS TO CONGRESS CONCERNING CHILDBIRTH.

(a) FINDINGS.—Congress finds that—

(1) childbirth is one part of a continuum of experience that includes prepregnancy, pregnancy and prenatal care, labor and delivery, the immediate postpartum period, and a longer period of adjustment for the newborn, the mother, and the family;

(2) health care practices across this continuum are changing in response to health care financing and delivery system changes, science and clinical research, and patient preferences; and

(3) there is a need—

(A) to examine the issues and consequences associated with the length of hospital stays following childbirth;

(B) to examine the follow-up practices for mothers and newborns used in conjunction with shorter hospital stays;

(C) to identify appropriate health care practices and procedures with regard to the hospital discharge of newborns and mothers;

(D) to examine the extent to which such care is affected by family and environmental factors; and

(E) to examine the content of care during hospital stays following childbirth.

(b) ADVISORY PANEL.—

(1) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the Secretary of Health and Human Services (in this section referred to as the ''Secretary'') shall establish an advisory panel (referred to in this section as the ''advisory panel'')—

(A) to guide and review methods, procedures, and data collection necessary to conduct the study described in subsection (c) in a manner that is intended to enhance the quality, safety, and effectiveness of health care services provided to mothers and newborns;

(B) to develop a consensus among the members of the advisory panel regarding the appropriateness of the specific requirements of this title; and

(C) to prepare and submit to the Secretary, as part of the report of the Secretary submitted under subsection (d), a report summarizing the consensus (if any) developed under subparagraph (B) or the reasons for not reaching such a consensus.

(2) PARTICIPATION.—

(A) DEPARTMENT REPRESENTATIVES.—The Secretary shall ensure that representatives from within the Department of Health and Human Services that have expertise in the area of material and child health or in outcomes research are appointed to the advisory panel.

(B) REPRESENTATIVES OF PUBLIC AND PRIVATE SECTOR ENTITIES.—

(i) IN GENERAL.—The Secretary shall ensure that members of the advisory panel include representatives of public and private sector entities having knowledge or experience in one or more of the following areas:

(I) Patient care.

(II) Patient education.

(III) Quality assurance.

(IV) Outcomes research.

(V) Consumer issues.

(ii) REQUIREMENT.—The panel shall include representatives of each of the following categories:

(I) Health care practitioners.

(II) Health plans.

(III) Hospitals.

(IV) Employers.

(V) States.

(VI) Consumers.

(c) STUDIES.—

(1) IN GENERAL.—The Secretary shall conduct a study of—

(A) the factors affecting the continuum of care with respect to maternal and child health care, including outcomes following childbirth;

(B) the factors determining the length of hospital stay following childbirth;

(C) the diversity of negative or positive outcomes affecting mothers, infants, and families;

(D) the manner in which post natal care has changed over time and the manner in which that care has adapted or related to changes in the length of hospital stay, taking into account—

(i) the types of post natal care available and the extent to which such care is accessed; and

(ii) the challenges associated with providing post natal care to all populations, including vulnerable populations, and solutions for overcoming these challenges; and

(E) the financial incentives that may—

(i) impact the health of newborns and mothers; and

(ii) influence the clinical decisionmaking of health care providers.

(2) RESOURCES.—The Secretary shall provide to the advisory panel the resources necessary to carry out the duties of the advisory panel.

(d) REPORTS.—

(1) IN GENERAL.—The Secretary shall prepare and submit to the Committee on Labor and Human Resources of the Senate and the Committee on Commerce of the House of Representatives a report that contains—

(A) a summary of the study conducted under subsection (c);

(B) a summary of the best practices used in the public and private sectors for the care of newborns and mothers;

(C) recommendations for improvements in prenatal care, post natal care, delivery and follow-up care, and whether the implementation of such improvements should be accomplished by the private health care sector, Federal or State governments, or any combination thereof; and

(D) limitations on the databases in existence on the date of the enactment of this Act.

(2) DEADLINES.—The Secretary shall prepare and submit to the Committees referred to in paragraph (1)—

(A) an initial report concerning the study conducted under subsection (c) and elements described in paragraph (1), not later than 18 months after the date of the enactment of this Act;

(B) an interim report concerning such study and elements not later than 3 years after the date of the enactment of this Act; and

(C) a final report concerning such study and elements not later than 5 years after the date of the enactment of this Act.

(e) TERMINATION OF PANEL.—The advisory panel shall terminate on the date that occurs 60 days after the date on which the last report is submitted under subsection (d).

And the Senate agree to the same.

Amendment numbered 118:

That the House recede from its disagreement to the amendment of the Senate numbered 118, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

TITLE VII—PARITY IN THE APPLICATION OF CERTAIN LIMITS TO MENTAL HEALTH BENEFITS

SEC. 701. SHORT TITLE.

This title may be cited as the ''Mental Health Parity Act of 1996''.

SEC. 702. AMENDMENTS TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.

(a) IN GENERAL.—Subpart B of part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (as added by section 603(a)) is amended by adding at the end the following new section:

''SEC. 712. PARITY IN THE APPLICATION OF CERTAIN LIMITS TO MENTAL HEALTH BENEFITS.

''(a) IN GENERAL.—

''(1) AGGREGATE LIFETIME LIMITS.—In the case of a group health plan (or health insurance coverage offered in connection with such a plan) that provides both medical and surgical benefits and mental health benefits—

''(A) NO LIFETIME LIMIT.—If the plan or coverage does not include an aggregate lifetime limit on substantially all medical and surgical benefits, the plan or coverage may not impose any aggregate lifetime limit on mental health benefits.

''(B) LIFETIME LIMIT.—If the plan or coverage includes an aggregate lifetime limit on substantially all medical and surgical benefits (in this paragraph referred to as the 'applicable lifetime limit'), the plan or coverage shall either—

''(i) apply the applicable lifetime limit both to the medical and surgical benefits to which it otherwise would apply and to mental health benefits and not distinguish in the application of such limit between such medical and surgical benefits and mental health benefits; or

''(ii) not include any aggregate lifetime limit on mental health benefits that is less than the applicable lifetime limit.

''(C) RULE IN CASE OF DIFFERENT LIMITS.—In the case of a plan or coverage that is not described in subparagraph (A) or (B) and that includes no or different aggregate lifetime limits on different categories of medical and surgical benefits, the Secretary shall establish rules under which subparagraph (B) is applied to such plan or coverage with respect to mental health benefits by substituting for the applicable lifetime limit an average aggregate lifetime limit that is computed taking into account the weighted average of the aggregate lifetime limits applicable to such categories.

''(2) ANNUAL LIMITS.—In the case of a group health plan (or health insurance coverage offered in connection with such a plan) that provides both medical and surgical benefits and mental health benefits—

''(A) NO ANNUAL LIMIT.—If the plan or coverage does not include an annual limit on substantially all medical and surgical benefits, the plan or coverage may not impose any annual limit on mental health benefits.

''(B) ANNUAL LIMIT.—If the plan or coverage includes an annual limit on substantially all medical and surgical benefits (in this paragraph referred to as the 'applicable annual limit'), the plan or coverage shall either—

''(i) apply the applicable annual limit both to medical and surgical benefits to which it otherwise would apply and to mental health benefits and not distinguish in the application of such limit between such medical and surgical benefits and mental health benefits; or

''(ii) not include any annual limit on mental health benefits that is less than the applicable annual limit.

''(C) RULE IN CASE OF DIFFERENT LIMITS.—In the case of a plan or coverage that is not described in subparagraph (A) or (B) and that includes no or different annual limits on different categories of medical and surgical benefits, the Secretary shall establish rules under which subparagraph (B) is applied to such plan or coverage with respect to mental health benefits by substituting for the applicable annual limit an average annual limit that is computed taking into account the weighted average of the annual limits applicable to such categories.

''(b) CONSTRUCTION.—Nothing in this section shall be construed—

''(1) as requiring a group health plan (or health insurance coverage offered in connection with such a plan) to provide any mental health benefits; or

''(2) in the case of a group health plan (or health insurance coverage offered in connection with such a plan) that provides mental health benefits, as affecting the terms and conditions (including cost sharing, limits on numbers of visits or days of coverage, and requirements relating to medical necessity) relating to the amount, duration, or scope of mental health benefits under the plan or coverage, except as specifically provided in subsection (a) (in regard to parity in the imposition of aggregate lifetime limits and annual limits for mental health benefits).

''(c) EXEMPTIONS.—

''(1) SMALL EMPLOYER EXEMPTION.—

''(A) IN GENERAL.—This section shall not apply to any group health plan (and group health insurance coverage offered in connection with a group health plan) for any plan year of a small employer.

''(B) SMALL EMPLOYER.—For purposes of subparagraph (A), the term 'small employer' means, in connection with a group health plan with respect to a calendar year and a plan year, an employer who employed an average of at least 2 but not more than 50 employees on business days during the preceding calendar year and who employs at least 2 employees on the first day of the plan year.

''(C) APPLICATION OF CERTAIN RULES IN DETERMINATION OF EMPLOYER SIZE.—For purposes of this paragraph—

''(i) APPLICATION OF AGGREGATION RULE FOR EMPLOYERS.—Rules similar to the rules under subsections (b), (c), (m), and (o) of section 414 of the Internal Revenue Code of 1986 shall apply for purposes of treating persons as a single employer.

''(ii) EMPLOYERS NOT IN EXISTENCE IN PRECEDING YEAR.—In the case of an employer which was not in existence throughout the preceding calendar year, the determination of whether such employer is a small employer shall be based on the average number of employees that it is reasonably expected such employer will employ on business days in the current calendar year.

''(iii) PREDECESSORS.—Any reference in this paragraph to an employer shall include a reference to any predecessor of such employer.

''(2) INCREASED COST EXEMPTION.—This section shall not apply with respect to a group health plan (or health insurance coverage offered in connection with a group health plan) if the application of this section to such plan (or to such coverage) results in an increase in the cost under the plan (or for such coverage) of at least 1 percent.

''(d) SEPARATE APPLICATION TO EACH OPTION OFFERED.—In the case of a group health plan that offers a participant or beneficiary two or more benefit package options under the plan, the requirements of this section shall be applied separately with respect to each such option.

''(e) DEFINITIONS.—For purposes of this section:

''(1) AGGREGATE LIFETIME LIMIT.—The term 'aggregate lifetime limit' means, with respect to benefits under a group health plan or health insurance coverage, a dollar limitation on the total amount that may be paid with respect to such benefits under the plan or health insurance coverage with respect to an individual or other coverage unit.

''(2) ANNUAL LIMIT.—The term 'annual limit' means, with respect to benefits under a group health plan or health insurance coverage, a dollar limitation on the total amount of benefits that may be paid with respect to such benefits in a 12-month period under the plan or health insurance coverage with respect to an individual or other coverage unit.

''(3) MEDICAL OR SURGICAL BENEFITS.—The term 'medical or surgical benefits' means benefits with respect to medical or surgical services, as defined under the terms of the plan or coverage (as the case may be), but does not include mental health benefits.

''(4) MENTAL HEALTH BENEFITS.—The term 'mental health benefits' means benefits with respect to mental health services, as defined under the terms of the plan or coverage (as the case may be), but does not include benefits with respect to treatment of substance abuse or chemical dependency.

''(f) SUNSET.—This section shall not apply to benefits for services furnished on or after September 30, 2001.''.

''(b) CLERICAL AMENDMENT.—The table of contents in section 1 of such Act, as amended by section 602 of this Act, is amended by inserting after the item relating to section 711 the following new item:

''Sec. 712. Parity in the application of certain limits to mental health benefits.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to group health plans for plan years beginning on or after January 1, 1998.

SEC. 703. AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT RELATING TO THE GROUP MARKET.

(a) IN GENERAL.—Subpart 2 of part A of title XXVII of the Public Health Service Act (as added by section 604(a)) is amended by adding at the end the following new section:

''SEC. 2705. PARITY IN THE APPLICATION OF CERTAIN LIMITS TO MENTAL HEALTH BENEFITS.

(a) IN GENERAL.—

''(1) AGGREGATE LIFETIME LIMITS.—In the case of a group health plan (or health insurance coverage offered in connection with such a plan) that provides both medical and surgical benefits and mental health benefits—

''(A) NO LIFETIME LIMIT.—If the plan or coverage does not include an aggregate lifetime limit on substantially all medical and surgical benefits, the plan or coverage may not impose any aggregate lifetime limit on mental health benefits.

(B) LIFETIME LIMIT.—If the plan or coverage includes an aggregate lifetime limit on substantially all medical and surgical benefits (in this paragraph referred to as the 'applicable lifetime limit''), the plan or coverage shall either—

''(i) apply the applicable lifetime limit both to the medical and surgical benefits to which it otherwise would apply and to mental health benefits and not distinguish in the application of such limit between such medical and surgical benefits and mental health benefits; or

''(ii) not include any aggregate lifetime limit on mental health benefits that is less than the applicable lifetime limit.

''(C) RULE IN CASE OF DIFFERENT LIMITS.—In the case of a plan or coverage that is not described in subparagraph (A) or (B) and that includes no or different aggregate lifetime limits on different categories of medical and surgical benefits, the Secretary shall establish rules under which subparagraph (B) is applied to such plan or coverage with respect to mental health benefits by substituting for the applicable lifetime limit an average aggregate lifetime limit that is computed taking into account the weighted average of the aggregate lifetime limits applicable to such categories.

''(2) ANNUAL LIMITS.—In the case of a group health plan (or health insurance coverage offered in connection with such a plan) that provides both medical and surgical benefits and mental health benefits—

''(A) NO ANNUAL LIMIT.—If the plan or coverage does not include an annual limit on substantially all medical and surgical benefits, the plan or coverage may not impose any annual limit on mental health benefits.

''(B) ANNUAL LIMIT.—If the plan or coverage includes an annual limit on substantially all medical and surgical benefits (in this paragraph referred to as the 'applicable annual limit'), the plan or coverage shall either—

''(i) apply the applicable annual limit both to medical and surgical benefits to which it otherwise would apply and to mental health benefits and not distinguish in the application of such limit between such medical and surgical benefits and mental health benefits; or

''(ii) not include any annual limit on mental health benefits that is less than the applicable annual limit.

''(C) RULE IN CASE OF DIFFERENT LIMITS.—In the case of a plan or coverage that is not described in subparagraph (A) or (B) and that includes no or different annual limits on different categories of medical and surgical benefits, the Secretary shall establish rules under which subparagraph (B) is applied to such plan or coverage with respect to mental health benefits by substituting for the applicable annual limit on average annual limit that is computed taking into account the weighted average of the annual limits applicable to such categories.

''(b) CONSTRUCTION.—Nothing in this section shall be construed—

''(1) as requiring a group health plan (or health insurance coverage offered in connection with such a plan) to provide any mental health benefits; or

''(2) in the case of a group health plan (or health insurance coverage offered in connection with such a plan) that provides mental health benefits, as affecting the terms and conditions (including cost sharing, limits on numbers of visits or days of coverage, and requirements relating to medical necessity) relating to the amount, duration, or scope of mental health benefits under the plan or coverage, except as specifically provided in subsection (a) (in regard to parity in the imposition of aggregate lifetime limits and annual limits for mental health benefits).

''(c) EXEMPTIONS.—

''(1) SMALL EMPLOYER EXEMPTION.—This section shall not apply to any group health plan (and group health insurance coverage offered in connection with a group health plan) for any plan year of a small employer.

''(2) INCREASED COST EXEMPTION.—This section shall not apply with respect to a group health plan (or health insurance coverage offered in connection with a group health plan) if the application of this section to such plan (or to such coverage) results in an increase in the cost under the plan (or for such coverage) of at least 1 percent.

''(d) SEPARATE APPLICATION TO EACH OPTION OFFERED.—In the case of a group health plan that offers a participant or beneficiary two or more benefit package options under the plan, the requirements of this section shall be applied separately with respect to each such option.

''(e) DEFINITIONS.—For purposes of this section;

''(1) AGGREGATE LIFETIME LIMIT.—The term 'aggregate lifetime limit' means, with respect to benefits under a group health plan or health insurance coverage, a dollar limitation on the total amount that may be paid with respect to such benefits under the plan or health insurance coverage with respect to an individual or other coverage unit.

''(2) ANNUAL LIMIT.—The term 'annual limit' means, with respect to benefits under a group health plan or health insurance coverage, a dollar limitation on the total amount of benefits that may be paid with respect to such benefits in a 12-month period under the plan or health insurance coverage with respect to an individual or other coverage unit.

''(3) MEDICAL OR SURGICAL BENEFITS.—The term 'medical or surgical benefits' means benefits with respect to medical or surgical services, as defined under the terms of the plan or coverage (as the case may be), but does not include mental health benefits.

''(4) MENTAL HEALTH BENEFITS.—The term 'mental health benefits' means benefits with respect to mental health services, as defined under the terms of the plan or coverage (as the case may be), but does not include benefits with respect to treatment of substance abuse or chemical dependency.

''(f) SUNSET.—This section shall not apply to benefits for services furnished on or after September 30, 2001.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to group health plans for plan years beginning on or after January 1, 1998.

And the Senate agree to the same.

JERRY LEWIS,
BARBARA F. VUCANOVICH,
JAMES T. WALSH,
DAVID L. HOBSON,
JOE KNOLLENBERG,
RODNEY P. FRELINGHUYSEN,
BOB LIVINGSTON,
LOUIS STOKES,
ALAN B. MOLLOHAN,
JIM CHAPMAN,
MARCY KAPTUR,
DAVID R. OBEY,
Managers on the Part of the House.

CHRISTOPHER S. BOND,
CONRAD BURNS,
TED STEVENS,
RICHARD C. SHELBY,
ROBERT F. BENNETT,
BEN NIGHTHORSE CAMPBELL,
MARK O. HATFIELD,
BARBARA A. MIKULSKI,
PATRICK J. LEAHY,
J. BENNETT JOHNSTON,
FRANK R. LAUTENBERG,
J. ROBERT KERREY,
ROBERT C. BYRD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3666) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1997, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying report.

The language and allocations set forth in House Report 104–628 and Senate Report 104–318 should be complied with unless specifically addressed to the contrary in the conference report and statement of the managers. Report language included by the House which is not changed by the report of the Senate or the conference, and Senate report language which is not changed by the conference is approved by the committee of conference. The statement of the managers, while repeating some report language for emphasis, does not intend to negate the language referred to above unless expressly provided herein. In cases in which the House or Senate have directed the submission of a report, such report is to be submitted to both House and Senate Committees on Appropriations.

TITLE I—DEPARTMENT OF VETERANS AFFAIRS

VETERANS BENEFITS ADMINISTRATION

Amendment No. 1: Appropriates $18,671,259,000 for compensation and pensions as proposed by the Senate, instead of $18,497,854,000 as proposed by the House.

Amendment No. 2: Appropriates $1,377,000,000 for readjustment benefits as proposed by the Senate, instead of $1,227,000,000 as proposed by the House.

Amendment No. 3: Limits the principal amount of direct loans in the vocational rehabilitation loans program account to not to exceed $2,822,000 as proposed by the Senate, instead of not to exceed $1,964,000 as proposed by the House.

VETERANS HEALTH ADMINISTRATION

Amendment No. 4: Delays the availability of $700,000,000 of the medical care appropriation in the equipment and land and structures object classifications until August 1, 1997, instead of delaying the availability of $570,000,000 as proposed by the House and $596,000,000 as proposed by the Senate.

The conference agreement includes medical care funding of $210,000 to expand services at the existing community-based outpatient clinic in Texarkana, Texas; and $400,000 for the homeless veterans domiciliary program in Alaska, including the purchase of transitional housing units (300,000) and the expansion of the domiciliary's video-conferencing capabilities ($100,000).

Amendment No. 5: Appropriates $262,000,000 for medical and prosthetic research as proposed by the Senate, instead of $257,000,000 proposed by the House. The house, in section 427 of the general provisions, increased this appropriation by $20,000,000—to a total of $277,000,000. The conference agreement deletes that general provision.

The committee of conference supports additional research activity on osteoporosis and related bone diseases, disorders which affect both women and men. In 1993, VA medical centers cared for hip fractures in 2,650 veterans over 65 years of age. The average length of acute hospital stay was approximately 25 days which resulted in a total of 65,720 hospital days of care. The conferees urge the VA to prepare a long-term strategy for research in this area, including the coordination of such efforts with the Department of Defense and the National Institutes of Health.

Amendment No. 6: Appropriates $61,207,000 for medical administration and miscellaneous operating expenses, instead of $59,207,000 as proposed by the House and $62,207,000 as proposed by the Senate.

DEPARTMENT ADMINISTRATION

Amendment No. 7: Appropriates $827,584,000 for general operating expenses, instead of $823,584,000 as proposed by the House and $813,730,000 as proposed by the Senate. The House, in section 426 of the general provisions, increased this appropriation by $17,000,000—to a total of $840,584,000. The conference agreement deletes that general provision.

The conferees agree that the decrease of $16,146,000 below the budget estimate be applied against funds requested for the Veterans Benefits Administration. The reduction to VBA reflects the conferees' continuing frustration with the lethargic approach to improving service to veterans, and is not intended to worsen the backlog of pending claims. The staffing requested for compensation and pension claims processing is fully funded. While the Secretary has discretion in applying the reduction, suggested areas include deferred relocation expenses, travel restructuring plans which will not be implemented, and cash awards and bonuses.

The conferees also agree not to earmark any specific level of funding to improve access for contact by telephone, but support this Veterans Benefits Administration's restructuring initiative to improve service to veterans.

Amendment No. 8: Makes technical language change as proposed by the Senate.

Amendment No. 9: Appropriates $250,858,000 for construction, major projects, instead of $245,358,000 as proposed by the House and $178,250,000 as proposed by the Senate.

The conference agreement include the following changes from the budget estimate:

−$42,600,000 for the new medical center and nursing home project in Brevard County, Florida.

−$15,100,000 for the renovation of psychiatric wards at the Perry Point, Maryland VA Medical Center.

+$5,000,000 for an ambulatory care addition project at the Leavenworth, Kansas VA Medical Center.

−$15,500,000 for the renovation of facilities and relocation of medical school functions project at the Mountain Home, Tennessee VA Medical Center.

+$20,000,000 for the first phase of the spinal cord injury unit and energy center project at the Tampa, Florida VA Medical Center.

−$12,400,000 for the $17,400,000 requested for the environmental improvements project at the Pittsburgh (UD), Pennsylvania VA Medical Center.

−$18,200,000 for the environmental enhancements project at the Salisbury, North Carolina VA Medical Center.

+$16,000,000 for the research addition project at the Portland, Oregon VA Medical Center.

+$1,000,000 for the planning of an ambulatory care addition at the Lyons, New Jersey VA Medical Center.

+$2,300,000 for the planning and design of a renovation/reconstruction of psychiatric care facilities project and the Murfreesboro, Tennessee VA Medical Center.

−5,000,000 of the $8,845,000 requested for the advance planning fund.

−$5,000,000 of the $15,000,000 requested for asbestos abatement.

+$13,000,000 for the phase I development of a new national cemetery in the Albany, New York area.

+$1,258,000 to complete the design of a new national cemetery in Guilford Township, Ohio.

−$5,000,000 requested for the judgment fund.

The conference agreement includes the budget request of $32,100,000 for the next funding increment of the replacement hospital at Travis Air Force Base, with bill language delaying the release of said funds until January 1, 1998, unless action is taken by the Congress specifically making the funds available sooner. The House provided $32,100,000 for the Travis project and the Senate deleted such funds.

The conference committee recognizes that currently there exist several scenarios for providing medical care to veterans in this area, including an outpatient clinic; a replacement hospital, which includes an outpatient clinic; dedication of additional beds for VA use at the Travis hospital; and utilization of the Mather Air Force hospital for veterans. The conference committee also recognizes a recent General Accounting Office report which concludes that the Travis construction project is not justified and that lower-cost alternatives should be more fully explored. However, the VA Secretary does not concur with the GAO report and its recommendation, and continues to fully support the project. Further, the VA is currently developing plans for restructuring the way health care services are provided in its Sierra Pacific network.

The Congress has provided for two approaches to this matter in the past few years. There is an authorization and a $25,000,000 appropriation for an outpatient clinic at Travis. Also, since 1991, a total of $22,600,000 has been appropriated for a hospital to replace the one at Martinez. Because the hospital project began before the current authorization process was enacted, it is ''grandfathered'' and no authorization for it is required.

The language included in the bill delaying the release of the funds prior to January 1, 1998, unless specific action is taken, will permit the Congress and the VA time to reassess the available options and fully consider the GAO recommendations. To assist in this effort, the VA is to make a report to the Congress with recommendations as how to best provide medical services to veterans in the area. The authorizing committees should review this situation and take whatever action regarding the construction authorization they deem appropriate.

Amendment No. 10: Appropriates $175,000,000 for construction, minor projects, instead of $160,000,000 as proposed by the House and $190,000,000 as proposed by the Senate. The conferees urge the VA to give priority to projects which will convert excess inpatient hospital space to outpatient care space needed to accommodate the increases in those activities.

Amendment No. 11: Appropriates $12,300,000 for the parking revolving fund as proposed by the House, instead of zero as proposed by the Senate. The conferees agree that these funds are for the parking structure component of the ambulatory care addition project at the Cleveland VA Medical Center.

ADMINISTRATIVE PROVISION

Amendment No. 12: Inserts language proposed by the Senate providing for the conveyance of a portion of the grounds at the Tuscaloosa VA Medical Center to the City of Tuscaloosa, Alabama.

TITLE II—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

Amendment No. 13: Deletes HUD's account structure as proposed by the House and stricken by Senate. Amendment number 14 replaces it with a new structure that is more descriptive of the activities actually carried out under the particular accounts. Many of the activities carried out in the following accounts have been either merged into three more flexible categorical accounts and two specialized accounts or moved to the administrative provisions of this Title: annual contributions for assisted housing; housing for special populations: elderly and disabled housing; the flexible subsidy fund; rental housing assistance; the public and Indian housing certificate fund; public housing operating fund; public housing capital fund; revitalization of severely distressed public housing (HOPE VII); and drug elimination grants for low income housing.

Amendment No. 14: Inserts language providing a new account structure as proposed by the Senate with modifications as described below.

Appropriates $1,039,000,000 for a new ''Development of additional new subsidized housing'' account instead of $969,464,442 as proposed by the Senate. Incorporated into this account are the new construction housing programs, including housing for the elderly under section 202, housing for the disabled under section 811, and public housing for Indian families. Within the account, $645,000,000 is provided for developing or acquiring housing under the section 202 program, $194,000,000 for developing or acquiring housing under the section 811 program, and $200,000,000 for developing or acquiring public housing for Indian families.

Appropriates $4,640,000,000 for the second new account, called ''Prevention of resident displacement,'' to assure against the disruptive and painful effects of displacement that families may confront from losing their subsidized housing. The largest component of this—$3,600,000,000—is appropriated to extend expiring rent subsidy contracts for one year. Appropriations for the remaining components are: $850,000,000 for section 8 contract amendments, of which $50,000,000 is for rental assistance contracts under the Low-Income Housing, Preservation and Resident Homeownership Act of 1990 (LIHPRHA) and the Emergency Low-Income Housing Preservation Act of 1987 (ELIHPA); and $190,000,000 for section 8 tenant-based certificates and vouchers necessary to avoid resident displacement, for witness relocation and family unification activities, and for other purposes.

HUD requested $290,000,000 for certificate and voucher and rental assistance. Of this amount, almost $100,000,000 was for purposes other than providing rental assistance, including such items as settlement of litigation, counseling services and a new, previously unauthorized ''Welfare-to-Work'' initiative. There is a trend at HUD to initiate programs without Congressional approval and fund them with money appropriated for authorized programs. The conferees plan to carefully monitor HUD's propensity to act without Congressional mandate. In the meantime, the Department is directed to present a budget request on a timely basis that outlines and justifies their priorities and, if funds are available and the program is authorized, the Appropriations Committees may provide funding after due consideration.

Appropriates $5,750,000,000 for the third new account, ''Preserving existing housing investment,'' which incorporates public and Indian housing operating subsidies, modernization, and housing preservation activities under the LIHPRHA. A total of $2,900,000,000 is earmarked for public and Indian housing operating subsidies, as proposed by the Senate; $2,500,000,000 is earmarked for modernization, as proposed by the Senate and $350,000,000 is earmarked for LIHPRHA, instead of $500,000,000 as proposed by the Senate.

The conferees agree with the House report language directing HUD to create performance targets for the use of funds made available for technical assistance in the modernization earmark and to report on whether these targets are achieved.

The preservation program has been redesigned to reduce excessive program costs in the form of equity take-outs, renovations and transactions costs. To protect residents from possible displacement in the event an owner prepays the unpaid principal balance remaining on the mortgage, $100,000,000 is earmarked for tenant-based assistance. In addition, $75,000,000 is provided to fund projects not being sold to priority purchasers that have approved plans of action. Finally, $10,000,000 is provided to reimburse owners of eligible properties where plans of action were submitted prior to the effective date of this Act, but were not executed because of insufficient funds.

To assist the Congress in making a determination of whether this program is the most cost-effective way to provide affordable housing opportunities to low-income families, the conferees request the General Accounting Office (GAO) to evaluate and review the program. As part of this evaluation, GAO should review the level of compensation to the owner relative to the actual value of the property, the level of rehabilitation grants relative to the rehabilitation needs of the

property and the problems of administering the program. Finally, because some of the issues are similar, GAO should evaluate whether there are lessons to be learned from the experience with the preservation program that can be applied to portfolio reengineering.

Two accounts have been retained separately because of their unique characteristics: the revitalization of severely distressed public housing account and the drug elimination grants for low income housing account, as proposed by the House. In these accounts, $550,000,000 is appropriated to the severely distressed program, and $290,000,000 is appropriated to the drug elimination grants program to assist public housing authorities to fight drug problems in their communities.

Language is inserted to ensure that HOPE VI funds are used for the purpose of revitalizing severely distressed public housing facilities. HUD attempted to provide funds to predetermined housing authorities to settle litigation unconnected with the HOPE VI program. Furthermore, preferential scoring was given to housing projects that included proposals for an unauthorized program. HUD is directed to end such practices immediately. Finally, in assessing public housing demolition/disposition applications, the conferees urge HUD to review closely the local housing needs of a community, including shortages of affordable housing for low-income families, the size of the waiting list for the public housing, as well as the size of the local homeless population.

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT BLOCK GRANTS FUND

Amendment No. 15: Deletes the language proposed by the House and stricken by the Senate to delay the availability of $300,000,000 of this appropriation until the last day of the fiscal year.

Consistent with Congressional efforts to devolve greater authority to lower levels of government and to empower citizens to develop self-help solutions within their respective communities and neighborhoods, the conferees recommend that HUD encourage States and entitlement communities to support neighborhood revitalization activities sponsored or administered by small nonprofit community-based entities. The John Heinz Neighborhood Development Program is a model that states could follow.

Amendment No. 16: Earmarks $67,000,000 for grants to Indian tribes instead of $61,400,000 as proposed by the House, and $68,500,000 as proposed by the Senate.

Amendment No. 17: Earmarks $1,500,000 for a grant to the National American Indian Housing Council (NAIHC) as proposed by the Senate, instead of $1,000,000 as proposed by the House.

Amendment No. 18: Earmarks $60,000,000 for grants promoting self-sufficiency for residents of public housing, which is $10,000,000 above the level proposed by the Senate. Earmarks up to $5,000,000 for the Tenant Opportunity Program and up to $5,000,000 for the Moving-to-Work demonstration created in the fiscal year 1996 appropriations measure.

Funds for the Tenant Opportunity Program shall not be available for any purpose until the Secretary certifies that the program is working effectively. The conferees are concerned about reports of wasteful spending practices and allegedly fraudulent activities within the program, practices which put the program at risk of elimination altogether.

Amendment No. 19: Earmarks $20,000,000 for public housing authorities and other federally-assisted low income housing programs to reimburse law enforcement entities and to augment security services, as proposed by the Senate.

Amendment No. 20: Earmarks $30,000,000 for the Youthbuild program, instead of $20,000,000 as proposed by the House and $40,000,000 as proposed by the Senate.

Amendment No. 21: Inserts a technical correction to the language as proposed by the Senate.

FEDERAL HOUSING ADMINISTRATION

FHA-MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

Amendment No. 22: Transfers $350,595,000 from FHA-mutual mortgage insurance guaranteed loan receipts for administrative expenses as proposed by the Senate, instead of $341,595,000 as proposed by the House.

Amendment No. 23: Limits use of transferred funds to $343,483,000 for departmental salaries and expenses as proposed by the Senate, instead of $334,483,000 as proposed by the House.

FHA-GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

Amendment No. 24: Transfers $207,470,000 from the FHA-General and Special Risk Program account for administrative expenses to carry out the guaranteed and direct loan program as proposed by the Senate, instead of $202,470,000, as proposed by the House. Of this transfer, $203,299,000 is for departmental salaries and expenses as proposed by the Senate instead of $198,299,000, as proposed by the House.

Amendment No. 25: Inserts a technical correction to the language as proposed by the Senate.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN

GUARANTEE PROGRAM ACCOUNT

Amendment No. 26: Transfers $9,383,000 from receipts generated by the GNMA-guarantees of mortgage-backed securities for administrative expenses necessary to carry out the guaranteed mortgage-backed securities program as proposed by the Senate, instead of $9,101,000 as proposed by the House.

Amendment No. 27: Limits use of transfer of $9,303,000 for salaries and expenses, as proposed by the Senate, instead of $9,101,000 as proposed by the House.

Amendment No. 28: Inserts a technical correction to the language as proposed by the Senate.

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

Amendment No. 29: Appropriates $976,840,000 for departmental salaries and expenses, as proposed by the Senate, instead of $919,147,000 as proposed by the House. The agreement also provides that $15,000,000 is contingent on HUD providing to the House and Senate Appropriations Committees a strategic plan that results in reducing the full-time equivalent (FTE) employment level to 7,500 in fiscal year 2000. Once the plan is reviewed, the additional funds will be made available to provide retraining programs for employees, to pay for related costs of personnel making permanent changes in station, and other costs related to downsizing the Department. During this process, it will be extremely important for senior management staff to engage in open discussions with the unions and career HUD employees.

Amendment No. 30: Transfers $546,782,000 from various funds of the Federal Housing Administration for salaries and expenses as proposed by the Senate, instead of $532,782,000 as proposed by the House.

Amendment No. 31: Transfers $9,383,000 from funds of GNMA for salaries and expenses as proposed by the Senate, instead of $9,101,000 as proposed by the House.

OFFICE OF INSPECTOR GENERAL

Amendment No. 32: Inserts a technical correction to the language as proposed by the Senate.

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

Amendment No. 33: Appropriates $15,500,000 for the Office of Federal Housing Enterprise Oversight (OFHEO) instead of $14,895,000 as proposed by the House, and $15,751,000 as proposed by the Senate.

The conferees are concerned that this office is a growing bureaucracy which has not met its responsibilities to develop and implement financial safety and soundness requirements for the two housing government sponsored enterprises (GSEs): the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA).

Additonally, the conference agreement requires the General Accounting Office (GAO) to audit the operations of OFHEO relating to staff organization, expertise, capacity and contracting to ensure that resources are adequate and are being used appropriately for developing and implementing financial safety and soundness requirements for FNMA and FHLMC, as required under the Housing and Community Development Act of 1992.

The matter is addressed in Amendment No. 110.

ADMINISTRATIVE PROVISIONS

Amendment No. 34: Deletes language proposed by the House and stricken by the Senate regarding minimum rents, and inserts language proposed by the Senate to extend administrative provisions from the fiscal year 1996 VA/HUD Appropriations Act, amended to include modified House language regarding minimum rents. The conference agreement inserts language to allow minimum rents of up to $50 for public housing and section 8 housing. The remaining extensions of authority, as proposed by the Senate, are included in the provision including: suspension of the one-for-one replacement requirement, reforms to the public housing modernization program, rent reforms, the repeal of federal preferences, suspension of section 8(t) of the United States Housing Act of 1937, the ''take one, take all'' requirement, suspension of certain notice requirements for owners who participate in the certificate and voucher programs, suspension of section 8(d)(1)(B), the ''endless lease'' requirement and retaining fair market rents at the 40th percentile of modest cost existing housing instead of the 45th percentile calculation.

Additionally, the conference agreement modifies the manner in which administrative fees for tenant-based assistance are calculated, delays the reissuance of section 8 vouchers and certificates by three months, reduces annual adjustment factors by 1% for units where tenants do not move and limits high cost units. Finally, the conference agreement extends for one year those reforms made to the single family mortgage assignment program and reforms made to the disposition process of multifamily properties and mortgages owned or held by the Secretary.

Amendment No. 35: Amends language proposed by the Senate to provide up to $20,000,000 of unobligated balances from the Nehemiah Housing Opportunity Grant program for activities to promote and implement homeownership opportunities.

Amendment No. 36: Inserts language proposed by the Senate to cancel the indebtedness of the Greene County Rural Health Center.

Amendment No. 37: Inserts language proposed by the Senate to transfer all uncommitted balances of excess rental charges to the flexible subsidy fund.

Amendment No. 38: Inserts language proposed by the Senate which reduces by $2,000,000 all uncommitted balances of authorizations under section 236 of the National Housing Act.

Amendment No. 39: Inserts language proposed by the Senate which allows funds withheld by HUD from the District of Columbia's Department of Public and Assisted Housing (DPAH) to be used by DPAH's successor agency, the District of Columbia Housing Authority (DCHA), unless that agency is deemed troubled at the end of fiscal year 1998.

Amendment No. 40: Inserts language proposed by the Senate regarding financial adjustment factors, amended to appropriate $464,442 for the Utah Housing Finance Agency to pay for amounts lost to the agency in bond refinancings.

Amendment No. 41: Amends language proposed by the Senate regarding section 8 contract renewal authority repealing the section 8 Multifamily Housing Portfolio Restructuring Demonstration created in the fiscal year 1996 VA/HUD Appropriations Act, Public Law 104–134. The revised demonstration does not nullify any agreements or proposals that have been considered under the 1996 demonstration. Furthermore, to the extent those participants have requested tenant-based contracts, those units should not be counted under the cap included in this revised demonstration.

The revised demonstration is structured so that several distinct processes can be set up and their results evaluated. Stringent reporting requirements have been added so Congress will know how the demonstration is proceeding.

Given the uncertainty about how portfolio reengineering will work, the conferees believe it is critical to be able to evaluate the framework immediately. Furthermore, the information gathered through the demonstration will be valuable to the authorizing committees as they craft legislation to: (1) decrease the escalating costs of section 8 rental assistance; (2) prevent mortgage defaults; (3) protect against resident dislocation; and (4) resolve associated tax issues.

Under the legislation, HUD is required to renew for up to one year all FHA-insured mortgages with section 8 contracts with rents at or below 120 percent of the fair market rent for an area. This safe-harbor provides HUD with the administrative ability to focus on those FHA-insured multifamily housing projects with significantly oversubsidized rents. Projects with contract rents above 120 percent of fair market rent may have their section 8 contracts renewed at 120 percent of the fair market rent, enter into a mortgage workout, or participate in the demonstration.

HUD is provided with flexible tools, including reinsurance authority, the use of project-based and tenant-based assistance, authority to forgive debt, budget-based rents, the use of bifurcated mortgages, partial and full payment of claim authority, credit enhancements, the ability to enter into risk-sharing arrangements and the sale of benefits and burdens of FHA multifamily mortgage insurance.

HUD is authorized to enter into contracts with qualified state housing finance agencies, local housing agencies, and nonprofits as a partner or as a designee to administer the program for HUD. HUD may contract and subcontract with private-sector entities who have the expertise and capacity necessary to ensure that mortgage restructurings are handled to the best advantage of the Federal government, the development, the community and the residents.

The importance of carrying out this demonstration effectively cannot be overstated in light of the families the projects serve. Many of the properties are home to elderly and disabled families, and may be located in high-cost rental markets with little available, affordable housing or are in rural areas with scarce housing resources. In most cases, the projects are oversubsidized and are in danger of defaulting on their mortgage if the section 8 payments are reduced to market levels, raising concerns of owner disinvestment, resident displacement, and government ownership, management and disposition of the housing inventory. To achieve deficit reduction and a balance budget, continuing the existing subsidy arrangements is simply not an option.

Amendment No. 42: Inserts language proposed by the Senate to waive section 282 of the Cranston-Gonzalez National Affordable Housing Act as it applies to Hawaiian Home Lands.

Amendment No. 43: Deletes language proposed by the Senate allowing HUD to establish a buyout plan to downsize the Department and inserts language authorizing the Secretary to transfer from section 8 recaptures, up to $50,000,000 to be used to fund amendments for LIHPRHA contracts, and up to $25,000,000 for housing opportunities for persons with AIDs (HOPWA). The conferees intend that the recaptured funds shall be used first for LIHPRHA and remaining funds for HOPWA.

Amendment No. 44: Inserts language proposed by the Senate to require HUD to maintain public notice and comment rulemaking.

Amendment No. 45: Inserts language proposed by the Senate to change the definition of ''urban county'' to include those counties that have a population of at least 210,000 persons, that have experienced a population decrease and have had a 100-year old federal naval installation closed by the Base Closure and Realignment Commission.

Amendment No. 46: Inserts language proposed by the Senate to promote fair housing and free speech.

Amendment No. 47: Deletes language proposed by the Senate to limit HUD from insuring any section 220 projects under the National Housing Act for more than $250,000,000 without sending a justification to the Congress and inserts technical provisions to: 1) transition to the new account structure; 2) coordinate tax credits and section 8 assistance allocated to projects in New Brunswick, New Jersey; 3) extend the authority of the City of Los Angeles to use up to 25% of its CDBG allocation for public services; 4) determine rent level in the section 236 program; and 5) revise the Fair Housing Initiatives Program (FHIP) to clarify that funds shall not be used to lobby the Congress or executive branches of government.

TITLE III—INDEPENDENT AGENCIES—CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

NATIONAL AND COMMUNITY SERVICE PROGRAMS OPERATING EXPENSES

Amendment No. 48: Appropriates $400,500,000 for national and community service programs operating expenses as proposed by the Senate, instead of $365,000,000 as proposed by the House. The House, in section 427 of the general provisions, reduced this appropriation and the appropriation for the Office of Inspector General to zero. The conference agreement deletes the part of that provision which eliminates funding for the national service programs.

Amendment No. 49: Limits funds for educational awards to not more than $59,000,000 as proposed by the Senate, instead of to not more than $40,000,000 as proposed by the House.

Amendment No. 50: Limits funds for grants under the National Service Trust, including the AmeriCorps program, to not more than $214,000,000 as proposed by the Senate, instead of $201,000,000 as proposed by the House.

Amendment No. 51: Inserts language proposed by the Senate limiting funds for national direct programs to not more than $40,000,000.

Amendment No. 52: Limits funds for the Points of Light Foundation to not more than $5,500,000 as proposed by the Senate, instead of $5,000,000 as proposed by the House.

Amendment No. 53: Limits funds for the Civilian Community Corps to not more than $18,000,000 as proposed by the Senate, instead of $17,500,000 as proposed by the House.

Amendment No. 54: Limits funds for the school-based and community-based service-learning programs to not more than $43,000,000 as proposed by the Senate, instead of $41,500,000 as proposed by the House.

COURT OF VETERANS APPEALS

Amendment No. 55: Deletes language proposed by the House and stricken by the Senate increasing the salaries and expenses appropriation by $1,411,000.

Amendment No. 56: Earmarks $700,000 of the salaries and expenses appropraiton for the pro bono representation program as proposed by the Senate, instead of $634,000 as proposed by the House.

ENVIRONMENTAL PROTECTION AGENCY

SCIENCE AND TECHNOLOGY

Amendment No. 57: Appropriates $542,000,000 for science and technology activities instead of $538,500,000 as proposed by the House and $545,000,000 as proposed by the Senate.

The conferees are in agreement with the following changes to the budget request:

+$2,150,000 for the Mickey Leland National Urban Air Toxics Research Center.

+$2,500,000 for the American Water Works Association Research Foundation.

+$700,000 for continued study of livestock and agricultural pollution abatement.

+$750,000 for oil spill remediation research at the Louisiana Environmental Research Center at McNeese State University.

+$1,100,000 to continue the PM–10 study in the San Joaquin Valley, California.

+$750,000 for continuation of the Resource and Agriculture Policy Systems Program at Iowa State University.

+$1,500,000 for EPSCoR.

+$1,000,000 for a study of the salinity of the Salton Sea by the University of Redlands.

+$1,200,000 for the lower Mississippi River interagency cancer study (LMRICS).

+$750,000 for research on environmental lung disease through the National Jewish Center for Immunology and Respiratory Medicine.

+$1,000,000 for the Center for Air Toxics Metals.

+$300,000 for the clean air status and trends network (CASTNet) monitoring stations in New England.

+$1,500,000 for the Water Environmental Research Foundation.

+$1,000,000 for research on the health effects of arsenic.

+$5,000,000 for the Mine Waste Technology Program.

+$250,000 for research and development needs in onsite and alternative water and wastewater systems through the National Decentralized Water Resources Capacity Development Project.

−$17,600,000 from the Environmental Technology Initiative, leaving $10,000,000 for technology verification activities.

−$10,000,000 from the increase proposed for the climate change action plan.

−$2,200,000 from the EMAP program.

−$7,000,000 from academic graduate fellowships.

−$20,398,000 as a general reduction. In determing the level of general reduction under this account, the conferees note that directed reductions were not taken for enforcement and for hiring additional employees. Rather, the conferees agree that this general reduction be taken on an equitable basis from all intramural (salaries and expenses) and extramural (contracts and grants) activities at the Agency, including management and support, research, enforcement, regulatory activities and technical assistance.

The conferees encourage EPA to work with institutions of higher learning to establish and operate small public water system technology assistance centers, the need for which was recognized in the recently enacted Safe Drinking Water Act Amendments.

The conferees support the continuation of the Superfund Innovative Technology Evaluation (SITE) program, which has been moved to the science and technology account, at the budget request level. The program is expected to focus on the validation and verification of the performance of innovative technologies developed by the private sector that will serve to reduce remediation times and costs.

Within 90 days of enactment of this Act, the conferees direct EPA to enter into an agreement with the National Academy of Sciences (NAS) to conduct a comprehensive two-year study of the human health effects of synthetic and naturally occurring substances that may have an effect in humans that is similar to an effect produced by the hormone estrogen, and such other hormone related effects as EPA may designate. The conferees expect this study will examine the occurrence, toxicological data, mechanisms of action, and relative risk of synthetic and naturally occurring hormone related toxicants in the causation of human health problems. Because of the recent enactment of provisions mandating the development of screening programs for these substances, the study should also address issues central to the development of a cost-effective screening program, including how to select and prioritize chemicals for testing, which test or tests to include in a screening program, and the most appropriate way to use the resulting information in developing risk estimates. If the EPA has already entered into an agreement or agreements with the NAS with regard to hormone related toxicants, the EPA is expected to merge all such studies into one report. The conferees expect such study to be completed within two years and ask the NAS to transmit the subsequent report to the Committees on Appropriations as well as to the EPA. Prior to release of the study and before proposing any regulations or testing programs that address estrogen or hormone related characteristics, the Agency is directed to thoroughly consult with the NAS and to consider the findings and recommendations of this study. The conferees expect that any written comments submitted by the NAS on a proposed regulation, as well as any EPA response to such comments, will be published as part of any final EPA rulemaking on this matter.

Finally, the conferees agree that of the $35,000,000 transferred to science and technology from hazardous substance superfund, $2,500,000 is for the Gulf Coast Hazardous Substance Research Center.

ENVIRONMENTAL PROGRAMS AND MANAGEMENT

Amendment No. 58: Appropriates $1,710,000,000 for environmental programs and management instead of $1,704,500,000 as proposed by the House and $1,731,000,000 as proposed by the Senate.

The conferees are in agreement with the following changes to the budget request:

+$2,500,000 for environmental justice activities.

+$4,550,000 for rural water technical assistance activities in addition to the levels provided in the budget request, including $2,100,000 for activities of the National Rural Water Association; $900,000 for RCAPs; $150,000 for the GWPC; $350,000 for the Small Flows Clearinghouse; $1,000,000 for the National Environmental Training Center; and $50,000 to establish a regional waste water training center at Vermont Technical College.

+$1,000,000 to continue the onsite wastewater treatment demonstration program through the Small Flows Clearinghouse.

+$2,500,000 for the Southwest Center for Environmental Research and Policy.

+$700,000 to enable the Long Island Sound Office to continue the implementation of the Sound's long-term conservation and management plan.

+$250,000 for a study of EPA's Mobile Source Emissions Factor Model to be conducted by the National Academy of Sciences.

+$500,000 for ongoing programs of the Canaan Valley Institute.

+$900,000 for continuing work on the water quality management plan for Skaneateles, Owasco, and Otisco Lake watersheds.

+$300,000 for continuing work on the Cortland County, New York aquifer protection plan.

+$1,500,000 for the National Institute for Environmental Renewal for development of an integrated environmental monitoring and data management system.

+$3,000,000 for a sludge-to-oil-reactor (STORS) and nitrogen removal system demonstration project in the San Bernardino Valley Municipal Water District.

+$1,250,000 for the South Shore Tahoe Transportation demonstration.

+$3,500,000 for the Lake Hollingsworth lake dredging technology demonstration, Lakeland, Florida.

+$5,000,000 for the West Palm Beach, Florida potable water reuse demonstration project.

+$290,000 for an analysis of the perennial yield of good quality groundwater in the Wadsworth Sub-basin for the town of Fernley, Nevada.

+$2,000,000 for continuing work on the New York/New Jersey Dredge Decontamination pilot study authorized by section 405 of the Water Resources Development Act of 1992.

+$900,000 for continuation of the Sacramento River Toxic Pollutant Control program, to be cost shared.

+$500,000 for the small water system cooperative initiative at Montana State University.

+$320,000 for the regional environmental finance centers.

+$300,000 for recycling and reuse technology development at the Iowa Waste Reduction Center.

+$1,000,000 for the non-profit For the Sake of the Salmon to fund watershed coordinators for salmon protection in the Pacific Northwest.

+$2,000,000 to continue the leaking above ground storage tank demonstration in the State of Alaska.

+$250,000 for the final year of EPA's demonstration program on the Potomac River's north branch of an acid mine drainage remediation project.

+$300,000 to continue the evaluation of ground water quality in Missouri.

+$1,000,000 for a Missouri watershed initiative cooperative demonstration project with the Food and Agricultural Policy Research Institute to link economic and environmental data with ambient water quality.

+$750,000 for the Lake Champlain management plan.

+$2,000,000 to demonstrate the latest technology in utilizing reclaimed water from a wastewater treatment facility in Silverton, Oregon.

+$500,000 to continue the model coordinated tribal water quality program in Washington State.

+$400,000 to continue the Maui algal bloom project.

+$400,000 to continue support of the Ala Wai Canal water improvement demonstration project.

+$700,000 for the solar aquatic waste water treatment demonstration project in Vermont.

+$850,000 for the Nebraska municipal governments mandates initiative.

+$525,000 for an early childhood initiative in environmental education.

+$1,000,000 for a Federal contribution to the New York City watershed protection program.

+$250,000 for the Nature Conservancy of Alaska for protection of the Kenai River watershed.

+$1,500,000 for wastewater training grants under section 104(g) of the Clean Water Act.

+$200,000 to continue the cleanup of Five Island Lake.

+$500,000 for the Alabama Department of Environmental Management to conduct a study on innovations in sewer system development and operation.

+$100,000 for a demonstration project on the use of oysters to improve water quality in Chesapeake Bay tributaries.

+$1,000,000 for a small business compliance demonstration project pursuant to section 215 of the Small Business Regulatory Enforcement Fairness Act of 1996.

+$1,000,000 for a grant program to assist established conservancies to develop or complete stream restoration or watershed management plans as approved by CALFED consistent with the Bay-Delta Category III Program. The conferees expect that the Agency's fiscal year 1998 budget estimates will identify in detail the funds and programs dedicated to implementation of the Bay-Delta Accord, and, in addition, expect that the Agency's 1997 Operating Plan will identify the funding amounts provided all programs and projects which will serve to advance or are consistent with the implementation of the Accord.

+$1,000,000 for the Michigan Biotechnology Institute's pilot program for commercializing environmental technologies of national strategic benefit.

+$200,000 for the Alabama Water and Wastewater Institute to train and upgrade waste treatment works operators and maintenance personnel as required by the Clean Water Act.

−$5,000,000 from the new sustainable development challenge grant program.

−$43,500,000 from the ETI program. The conferees agree that the design for the environment (DfE) initiative should not be treated as part of the ETI program and is thus not included in this reduction.

−$48,000,000 from climate change action plan programs. The conferees note that these programs will remain funded at nearly $68,000,000, which is similar to that provided in fiscal year 1996.

−$500,000 from the Gulf of Mexico program.

−$2,000,000 from EPA's air programs.

−$1,000,000 from low priority programs specifically related to NAFTA.

−$2,500,000 from non-specific regulatory programs as outlined in the budget request.

−$2,000,000 from the National Service Initiative.

−$7,000,000 from the Montreal Protocol facilitation fund, thus level-funding this program at the 1996 level.

−$1,000,000 from the GLOBE program.

—$121,014,000 as a general reduction. In determining the level of general reduction under this account, the conferees note that directed reductions were not taken for enforcement, management and support, or for new hires. Rather, the conferees agree that this general reduction be taken on an equitable basis from all intramural (salaries and expenses) and extramural (contracts and grants) activities of the Agency, including management and support, enforcement, regulatory activities and technical assistance.

Of the amounts contained herein, the conferees have provided up to $500,000 to continue efforts to ensure smooth implementation of notification of lead-based paint hazards during real estate transactions, direct that no less than $300,000 be allocated to the Northeast States for Coordinated Air Use Management to provide technical assistance and policy guidance to its member States, and expect that the National Environmental Education and Training Foundation will be funded at the same ratio as it was during fiscal year 1996. Within the amount provided for the Office of Small and Disadvantaged Business Utilization, the Agency is encouraged to make training grants to small, minority and women-owned businesses for hazardous waste cleanup; for lead-based paint abatement; for radon activities; and for underground storage tank cleanup.

The conferees note that the implementation of new legislation on drinking water and food safety likely will require some redirection of EPA resources. Given that these bills were only recently enacted, the Committees on Appropriations were unable to consider associated funding requirements. The conferees therefore expect EPA to address any funding requirements for implementation of these important statutes, such as drinking water health effects research, in the Agency's operating plan.

The conferees recognize that leaking above ground tanks storing petroleum or petroleum products pose complex challenges for communities, and can threaten groundwater, the most critical source of drinking water. The conferees are concerned that EPA has yet to take substantive action on many recommendations made by the General Accounting Office in two reports. The conferees strongly urge EPA to address gaps in the program identified in the GAO reports, including secondary containment, overfill prevention, testing, inspection, compatibility, installation, corrosion protection, and structural integrity of petroleum tanks in excess of 42,000 gallons. EPA is further urged to consider ways of streamlining the administration of the above ground storage tank program.

The conferees direct the Agency to report to the Committees on Appropriations on the number of chemical waste landfills that have received waivers of the siting requirements under the Toxic Substances Control Act (TSCA), pursuant to 40 CFR 761.75(c)(4), and describe in detail the process by which requests for such waivers are considered and approved. Further, the conferees encourage the Agency to respond thoroughly to all comments filed by local governments and knowledgeable parties on the TSCA permit application for PCB-waste disposal in Wayne County, Michigan, prior to any final action on that application.

The conferees express their support for EPA's continued funding to allow the Sokaogon Chippewa Community to assess the environmental impacts of a proposed sulfide mine project. The conferees expect the EPA to work within existing funds to assist the Sokaogon Chippewa Community in their efforts to contribute adequate and up-to-date information to federal agencies reviewing the mine proposal.

The conferees are aware that the EPA is under court order to make a decision on whether to change the current National Ambient Air Quality Standard for Particulates. The court has ordered the EPA to issue a proposed decision by November 29, 1996, and a final decision by June 28, 1997. The conferees note that at present, there appears to be insufficient data available for the Agency to decide what changes, if any, should be made to the current standard. In particular, some scientists have concluded that current data do not adequately demonstrate causality or provide sufficient information to establish a specific new control strategy. Moreover, the EPA's Clean Air Scientific Advisory Committee is meeting soon to begin to design its recommended particulate research program for the Agency. The conferees further note that, at EPA's request, $18,800,000 has been included in the conference agreement for research on particulate matter. Given that monitoring and research into causality have only just begun, the conferees believe it may be premature for the Agency to promulgate new particulate standards at this time. The conferees encourage EPA to consider a ''no change'' option as part of its proposed decision due by November 29, 1996, and for its final decision due in June, 1997. The conferees expect to continue to support the EPA's research and monitoring programs to develop the necessary data as quickly as possible.

The conferees are concerned regarding the practical utility of requiring the submittal of more information from the regulated community associated with EPA's planned expansion of the Toxics Release Inventory (TRI). The conferees understand that the paperwork burden on businesses and state and local government associated with EPA requirements has increased over the past year, despite an initiative to reduce paperwork. Further, EPA has neither an integrated program to manage information nor an inventory of current reporting requirements on the regulated community. Despite new information-gathering initiatives, EPA has proposed no improvement in the collection, analysis, and communication of information to the public on its own priorities, performance, or the effectiveness of such initiatives in improving the public's ''right-to-know.'' Moreover, EPA has not sufficiently considered options to maximize the use of information already reported by facilities and available to citizens locally under the federal Emergency Planning and Community Right-to-Know Act (EPCRA) in its efforts to expand TRI to include more data on chemical uses.

The conferees thus direct a study by the General Accounting Office to:

(1) Identify options for improving the right-to-know program to more effectively address community concerns regarding risks associated with chemicals and to communicate risks to the public;

(2) Evaluate EPA information management practices, their utility in implementing the Government Performance and Results Act (GPRA), and their overall effectiveness in reducing paperwork requirements.

(3) Recommend ways to increase accountability among federal agencies in complying with existing TRI reporting requirements.

(4) Address the effectiveness of current mechanisms required under EPCRA at the local level in providing existing information on chemicals to the public; and

(5) Assess whether existing and new information requirements are designed to support the Agency's planning, budgeting, and accountability system that will implement GPRA.

BUILDINGS AND FACILITIES

Amendment No. 59: Appropriates $87,220,000 for buildings and facilities instead of $107,220,000 as proposed by the House and $27,220,000 as proposed by the Senate.

Amendment No. 60: Inserts language proposed by the House and stricken by the Senate which authorizes construction of a consolidated research facility at Research Triangle Park, North Carolina. Such authorization provides for construction of this new facility through incrementally funded multiyear contracts at a total maximum cost of $232,000,000, permits obligation of funds provided in this Act, and prohibits EPA from obligating monies in excess of those amounts made available in Appropriations Acts.

The conferees note that of the $87,220,000, $27,220,000 is available for necessary repair and maintenance costs at all EPA facilities, as well as renovation and construction costs for EPA's new headquarters facilities. The remaining $60,000,000, added to the $50,000,000 appropriated in fiscal year 1996, provides nearly one-half of the total construction costs of this important and necessary new research facility.

HAZARDOUS SUBSTANCE SUPERFUND

Amendment No. 61: Appropriates $1,394,245,000 for hazardous substance superfund as proposed by the Senate instead of $2,201,200,000 as proposed by the House, and inserts language proposed by the Senate which provides that $100,000,000 of the appropriated amount shall not become available until September 1, 1997.

Included in the appropriated level are the following amounts:

$906,238,000 for response action/cleanup activities, including $36,754,000, the budget request, for brownfields activities.

$171,194,000, the budget request, for enforcement activities.

$124,874,000 for management and support, including $11,000,000 to be transferred to the Office of Inspector General.

$64,000,000 for the Agency for Toxic Substances and Disease Registry (ATSDR). Within this amount, the conferees direct that up to $4,000,000 be used for minority health professions, no less than the fiscal year 1996 level be made available for continuation of the health effects study on the consumption of Great Lakes fish, and $900,000 be made available for continuation of the cancer cluster study in the Toms River area of New Jersey. The conferees note in this regard that some $300,000 has previously been expended by ATSDR for this study, thus the $900,000 made available in this action will bring to $1,200,000 the amount so far available for this important activity.

$53,527,000 for the National Institute for Environmental Health Sciences (NIEHS), including $32,527,000 for research activities and $21,000,000 for worker training.

$30,000,000, the fiscal year 1996 level, for transfer to the Department of Justice.

$9,412,000, the budget request, for reimbursable activities of other Federal agencies, including the U.S. Coast Guard, NOAA, FEMA, OSHA and the Department of the Interior.

$35,000,000 to be transferred to the science and technology account for necessary and appropriate research activities. Of this amount, the conferees note that $2,500,000 is available for the Gulf Coast Hazardous Substance Research Center and direct that other such research centers be funded at an appropriate level at least equal to the funding level provided in fiscal year 1996.

The conferees expect the Agency to quickly act on the direction contained in the House report regarding an ATSDR study in Caldwell County, North Carolina. The conferees also direct that all fiscal year 1996 carryover funds be applied to response action/cleanup activities.

The conferees note that on June 4, 1996, EPA announced an administrative reform to

allow interest to accrue on site-specific special accounts in which Superfund settlement funds dedicated to specific site cleanups are held. Under this new policy, accrued interest would directly benefit the Superfund site and the community where the site is located, and prevent the funds which parties pay in settlement from losing value over time. The conferees applaud the Agency's decision to move forward with this administrative reform which can control remedy costs, promote cost-effectiveness, decrease litigation, increase fairness in the enforcement process, and reduce transaction costs in the Superfund program. The conferees urge the EPA, as well as the Department of Justice, Office of Management and Budget, and the Department of the Treasury, to move forward to implement this administrative improvement as soon as possible.

Finally, the conferees are concerned about the lack of progress at Pepe Field Superfund Site, Boonton, New Jersey. EPA is directed to finalize the remedial design immediately and to proceed with the construction remedy.

Amendment No. 62: Provides $1,144,245,000 of the appropriated amount from the superfund trust fund as proposed by the Senate instead of $1,951,200,000 as proposed by the House.

Amendment No. 63: Provides $64,000,000 of the appropriated amount for the Agency for Toxic Substances and Disease Registry (ATSDR) as proposed by the Senate instead of $59,000,000 for ATSDR as proposed by the House.

Amendment No. 64: Deletes language proposed by the House and stricken by the Senate which provided that $861,000,000 of the appropriated level be available for obligation only upon enactment of future appropriations legislation that specifically makes these funds available for obligation.

Amendment No. 65: Deletes language proposed by the House and stricken by the Senate which provided that $1,200,000 of the appropriated amount be made available for the ATSDR to conduct a cancer cluster study in the Toms River area of the State of New Jersey. The conferees have provided an additional $900,000 for this study included in the appropriated amount for the ATSDR.

Amendment No. 66: Appropriates $60,000,000 for the leaking underground storage tank trust fund as proposed by the Senate instead of $66,500,000 as proposed by the House.

STATE AND TRIBAL ASSISTANCE GRANTS

Amendment No. 67: Appropriates $2,875,207,000 for state and tribal assistance grants instead of $2,768,207,000 as proposed by the House and $2,815,207,000 as proposed by the Senate.

From within the appropriated level, the conferees agree to the following amounts:

$625,000,000 for clean water State revolving fund capitalization grants.

$1,275,000,000 for drinking water State revolving fund capitalization grants.

$100,000,000 for architectural, engineering, planning, design, construction and related activities in connection with the construction of high priority water and wastewater facilities in the area of the United States-Mexico border.

$50,000,000 for cost-shared grants to the State of Texas to improve wastewater treatment for colonias.

$15,000,000 for cost-shared grants to the State of Alaska to address water supply and wastewater infrastructure needs of rural and Alaska Native Villages.

$136,000,000 for special needs wastewater treatment and groundwater protection infrastructure grants.

$674,207,000 for state and tribal program/categorical grants. Of this amount, the conferees note that $28,000,000 is for multi-media tribal general assistance grants or performance partnership grants, at a Tribe's request. The conferees recognize that this level, which is the budget request, exceeds the authorized ceiling of $15,000,000 included in the Indian Environmental General Assistance Programs Act. The conferees also agree that, within the amount provided for wetlands implementation grants, EPA may make funds available to states to assist them with the routine expenses of conducting section 404 regulatory programs that have been assumed by the States.

Amendment No. 68: Provides $1,900,000,000 of the appropriated amount for capitalization grants for State revolving funds to support water infrastructure financing instead of $1,800,000,000 as proposed by the House and $1,976,000,000 as proposed by the Senate.

Amendment No. 69: Inserts language proposed by the Senate which permits a specific cost-shared grant to the State of Alaska to be used for water supply infrastructure needs of rural and Alaska Native Villages.

Amendment No. 70: Provides $136,000,000 of the appropriated amount for making specific wastewater, water and groundwater protection infrastructure grants instead of $129,000,000 as proposed by the House and no funding as proposed by the Senate, and inserts language proposed by the House and stricken by the Senate which makes such funds available in accordance with the terms and conditions set forth in the Conference Report and statement of managers accompanying this Act.

The conferees direct that such grants be used for the following projects in the following amounts:

$2,550,000 for continued wastewater needs in Bristol County, Mass.;

$40,000,000 for continued wastewater needs in Boston, Mass.;

$8,500,000 for continued wastewater needs in New Orleans, La.;

$11,000,000 for continued water development needs of the Mojave Water Agency, Calif.;

$8,500,000 for continued development of the Des Plaines River system TARP activity in Chicago, Ill.;

$16,000,000 for continuation of the Rouge River National Wet Weather Project;

$13,600,000 for continuing clean water improvements at Onondaga Lake;

$5,400,000 for wastewater improvements in the East Cooper Area of Berkeley County, S.C.;

$2,000,000 for sewer infrastructure improvements in Kodiak, Ak.;

$8,000,000 for water quality improvements to Tanner Creek in Portland, Ore.;

$2,850,000 for water treatment facility replacement and improvements for the Agua Sana Water Users Association, N.M.;

$5,000,000 for wastewater treatment improvements in Middlebury, Vt.;

$1,750,000 for wastewater treatment improvements in O'Neil, Neb.;

$5,000,000 for the Taney County, Mo. Common Sewer District for its wastewater improvements project;

$2,000,000 for the Northeast Ohio Regional Sewer District wet weather pollution abatement program;

$1,700,000 for nine wastewater improvement projects in Essex County, Mass., including $1,000,000 for the South Essex Sewage District;

$1,000,000 for water delivery system improvements in the Virgin Valley Water District, Nev.; and

$1,150,000 for waste water improvement needs in Franklin, Huntington, and Clearfield Counties, Pennsylvania.

The conferees are in agreement that the Agency should work with the grant recipients on appropriate cost-share agreements and to that end the conferees direct the Agency to develop a standard cost-share consistent with fiscal year 1995.

Amendment No. 71: Inserts language as proposed by the Senate which permits the Administrator of EPA to make grants to States, from funds available for obligation in the State under title II of the Federal Water Pollution Control Act, as amended, for administering the completion and closeout of a State's construction grants program. The conferees agree that this provision is needed in many States due to the appropriation of over $1,800,000,000 since 1991 for wastewater grant projects and in view of the expiration of the section 205(g) reserve for such management activities.

Amendment No. 72: Provides $1,900,000,000 of the appropriated amount for capitalization grants for State revolving funds to support water infrastructure financing instead of $1,800,000,000 as proposed by the House and $1,976,000,000 as proposed by the Senate.

Amendment No. 73: Provides $1,275,000,000 for drinking water State revolving funds as proposed by the Senate instead of $450,000,000 as proposed by the House. Public Law 104–134 stipulated that drinking after SRF funds totaling $725,000,000—$225,000,000 of which was appropriated in fiscal year 1995 and $500,000,000 of which was appropriated in fiscal year 1996—would revert to the clean water SRF on August 1, 1996 unless authorization for the drinking water SRF was enacted prior to that date. This authorization was unfortunately not completely until shortly after that date, but too late to prevent the movement of funds to the clean water SRF. Noting that the clean water SRF thus received an infusion of $725,000,000 just prior to the beginning of fiscal year 1997, the conferees have agreed to reduce the 1997 clean water SRF appropriation by this amount and use the funds to increase the drinking water SRF over the $550,000,000 they have otherwise agreed upon as the appropriate fiscal year 1997 level.

The conferees note further, however, that because the authorization for the drinking water State revolving fund did not actually occur until just prior to the Senate completing action on the 1997 appropriation legislation, neither Appropriations Committee was able to review fully and make accommodation for all new provisions of this legislation. While the conferees expect that the funds provided for clean water State revolving fund capitalization grants will be distributed by the Agency in a manner similar to such distribution in prior years, the funds provided for drinking water State revolving fund capitalization grants should be distributed to all eligible governmental agencies and should be used solely for such capitalization grants and grants for public water system expenditures.

Amendment No. 74: Deletes language proposed by the House and stricken by the Senate which stipulated that if legislation authorizing a drinking water State revolving fund is not enacted prior to June 1, 1997, the funds appropriated for a drinking water State revolving fund shall immediately become available for making capitalization grants under title VI of the Federal Water Pollution Control Act, as amended. This provision became moot when such legislation was enacted on August 6, 1996.

Amendment No. 75: Inserts language proposed by the Senate which provides that the funds made available in Public Law 103–327 for a grant to the City of Bangor, Maine shall be available to that city as a grant for meeting combined sewer overflow requirements.

Amendment No. 76: Inserts language proposed by the Senate which provides that States which have not received funds allotted from the $725,000,000 (that, pursuant to

law, became available on August 1, 1996) during fiscal year 1996, may still be eligible for reallotment of 1996 funds as long as they receive their allotment of the August 1, 1996 funds during fiscal year 1997.

ADMINISTRATIVE PROVISION

Amendment No. 77: Deletes language proposed by the House and stricken by the Senate which would have permitted the transfer of funds made available to any Environmental Protection Agency account to be transferred to the Science and Technology account for necessary research activities, subject to applicable reprogramming requirements.

The conferees note that this provision was intended to give the Agency flexibility in providing for new research found necessary and appropriate for a particular EPA program which was not known or specifically provided for when the budget was developed and the appropriations process completed. Because of the time lapse between the beginning and end of each fiscal year's overall process, specific research which was not planned for or given a low priority at the beginning of the budget process may become necessary or of much greater importance near the end of the fiscal year. This provision would have permitted limited transfers among EPA accounts to accommodate the changing research needs of the Agency in this circumstance.

In lieu of adopting this provision at this time, the conferees direct that the Agency review their potential need for such a provision and advise the Committees on Appropriations on the results of this review prior to Congressional hearings on the fiscal year 1998 budget request.

EXECUTIVE OFFICE OF THE PRESIDENT

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

Amendment No. 78: Appropriates $2,436,000 for the Council on Environmental Quality and Office of Environmental Quality as proposed by the Senate instead of $2,250,000 as proposed by the House.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Amendment No. 79: Appropriates $1,320,000,000 for disaster relief as proposed by the Senate instead of $1,120,000,000 as proposed by the House.

Amendment No. 80: Deletes language proposed by the Senate and inserts in lieu thereof language which requires the Director of the Federal Emergency Management Agency to submit a comprehensive report regarding disaster relief expenditures and management controls within 120 days of enactment of this Act. Language is also inserted which makes all disaster relief funds appropriated in this Act available for immediate obligation.

The conferees have provided $1,320,000,000 in disaster relief funds for fiscal year 1997, and have included language making all such funds immediately available for obligation. When the 1997 appropriation is added to the $3,700,000,000 appropriated in prior years and still available for obligation, FEMA will have in excess of $5,000,000,000 to respond to both past and anticipated 1996 disaster situations, including the recent Hurricane Fran. The conferees have been assured that this level of available disaster relief funds makes a disaster supplemental appropriation unnecessary at this time.

The conferees have agreed to a statutory provision requiring FEMA to submit a comprehensive report within 120 days of enactment of this Act on its plans to reduce disaster relief expenditures and improve management controls on the disaster relief fund. The Senate amendment prohibiting the expenditure of disaster relief funds for the repair of yacht harbors or golf courses, tree or shrub replacement except in public parks, and recreational facilities, has been deleted without prejudice, in order to give the Agency an opportunity to address the issue of controlling disaster relief expenditures in a comprehensive manner. The conferees are troubled by the findings of a recent Inspector General report, upon which the Senate amendment was based, which found substantial sums have been awarded from the disaster relief fund to restore golf courses, equestrian trails, and the like. While the Stafford Act may not disallow such expenditures, the conferees believe such disbursements may not be appropriate and can no longer be accommodated. There are many other examples of opportunities for reducing disaster relief expenditures and improving management controls on the fund, some of which can be implemented administratively, and some of which require statutory changes.

The conferees note that the FEMA Director testified before the Senate committee earlier this year that he would submit by October 1, 1996, a proposal for controlling disaster relief expenditures. Because it appears likely that this commitment will not be met, the conferees have included a statutory provision requiring such a submission within 120 days of enactment of this Act.

Last year, FEMA established a disaster resources board to oversee the process of developing and reviewing disaster relief funding requests for activities not associated with a specific disaster. The conferees are concerned that the board has a significant amount of autonomy in deciding whether or not to charge a particular non-disaster specific activity to the fund, and wish to be kept apprised of all activities of the board through reports detailing any decisions made to charge additional non-disaster specific activities to the fund. The first such report should be submitted along with the fiscal year 1998 budget request.

The conferees are aware of efforts in the State of California to develop a disaster response system to integrate local, regional, state, and federal emergency management organizations through the sharing of interrelated data applications which will aid and accelerate efficient planning, coordination, and response to disaster. FEMA is directed to work with the State in the development of this system and determine the type of assistance, both technical and financial, which would be of greatest help to the State in this effort.

Finally, the conferees note that urban search and rescue (USAR) is a critical element of effective response to earthquakes and other disasters, and are very supportive of this program. However, the conferees are concerned that not all of the FEMA USAR teams are considered fully operational at this time, and note that the geographical distribution of the teams appears to be inadequate, particularly in the Midwest. In addition, the conferees are aware of concerns that current funding for each of the teams may be insufficient. The conferees therefore direct FEMA to report within 60 days of enactment of this Act on, (1) the appropriate number and geographical distribution of USAR teams, (2) the process for discontinuing support to teams which are not fully operational, and the Agency's plans to discontinue such teams, and (3) funding requirements for a viable program. As a replacement for inadequately funded or not fully operational USAR teams, FEMA is further directed to establish at least one new USAR team, taking into account adequate financial support, operational abilities, and geographical distribution, as quickly as possible but no later than 180 days of enactment of this Act.

Amendment No. 81: Appropriates $167,500,000 for salaries and expenses instead of $168,000,000 as proposed by the House and $166,733,000 as proposed by the Senate.

Amendment No. 82: Appropriates $4,673,000 for the Office of Inspector General as proposed by the Senate instead of $4,533,000 as proposed by the House.

Amendment No. 83: Appropriates $206,701,000 for emergency management planning and assistance instead of $209,101,000 as proposed by the House and $199,101,000 as proposed by the Senate.

The conferees are in agreement with the following changes to the budget request:

+$500,000 for a comprehensive analysis and plan of all evacuation alternatives for the New Orleans metropolitan area.

+$3,400,000 for costs associated with the replacement and upgrade of emergency response vehicles and equipment. The conferees agree that much of FEMA's equipment is obsolete and in need of repair or replacement, and understand that there will be a significant long-term cost associated with the upgrade of such equipment. This additional $3,400,000 appropriation, for example, will only provide adequate resources to replace UHF/VHF radios and ancillary equipment. In light of the great needs to upgrade equipment and thus provide better response support to disaster events, the Agency is directed to provide a comprehensive list on a priority basis of all needs in this regard, including the purchase of necessary vehicles and equipment of MERS and MATTS, as well as new systems such as the MIDAS system. The first such list should be submitted along with the fiscal year 1998 budget request and should then be updated throughout each year on an as-needed basis.

+$1,700,000 to complete the Earthquake Hazard Mitigation Program with the City of Portland, Oregon and the Oregon Department of Geology and Mineral Industries (DOGAMI).

The conferees agree to up to $2,000,000 for FEMA's participation in appropriate pre-disaster mitigation efforts. The conferees agree with FEMA's Director that mitigation activities can ultimately save significant sums from past-disaster clean-up and response actions and that the Agency should be taking an increasingly active role in developing and participating in pre-disaster mitigation programs. Such programs range in scope from the development and/or funding of mitigation plans for communities to participation with industries, insurers, building code officials, government agencies, engineers, researchers and others in developing systems and facilities to test structures in disaster-like circumstances. The conferees understand that these activities will require an infusion of considerable up-front financial support as well as the possible movement over time of disaster relief funds to pre-disaster programs, and the Agency is expected to use up to the $2,000,000 provided herein in an appropriate manner to begin the process of movement toward a meaningful pre-disaster mitigation program. Expenditure of these funds may not, however, be made until submission to the Committees on Appropriations of an appropriate pre-disaster mitigation spending plan.

The conferees note the Administration's September 12, 1996 submission of a budget amendment for counter-terrorism activities for several agencies, including FEMA, totaling $1,097,000,000. The conferees strongly support counter-terrorism activities, such as grants to state and local emergency responders for specialized training and equipment, consequence management planning and coordination, and field training and exercises. The conferees direct FEMA to propose appropriate funding levels for necessary counter-terrorism activities in its operating plan.

Amendment No. 84: Inserts language proposed by the Senate, with a technical

change, which permits FEMA to spend such sums as are necessary during fiscal year 1997 to conduct natural disaster studies consistent with law. The technical change refers to the citation of law, 42 U.S.C. 4127(c), in lieu of the citation referred to in the Senate amendment.

Amendment No. 85: Inserts language proposed by the Senate which extends the authorization for the National Flood Insurance Fund program for one year until September 30, 1997.

GENERAL SERVICES ADMINISTRATION

CONSUMER INFORMATION CENTER FUND

Amendments Nos. 86 and 87: Deletes House language providing for a limitation of $2,602,000 on administrative expenses and inserts Senate language modifying the House provision establishing a gift fund for the purpose of defraying costs of operations of the Consumer Information Center.

The conferees agree that the Consumer Information Center is to take over responsibility for production and distribution of the Consumer Resource Handbook in addition to other duties it currently performs. The conferees further agree to include bill language which authorizes the Consumer Information Center to accept private sector donations to defray the costs of printing, publishing, and distributing consumer information and educational material, and undertaking consumer information activities.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

HUMAN SPACE FLIGHT

The conferees fully support deployment of the space station but recognize the funds appropriated by this Act for the development of the space station may not be adequate to cover all potential contractual commitments should the program be terminated for the convenience of the Government. Accordingly, if the space station is terminated for the convenience of the Government, additional appropriated funds may be necessary to cover such contractual commitments. In the event of such termination, it would be the intent of the conferees to provide such additional appropriations as may be necessary to provide fully for termination payments in a manner which avoids impacting the conduct of other ongoing NASA programs.

SCIENCE, AERONAUTICS AND TECHNOLOGY

Amendment No. 88: Appropriates $5,762,100,000 for Science, Aeronautics and Technology, as proposed by the Senate, instead of $5,662,100,000 as proposed by the House.

The conference agreement reflects the following changes from the budget request:

a general reduction of $95,000,000;

GLOBE is reduced by $5,000,000;

an increase of $4,000,000 for cardiac imaging;

an increase of $4,000,000 for the space radiation program;

an increase of $2,000,000 for high speed civil transport research;

an increase of $5,000,000 for the WindSat program;

an increase of $12,000,000 for radar satellite;

an increase of $10,000,000 for museum programs;

an increase of $12,000,000 for advanced space transportation;

an increase of $10,000,000 for the TIMED program; and

an increase of $10,000,000 for education programs.

The conferees have agreed to provide $12,000,000 for a new start for the Light SAR program. The conferees understand that this amount of funding is in conformance with NASA's expected execution of this program for fiscal year 1997 and that additional funding will be included in the fiscal year 1998 budget submission.

With the exception of the $5,000,000 reduction to GLOBE, the conferees are directing no specific reduction to Mission to Planet Earth programs.

The conferees agree to provide an additional $10,000,000 for education programs. Included in the increase is $300,000 for upgrades to the Mobile Aeronautics Education Laboratory, $250,000 is provided for a feasibility study to create a national residential high school at Lewis Research Center, $250,000 is provided to begin replication of the Science, Engineering, Mathematics, and Aeronautics Academy program, and $300,000 is for the Classroom of the Future's Astronomy Village Program to increase the learning effectiveness of the Classroom by assessing and improving student scientific inquiry abilities.

The conferees designated $10,000,000 for museum programs. It is the intent of the conferees that $8,000,000 is to be used for the purposes outlined on page 82 of House Report 104–628. An additional $2,000,000 is provided for initial development of a national prototype space education curriculum. This curriculum shall be designated to heighten student interest and involvement in science, technology and space programs by utilizing the education and technology base of NASA and the nation's science museum and planetarium network. The conferees expect NASA to provide approximately $1,000,000 of these funds to the Bishop Museum, Honolulu, Hawaii for development of the curriculum, with the remainder to be spent on replication and distribution of the curriculum to educational institutions nationwide.

MISSION SUPPORT

The conferees direct the NASA Administrator to submit a multi-year workforce restructuring plan on how NASA will achieve its stated fiscal year 2000 full-time equivalent (FTE) goal with the agency's fiscal year 1998 budget and updated annually with budget submissions through fiscal year 2000. This plan shall: 1) outline a timetable for restructuring the workforce at NASA Headquarters and field Centers; 2) incorporate annual FTE targets by broad occupational categories and address how these targets reflect the respective missions of Headquarters and the field Centers; 3) describe personnel initiatives, such as relocation assistance, early retirement incentives, and career transition assistance which NASA will use to achieve personnel reductions. The plan shall minimize social and economic impacts, using ''reductions in force'' to the minimum extent practicable. Consistent with applicable law and regulation, NASA shall provide advance notice of separations to employees and local entities and appropriate assistance to affected employees.

The conferees are concerned about NASA's plans to delay the Consolidated Space Operations Contract. In particular, the conferees note the potential increased costs associated with this delay. Given these potential costs, the conferees ask NASA to provide, within 90 days, the rationale behind the decision to delay and to outline its plans for the Consolidated Space Operations Contract.

The conferees direct NASA to implement a Wallops 2000 plan for NASA activities at Wallops Island which maintains sufficient agency investment to ensure stabilization, as well as full utilization, of the Wallops workforce.

ADMINISTRATIVE PROVISIONS

Amendment No. 89: Replaces Senate administrative provision providing for payments of up to $25,000 to employees who volunteer for separation from NASA with a new provision which gives the NASA Administrator authority to transfer up to $177,000,000 among accounts.

The conferees have deleted the administrative provision which will allow for payments of up to $25,000 to employees who volunteer for separation from NASA. Instead the conferees have included a general provision (Section 439) which will allow for payments of up to $25,000 to employees who volunteer for separation, provides for repayment to the government of the separation incentive if the employee accepts reemployment with the Government or receives an annuity for disability, requires an additional agency contribution to the Civil Service Retirement and Disability Fund, reduces full-time equivalent employment levels, and requires NASA to report to the Office of Personnel Management by March 31 of each fiscal year on the execution of this provision.

In place of the separation incentive administrative provision, the conferees have also included an administrative provision providing transfer authority to NASA. It is the intent of the conferees that this authority will be used to transfer funds between the Science, Aeronautics and Technology account and the Human Space Flight account to the extent required for development/construction to maintain the schedule of the space station program. To ensure that there is no adverse effect on any NASA program, the conferees provide general transfer authority of up toe $177,000,000 to be used at the discretion of the Administrator and subject to the case-by-case approval by the House and Senate Appropriations Committees. The conferees note that this authority is required because the current split between development/construction funding and science funding is not properly phased.

NATIONAL SCIENCE FOUNDATION

RESEARCH AND RELATED ACTIVITIES

Amendment No. 90: Appropriates $2,432,000,000 for Research and Related Activities, as proposed by the Senate instead of $2,431,110,000 as proposed by the House.

The conferees agree that the reduction from the budget request, $40,000,000, is to be allocated by the National Science Foundation in accordance with its internal procedures for resource allocation, subject to approval by the House and Senate Committees on Appropriations.

Of the increase provided for Research and Related Activities above the fiscal year 1996 level, the conferees direct the National Science Foundation to make available up to $1,400,000 to pay any tariff duties assessed on the Gemini project, consistent with Senate language under the Major Research Equipment account. In providing these funds, the conferees direct the Foundation to place them in reserve prior to all directorate allocations made in conjunction with their fiscal year 1997 operating plan.

The conferees note that government policy in the area of duties and/or tariffs on scientific instruments is under review with regard to this program and encourage the U.S. Customs Service to act in a responsive manner by recognizing that any assessed duties on this program will be paid by an arm of the U.S. government, in this case the National Science Foundation, and will do nothing to increase the net financial position of the United States Government.

The conferees are in receipt of a report by the National Science Foundation, requested by the House and Senate Committees on Appropriations, which addresses the possible addition of a new Navy-owned, university-operated Class 1 Oceanographic Research Vessel to the academic fleet. The report concludes that there is not current need to replace any of the four large general purpose

oceanographic ships currently in the academic fleet because all of these ships have 10 to 30 years of service life remaining. While the conferees on the Department of Defense Appropriations Bill for fiscal year 1997 have agreed to provide funding for construction of a new large vessel, such a vessel is not needed at this time and the cost of operating the ship will most likely exacerbate an already constrained budget. Therefore, the conferees direct the Office of Naval Research to work with the University-National Oceanographic Laboratory System through its normal review process to ensure that the vessel will fit the needs of the oceanographic community and takes into consideration the overall balance between research funding and ship operations funding.

MAJOR RESEARCH EQUIPMENT

The conferees do not agree with the Senate direction to use $1,400,000 of funding in the Major Research Equipment account to pay U.S. Customs duties assessed on the Gemini Telescope project. The conferees have addressed this issue elsewhere in the report.

EDUCATION AND HUMAN RESOURCES

Amendment No. 91: Appropriates $619,000,000 for Education and Human Resources, instead of $612,000,000 as proposed by the House and $624,000,000 as proposed by the Senate.

The conference agreement includes the following reductions:

(1) $2,000,000 from grants for graduate fellowships;

(2) $5,000,000 from grants for undergraduate curriculum development;

(3) $2,500,000 from K–12 curriculum and assessment development; and

(4) $3,000,000 from research, evaluation and communication.

The conferees agree that these reductions are provided as guidance to the National Science Foundation; these funding levels are subject to established reprogramming procedures, subject to the approval of both the House and Senate Appropriations Committees.

Funding for Informal Science is increased by $10,000,000 which will result in a total of $36,000,000 for this vitally important program. The conferees expect that these additional funds will be used to support and strengthen systemic reform efforts funded elsewhere in this account. In addition, the conferees request that the National Science Foundation report back to the Committees on Appropriations of the House and Senate on its plans for implementing this direction. Funding for EPSCoR is increased by $2,500,000 for a total of $38,410,000. The increase for EPSCoR is to be used for advanced computing, networking and joint projects.

SALARIES AND EXPENSES

Amendment No. 92: Appropriates $134,310,000 for salaries and expenses as proposed by the Senate instead of $125,200,000 as proposed by the House.

NEIGHBORHOOD REINVESTMENT CORPORATION

PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

Amendment No. 93: Appropriates $49,900,000 for payment to the neighborhood reinvestment corporation as proposed by the Senate instead of $50,000,000 as proposed by the House.

TITLE IV—GENERAL PROVISIONS

Amendment No. 94: Inserts language proposed by the Senate modifying the travel expense limitation in section 401 to accommodate the change to budget estimates, including object classifications, which have been rounded to the nearest million dollars.

Amendment No. 95: Inserts language proposed by the Senate authorizing benefits for offspring of Vietnam veterans with spina bifida, and to offset the cost of such benefits by requiring that there be an element of fault as a precondition for entitlement to compensation for a disability or death resulting from health care or certain other services furnished by VA, amended to delay the effective date until October 1, 1997, unless legislation is enacted to provide for an earlier effective date. This delay will provide the committees of jurisdiction an opportunity to address this matter.

Amendment No. 96: Deletes language proposed by the House and stricken by the Senate prohibiting the payment of salaries of personnel who approve acquisition of supercomputing equipment when the Department of Commerce has determined that the equipment is being offered at other than fair value.

The National Center for Atmospheric Research (NCAR), which is operated largely with support from the National Science Foundation, has been conducting a competition for the acquisition of a new supercomputer. NCAR, in its bid process, selected a computer offered by a Japanese company. On August 20, 1996, the Department of Commerce announced that it was initiating an investigation to determine whether Japanese vector supercomputers were being dumped in the United States. Included in this investigation was a bid submitted in the NCAR procurement. On that same date, the National Science Foundation requested that the NCAR procurement be held in abeyance.

On September 11, 1996, the U.S. International Trade Commission determined in a preliminary investigation that there is a reasonable indication that a U.S. industry is threatened with material injury by reason of imports of vector supercomputers that are allegedly sold at less than fair value. As a result of this determination, the Department of Commerce will continue to conduct its antidumping investigation on imports of such equipment, with a preliminary determination expected by January 6, 1997, and a final determination by March 1997.

Amendment No. 97: Deletes language proposed by the House and stricken by the Senate prohibiting NASA from providing funds for the National Center for Science Literacy, Education and Technology at the American Museum of Natural History.

Amendment Nos. 98–100: Deletes language proposed by the House and stricken by the Senate prohibiting the use of funds made available by this Act for any institution of higher education which excludes Reserve Officer Training Corps or military recruiting from its campus or any entity that fails to comply with reporting requirements of law concerning the employment of certain veterans.

Amendment No. 101: Deletes language proposed by the House and stricken by the Senate increasing VA's medical care appropriation by $40,000,000 and general operating expenses appropriation by $17,000,000, offset by an across-the-board reduction of 0.4 percent. The conferees note that scorekeeping credit was not given for the offset.

Amendment No. 102: Deletes language proposed by the House and stricken by the Senate increasing VA's medical care appropriation by $20,000,000 and medical and prosthetic research appropriation by $20,000,000, offset by eliminating all funds for the Corporation for National and Community Service; and inserts language increasing the medical care appropriation carried in title I by $5,000,000. This amount, together with the funds carried in title I under the medical care heading, will provide $17,013,447,000 for medical care, an increase of $5,000,000 above the Administration's budget request.

Amendment No. 103: Deletes language proposed by the House and stricken by the Senate prohibiting the Environmental Protection Agency from using its funds to allow the importation of PCB waste to be incinerated in the United States.

Amendment No. 104: Deletes language proposed by the House and stricken by the Senate prohibiting the Environmental Protection Agency from using hazardous substance superfund funding to implement any retroactive liability discount reimbursement.

Amendment No. 105: Deletes language proposed by the House and stricken by the Senate simplifying downpayment methods on FHA-insured loans, and inserts language proposed by the Senate regarding the calculation of a downpayment on an FHA mortgage originated in Alaska or Hawaii and delegating single family mortgage insuring authority to direct endorsement mortgagees, amended to limit the applicability of the downpayment provisions to fiscal year 1997.

Amendment No. 106: Deletes language proposed by the House and stricken by the Senate prohibiting the National Aeronautics and Space Administration from continued participation in a joint Russia-France-United States cooperative life sciences experiment program known as Bion 11 and Bion 12.

Amendment No. 107: Deletes language proposed by Senate regarding compliance by the Environmental Protection Agency with international obligations under the World Trade organization. The House bill contained no similar provision.

The conferees have deleted, without prejudice, language expressing the sense of the Senate that EPA should provide a full and open administrative process in the formulation of any final rule regarding the importation of reformulated and conventional gasoline. The conferees note that, in response to a dispute settlement finding against the United States by the World Trade organization, the United States informed the WTO on June 19, 1996 that the U.S. intends to meet its international obligations with respect to the EPA requirements on imported reformulated and conventional gasoline. The conferees recognize that EPA has initiated an open process to examine any and all options for compliance with international obligations of the United States in which a key criterion will be fully protecting public health and the environment, and fully support such an open process and the involvement of interested environmental and industrial organizations.

However, the conferees expect that this process will not result in the reinstatement of the rule title ''Regulations of Fuels and Fuel Additives: Individual Foreign Refinery Baseline Requirements for Reformulated Gasoline'' proposed on May 3, 1994 (59 Fed. Reg. 84), or one similar to it. Further, the conferees direct the Administrator of the Environmental Protection Agency, in evaluating any option for compliance with international obligations, to: (1) take fully into account the protection of public health and the environment and the international obligations of the United States as a member of the World Trade Organization; (2) ensure that the compliance review process does not result in the degradation of gasoline quality required by the Clean Air Act with respect to conventional and reformulated gasoline; (3) not recognize individual foreign refiner baselines unless the Administrator determines that the issues of auditing, inspection of foreign facilities, and enforcement have been adequately addressed; and (4) provide a full and open administrative process in the formulation of any final rule.

Amendment No. 108: Inserts language proposed by the Senate permitting fiscal year 1997 and prior year funds provided under section 320(g) of the Federal Water Pollution Control Act, as amended, to be used for implementation (rather than just development)

of conservation and management plans made pursuant to this section.

Amendment No. 109: Inserts language proposed by the Senate requiring a plan for the allocation of VA health care resources so veterans have similar access to such care regardless of where they live.

The conferees recognize that precipitous changes in allocations amongst VA's facilities could be very difficult for individual facilities to manage. While the conferees support VA's efforts to amend its resource allocation methodology based on a capitation model—which is intended to bring about a more equitable distribution of resources—they expect the Department to ensure that fiscal year 1997 serve as a ''bridge'' in moving to the new system so as to provide an adjustment period for facilities to adapt to the new model. The conferees further expect that no veteran currently receiving care by the VA will be denied VA health care services as a result of the new allocation methodology. The VA is to prepare a report by January 31, 1997, on its progress in adjusting to and impacts of the new methodology, and be prepared to discuss this matter during the fiscal year 1998 budget hearings.

Amendment No. 110: Inserts language proposed by the Senate requiring a General Accounting Office audit on staffing and contracting of the Office of Federal Housing Enterprise Oversight.

Amendment No. 111: Amends language proposed by the Senate prohibiting the consolidation of NASA aircraft based east of the Mississippi River to the Dryden Flight Research Center.

Amendment No. 112: Deletes language proposed by the Senate revising the name of the Japan-United States Friendship Commission.

Amendment No. 113: Inserts new language on separation incentive payments for NASA personnel which had been included in the Senate bill as an administrative provision and modifies the language to restrict its applicability. Modifies language proposed by the Senate authorizing the conveyance of certain real property under the jurisdiction of NASA to the City of Downey, California, amended to assign certain responsibilities to the Administrator of the General Services Administration.

The conferees intend that the concurrence of the Administrator of the General Services Administration in the conveyance by NASA of Parcels III through VI of the NASA Industrial Plant, Downey, California to the City of Downey shall be based upon completion of a disposal screening for possible utilization of the subject parcels by other Federal agencies initiated by GSA on September 10, 1996. Furthermore, it is the intent of the conferees that nothing in this amendment shall prevent the City of Downey from entering into ground leases for periods in excess of 20 years in order to secure construction financing without triggering the reconveyance provision.

TITLE V—SUPPLEMENTALS

Amendment No. 114: Inserts new heading as proposed by the Senate.

DEPARTMENT OF VETERANS AFFAIRS

VETERANS BENEFITS ADMINISTRATION

Amendment No. 115: Inserts language appropriating a supplemental amount of $100,000,000 for compensation and pensions as proposed by the Senate.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

Amendment No. 116: Inserts language providing additional 1996 commitment authority of $20,000,000,000 in the guarantees of mortgage-backed securities loan guarantee program account as proposed by the Senate.

TITLE VI—NEWBORNS' AND MOTHERS' HEALTH PROTECTION ACT OF 1996

Amendment No. 117: The conference agreement includes the Senate amendment with modifications, including the deletion of offsets. It incorporates the requirements of the provision and the authority to enforce the requirements into the new part 7 of subtitle B of ERISA and the new title XXVII of the Public Health Service Act as established by P.L. 104–191. It does not include the exception to the requirement for the 48-hour or 96-hour minimum stay in the case that the plan provides for post-delivery follow-up care. It adds a prohibition that a health plan cannot restrict benefits for any portion of the required minimum 48-hour or 96-hour stay in a manner which is less favorable than the benefits providing for any preceding portion of such stay. In addition, the conference agreement provides that nothing in this provision is intended to be construed as preventing a group health plan or issuer from imposing coinsurance, deductibles, or other cost-sharing in relation to benefits for hospital lengths of stay in connection with childbirth for a mother or newborn child under the plan (or under health insurance coverage offered in connection with a group health plan), except that such coinsurance or other cost-sharing for any portion of a period within a hospital length of stay required under subsection (a) may not be greater than such coinsurance or cost-sharing for any preceding portion of such stay. It is the intent of the conferees that cost-sharing not be used in a manner that circumvents the objectives of this title. It provides for a modification to the notice requirements by conforming them to the summary of material modifications under ERISA. In general, it conforms the provision relating to preemption to State laws to the Health Insurance Portability and Accountability Act of 1996. Notwithstanding section 731(a)(1) of ERISA and sections 2723(a)(1) and 2762 of the Public Health Service Act, the new provisions shall not preempt a State law that requires health insurance coverage to include coverage for maternity and pediatric care in accordance with guidelines established by the American College of Obstetricians and Gynecologists, the American Academy of Pediatrics, or other established professional medical associations. In addition, those sections shall not be construed as superseding a State law that leaves decisions regarding the appropriate hospital length of stay in connection with childbirth entirely to the attending provider in consultation with the mother. In addition, it is the intent of the conferees that, consistent with section 704 (redesignated as section 731) of ERISA and section 2723 of the Public Health Service Act, the application of the preemption provision should permit the operation of any State law or provision which requires more favorable treatment of maternity coverage under health insurance coverage than that required under this title.

It is the intent of the conferees that health plans have sufficient flexibility to encourage or specify that attending providers follow nationally recognized guidelines for maternal and perinatal care in determining when early discharge is medically appropriate.

Throughout the title, the conferees have used the term ''hospital length of stay'' to indicate that a requirement for coverage of a 48-hour stay following vaginal delivery and a 96-hour length of stay following a cesarean section delivery is triggered by any delivery in connection with hospital care, regardless of whether the delivery is in a hospital inpatient or outpatient setting.

It is the intent of the conferees that a detailed series of conforming changes shall be made as soon as possible to the Internal Revenue Code, specifically subtitle K of the Internal Revenue Code of 1986 (as added by section 401(a) of the Health Insurance Portability Accountability Act of 1996), in order to fully implement these provisions as part of chapter 100 of the Code.

TITLE VII—PARITY IN THE APPLICATION OF CERTAIN LIMITS TO HEALTH BENEFITS

Amendment No. 118. The conference agreement includes the Senate amendment with modifications. It incorporates the requirement into the new part 7 of subtitle B of title I of ERISA and the new title XXVII of the Public Health Service Act as established by Public Law 104–191. The construction clause has been modified to state that nothing in this section shall be construed as—

(1) requiring a group health plan (or health insurance coverage offered in connection with such a plan) to provide any mental health benefits; or

(2) in the case of such a plan or coverage that provides such mental health benefits, as affecting the terms and conditions (including cost sharing, the limits on numbers of visits or days of coverage, and requirements relating to medical necessity) relating to the amount, duration, or scope of mental health benefits under the plan or coverage, except as specifically provided in regard to parity in the imposition of aggregate lifetime limits and annual limits for mental health benefits.

This language affirms the intent of conferees that group health plans and issuers retain the flexibility, consistent with the requirements of the Act, to define the scope of benefits, establish cost-sharing requirements, and to impose limits on hospital days and out-patient visits. Parity of mental health services with medical and surgical services defined under a group health plan is limited solely to any aggregate dollar life-time limit and any annual dollar limit under such a plan. The conference agreement clarifies that the requirements apply to each group health plan, and, in the case of a group health plan that offers two or more benefit packages, the parity requirements shall be applied separately with respect to each such option. In addition, the conference agreement applies an exemption to small employers as defined in the Health Insurance Portability and Accountability Act; adds certain definitions; and applies the requirements of the provision to group health plan years beginning on or after January 1, 1998. The agreement does not include the Senate language relating to effective dates for the Federal Employee Health Benefit Plan.

It is the intent of the conferees that a detailed series of conforming changes shall be made as soon as possible to the Internal Revenue Code, specifically subtitle K of the Internal Revenue Code of 1986 (as added by section 401(a) of the Health Insurance Portability and Accountability Act of 1996), in order to fully implement these provisions as part of chapter 100 of the Code.

The conferees intend that a limit be considered to apply to ''substantially all medical and surgical benefits'' if it applies to at least two-thirds of all the medical and surgical benefits covered under the group health plan's benefit package.

It is the intent of the conferees that, consistent with section 704 (redesignated as section 731) of ERISA and section 2723 of the Public Health Service Act, the application of the preemption provision should permit the operation of any State law or provision which requires more favorable treatment of mental health benefits under health insurance coverage than that required under this section.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1997 recommended by the Committee of Conference, with comparisons to the fiscal year 1996 amount, the 1997 budget estimates, and the House and Senate bills for 1997 follow:

New budget (obligational) authority, fiscal year 1996	$82,442,966,000
Budget estimates of new (obligational) authority, fiscal year 1997	87,820,371,000
House bill, fiscal year 1997	83,995,260,000
Senate bill, fiscal year 1997	84,810,153,000
Conference agreement, fiscal year 1997	84,800,283,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1996	+2,357,317,000
Budget estimates of new (obligational) authority, fiscal year 1997	−3,020,088,000
House bill, fiscal year 1997	+805,023,000
Senate bill, fiscal year 1997	−9,870,000

JERRY LEWIS,
BARBARA F. VUCANOVICH,
JAMES T. WALSH,
DAVID L. HOBSON,
JOE KNOLLENBERG,
RODNEY P. FRELINGHUYSEN,
BOB LIVINGSTON,
LOUIS STOKES,
ALAN B. MOLLOHAN,
JIM CHAPMAN,
MARCY KAPTUR,
DAVID R. OBEY,
Managers on the Part of the House.

CHRISTOPHER S. BOND,
CONRAD BURNS,
TED STEVENS,
RICHARD C. SHELBY,
ROBERT F. BENNETT,
BEN NIGHTHORSE CAMPBELL,
MARK O. HATFIELD,
BARBARA A. MIKULSKI,
PATRICK J. LEAHY,
J. BENNETT JOHNSTON,
FRANK R. LAUTENBERG,
J. ROBERT KERREY,
ROBERT C. BYRD,
Managers on the Part of the Senate.

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. 2464. An act to amend Public Law 103–93 to provide additional lands within the State of Utah for the Goshute Indian Reservation, and for other purposes;

H.R. 2512. An act to provide for certain benefits of the Pick-Sloan Missouri River basin program to the Crow Creek Sioux Tribe, and for other purposes;

H.R. 2982. An act to direct the Secretary of the Interior to convey the Carbon Hill National Fish Hatchery to the State of Alabama;

H.R. 3120. An act to amend title 18, United States Code, with respect to witness retaliation, witness tampering and jury tampering; and

H.R. 3287. An act to direct the Secretary of the Interior to convey the Crawford National Fish Hatchery to the city of Crawford, Nebraska.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 3068. An act to accept the request of the Prairie Island Indian Community to revoke their charter of incorporation issued under the Indian Reorganization Act;

H.R. 3159. An act to amend title 49, United States Code, to authorize appropriations for fiscal years 1997, 1998, and 1999 for the National Transportation Safety Board, and for other purposes;

H.R. 3378. An act to amend the Indian Health Care Improvement Act to extend the demonstration program for direct billing of Medicare, Medicaid, and other third party payors;

H.R. 3539. An act to amend title 49, United States Code, to reauthorize programs of the Federal Aviation Administration, and for other purposes; and

H.R. 3723. An act to amend title 18, United States Code, to protect proprietary economic information, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 3539) ''An Act to amend title 49, United States Code, to reauthorize programs of the Federal Aviation Administration, and for other purposes,'' requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints, Mr. PRESSLER, Mr. STEVENS, Mr. MCCAIN, Mr. HOLLINGS, and Mr. FORD, to be the conferees on the part of the Senate.

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

S. 39. An act to amend the Magnuson Fishery Conservation and Management Act to authorize appropriations, to provide for sustainable fisheries, and for other purposes.

NEW REPUBLICAN MAJORITY CHANGES DIRECTION OF THE NATION

The SPEAKER pro tempore (Mr. MILLER of Florida). Under the Speaker's announced policy of May 12, 1995, the gentleman from Connecticut [Mr. SHAYS] is recognized for 60 minutes.

Mr. SHAYS. Mr. Speaker, I appreciate the opportunity to follow my colleague from California, and also appreciate your willingness to take your time. I know you probably are getting ready to get back to your district. I will not take my full hour. I am not going to tell you how much time I will take, but I think it will be significantly less than that.

Mr. Speaker, I cannot tell you what it is like to think about what we have done in the last 2 years, because I have tremendous pride and satisfaction and gratitude that I have had the opportunity to serve in Congress and to be part of this new majority that really has attempted, and I think succeeded, in changing the direction that this country is headed.

I think we are starting to end 40 years of bloated government, inefficient government, ineffective government and starting to turn the power and the money and the influence back home where it belongs. That is where we are attempting to empower people back home, because we have, one, faith in their ability to make the right decisions but, also, that they will make the decisions that are necessary for them in their own local communities.

When we set out on this journey almost a year ago today, we were running on a Contract With America; 8 reforms on the opening day of the session and 10 reforms in the first 100 days. I remember some in the editorial boards would say how could I be part of this ''Contract With America,'' as if I had done something wrong. The more I thought about it, I thought what an absurdity. We are passing eight reforms. We are passing 10 major issues in the first 100 days; and it does not criticize President Clinton, it does not criticize then the majority in Congress, our colleagues on the other side of the aisle. It is a positive plan for America.

So I wondered whey they asked the question. I proceeded to respond by simply asking them: What do you think of the majority party's Contract With America, the 8 things they want to do on the opening day of Congress; the 10 things they want to do in the first 100 days? And I just enjoyed the silence. And I said is it not amazing that the minority party then, this Republican Party, knew what it wanted to do, said then it would do, and was proud of that effort?

When we got elected people said we used this contract to get elected but we would not seek to implement it because it might be too controversial and take on some of the special interests that had been entrenched so long in Washington and we might stir up some things. We clearly stirred up some things, but for the good of the Nation.

Mr. Rabin, for former Prime Minister of Israel said: Politicians are elected by adults to represent the children. This is about what kind of world they going to have.

Mr. Speaker, we set out to implement these eight reforms the first day of Congress. The first was a bill that, Mr. Speaker, you and I worked on closely: Getting Congress under all the laws that we impose on everyone else. We were exempted for OSHA, civil rights, fair labor practices, the 40-hour work week. We put ourselves under the same laws as everyone else. What a great way to start that Congress.

We also reduced the size of committees by a third, reducing the staff by a third. We reduced by $220 million the size of our budget. So we started to set the example. We were going to ask government to do with less. We were going to start with our own Congress.

And so we saved in the last 2 years $420 million. Our budget is actually $220 million less than it was 2 years ago. So not only did we not add money for inflation, we actually are spending $220 million less; and over 2 years saved the taxpayers almost a half a billion in expenditures.

We got rid of absurd perks like the ice bucket. I am embarrassed to suggest that we even had the ice buckets, but before the refrigerators we had ice, but after the refrigerators we had ice. We had 28 people in this Congress that would go around and drop off an ice bucket to everyone, even though we had ice in our refrigerators. We eliminated that kind of absurdity and others as well.

We privatized some of the operations of Congress, making it more efficient and effective and making it more logical. There were times when we needed to use an office for extreme times of mail going out, and other times there was not enough mail going out. Yet we hired enough people to maximize for when we had that kind of workload.

We got rid of proxy voting. Proxy voting was an interesting concept. It was a sheet of paper that the chairman had in his pocket and he would take the sheet out of his pocket and when an amendment was offered by his own party that he did not like, the chairman—I say ''he'' because until this year there was never a woman that was chair of a committee—and the chairman would take it out, and he would have the list of all of his committee members and he would vote for them.

That was called proxy voting. It was right on his list. So the chairman was so powerful that he could even thwart the will of his own party and the will of his members because he always had enough in his pocket to defeat the amendment. So we did that, and we proceeded after the opening day of the session to do things like voting for a balanced budget amendment.

The press got back into it. They said how could we be for what was really a positive plan for America. Those 8 reforms on opening day; the 10 reforms in the first 100 days; asking how we could be supportive of something that did not criticize Congress or the President. A positive plan. We said we would do it and we started to do it. And then they said, ''Well, you used it to get elected but you are not going to implement it.''

Mr. Speaker, we voted for a balanced budget amendment. They said that was easy. Anyone could vote for an amendment. But you are not going to vote to balance the budget. And then we started to vote to balance the budget.

We dealt with tort reform and malpractice reform of some of these issues that the President vetoed, saving Medicare and so on. We proceeded to balance the Federal budget and make some tough decisions.

We have three primary objectives. We want to get our financial house in order and balance the Federal budget; we want to save our trust funds, particularly Medicare, for future generations; and, we want to transform this caretaking social and corporate and agricultural welfare state into a caring opportunity society. That is what we wanted to do, and that is what we set out to do.

Now, why would we balance the budget? Because in the last 22 years our national debt has gone up 10 times, from $480 billion to $5.2 trillion. Not doubled, not tripled, not quadrupled; 10 times in 22 years in a time of relative peace.

And getting back to Mr. Rabin, he said we are elected to represent our children. Just think what we are doing by ignoring that. We have taken a debt that was $480 billion and allowed it to grow to $5.2 trillion, and guess who pays for it? Our kids. That is the problem of deficit spending. We are asking someone else to pay for what we get to enjoy and what we get to consume.

Now, we do not have a fetish with balancing the budget. In other words this is not the end-all and be-all. That is simply not it. But how do you build a strong structure on a foundation that is crumbling? Getting our financial house in order is the financial basis on which we built smart, sensible, caring programs.

So that is what we are about. We are about building smart, caring, sensible programs and getting rid of a whole host of programs that have been there for so long that they do not make sense. They are just kind of like that ice bucket that we got rid of. It is symbolic, but think of how stupid it was to have the ice bucket every day coming to our office when we have refrigeration in our office. Spending $400,000 a year for those ice buckets times two, $800,000 in the course of 2 years for something dumb.

Now, you can relate to getting rid of an ice bucket because it did not have a particularly good sounding name, but there are a host of programs that we have.

The point about the ice bucket is simply this: Most people can understand the waste that exists there. But then there are programs that we have in a variety of departments and agencies that are just as wasteful. They have good-sounding names. They may be in the Education Department or they may be in HUD, but they end up being very small programs that have no critical mass and most of the money gets gobbled up by the administration and gets consumed by the executive branch.

I am not blaming this Government, I am blaming the process, and I am actually critical of the fact that we failed to eliminate these programs for so long until now. We are getting rid of some programs with good-sounding names that simply have no critical mass and do not accomplish anything. So we are balancing the Federal budget to get our financial house in order so that we have a strong foundation to do smart, sensible programs.

We are trying to save our trust funds, particularly Medicare. Medicare is fascinating. We are told in this political environment we are never to talk about Medicare, because it is called the third rail. You talk about Medicare, people on the other side can demagog it, and then you get hurt and you lost the election. Case closed. Unfortunately, with that kind of attitude, Medicare will continue to go deeper and deeper into the direction that it is headed which is literally bankruptcy.

□ 1100

How do I know that? Because we have one report from the administration that says, last year, that Medicare would go bankrupt in the year 2002. We then had them come back to us and then so what did we do? What did this Congress do? This Congress tried to save Medicare, to preserve and protect, basically to defend the system against bankruptcy. Medicare is health care for the elderly and for the disabled, and so what did we do? We devised a very important plan that saves this program. In the process, we did not cut, but allowed the program to increase.

This is the most important thing I think I need to say. We allowed Medicare to grow from about $178 to $289 billion, a 60-percent increase from last year now to the 6th year in the year 2002. We allowed it to grow 60 percent. Some said, you have a lot more seniors. It is true. On a per senior basis we allow it to grow 49 percent. From $4,800, to $7,100.

So on a per person basis we are allowing Medicare to grow significantly in terms of total dollars, 7 percent more each year, 60 percent total in the course of the difference between last year to the 7th year, and on a per person basis it is going from $4,800 to $7,100. So we put lots more money into the program. But we were able to save the program.

How did we save the program? We did not save it by increasing the copayment. We did not save it by increasing the deductible. And we did not save it by increasing the premium. Seniors were going to be asked to pay 31.5 percent of their premium. We did not ask that that increase and the taxpayers would continue to pay 68.5 percent. What did we do to save the program? We allowed the private sector to come in and compete on a fair basis with a fee-for-service system and offer better programs. If a senior wanted to, a senior could continue to get their traditional fee-for-service program with no increase in copayment, no increase in the deductible or the premium. But we allowed the private sector to come in, and the only way the private sector was allowed to come into the program under our legislation was if they offered eye care, if they offered dental care, if they offered maybe a rebate on the copayment, deductible. Some were going to pay the premium and some even said they could pay the Medigap in some parts of the country. There is so much money in Medicare that the private sector said they knew that they could offer better programs than the traditional Medicare system.

Then we could have seniors simply say, I like my Medicare system, but if I can get eye care and dental care under the new Medicare system and I

can get a rebate on the copayment or the premium and actually maybe even have my Medigap covered, I am going to go into that program.

A senior goes into that program. They get the eye care, the dental care. They get the rebate on their copayment and deductible. They have more money. They even get money for prescription drugs. Not a bad deal, the copayment and deductible and premium did not go up.

But let us say for some reason they did not like the new program. Maybe they did not like that HMO. Maybe they did not like the doctors. Maybe they did not like the attitude or the billing process. Maybe there was a reason they did not like it. For the next 24 months we allowed seniors to go back into their traditional fee-for-service program.

I suspect someone may have said, I am staying in my fee-for-service. I do not want to think about getting anything better. So they would never have gone into the program to start with. But say someone who is younger might have gone into the program. Then they did not like it, they could go back. Then they could get another program that they thought was better.

What was the big mistake that we had in our program. We made a big mistake. One big mistake. We saved $270 billion. I thought, that is a mistake? But that is what the President said. He did not call it a savings. He called it a cut. So did my colleagues on the other side of the aisle. Instead of allowing the program to grow at 10 percent a year we said it would grow at 7 percent a year. We put 60 percent more into the system. We gave a 49-percent increase per beneficiary. But we saved $270 billion. That is, in my judgment, something we should be very, very proud of.

I am happy about the bill that the chairman, the gentleman from California [Mr. LEWIS], is bringing forward. There is more money in it for HOPWA, housing opportunities for people with AIDS. He had said on the floor of the House that we would try to address that problem. I understand there is more money for EPA that both sides could agree on and a program that I am very supportive of, national service. I look forward to getting this bill and debating it because at the same time we are still slowing the growth and saving significant sums.

Mr. Speaker, just to conclude my point about Medicare, we did not increase the copayment, the deductible, or the premium. We gave seniors choice just like we have as Federal employees and we saved $270 billion. That $270 billion, half of which, as the Speaker knows because he led this fight, of the $270 billion, we put $132 billion right back into Medicare, part A and the $138 billion was available for Medicare, part B. We were looking to save the program.

As the Speaker knows, because he has been a leader in this field and has spoken out so often, we know today that Medicare is losing $22 million each day, $22 million each day. We know that next year it will lose $36 million each day and in the year after it will lose $60 million each day unless we save this program by slowing its growth and taking the money that we slow, that $270 million, that savings, and plow it right back into the program. That is what we are doing.

We did not increase the copayment, the deductible, or the premium and we saved Medicare until at least the year 2010. What to me was really surprising was how the President could call $270 billion a cut. I illustrate it, whatever opportunity I get, in saying that if I told my daughter that she could buy a car for $18,000 but I told her it had to be a full-sized car for $18,000, she could not have bucket seats, she could not have power windows and she could not have a CD, she could not have those things. I did not want her to buy a smaller car with those things. It had to be a good, large car that I wanted her to own. So I said, consistent with my trying to teach you how to do your own thing, you will go buy your own car.

So I give her the $18,000 or tell her it is available. She spends a week looking and comes back all excited and says, ''Dad, I found the car of my dreams. I just love it, Dad, And, Dad, it has a sun roof and leather seats and it even has a CD.'' And I say to her, my daughter Jeramy, I say, ''Jeramy, I told you you could not do those things. I told you not to get a car with all those extras. I told you to get a full-sized car.'' She says, ''Dad, I did, I got a full-sized car but I got all those extras and here is $2,000 back because I did not spend $18,000, I only spent $16,000.'' And it would have been just as absurd if I had done this: I am ashamed of you for getting all these extras in the car and doing it and cutting $2,000. That would be absurd. That is no different than what the President did.

We did not cut Medicare. It grew 7 percent a year, 60 percent from the last year to the 7th year, 49 percent per beneficiary from $4,800 to $7,100, but we gave them no increase in copayment or deductible, no increase in the premium, but what did we do? We gave them choice, lots of choice. They will get better care, and we saved the program because we got $270 billion of savings, not cuts, $132 million of it to go into Medicare, part A and $138 million to do and be available for Medicare, part B, which gets me to the third area of concern.

The third area of concern is simply that we are trying to change this caretaking society into a caring society. The way we do that is to make government smaller and to empower people. All of those in our own family that we love dearly, we try to teach them to grow the seeds. The people we love the most, the people we care about the most, we do not give them something. We teach them, we help them, we push them. We encourage them to grow as individuals.

I would certainly never say to my daughter, ''you do not need an education,'' and I certainly would not say to her, ''you do not need a job because I will be there.'' What a destructive thing to do. But that is what government does. We do not do it for welfare, for people who do not have education and the poor who have children. We do it for corporations. We have certain tax write-offs, which I call corporate loopholes, and others call it that as well. It is really, in my judgment, programs that make large corporations dependent on government, and they do not need to be. It is the reason why lobbyists become so important in this country, because if government was not so important, if it was not doing things for welfare, for businesses and agriculture, et cetera, and it was not so intrusive in your life, lobbyists would not be so important in our life.

We want to make government less intrusive. We want to make it smaller. And we simply want to end the welfare that is destroying individuals. It is destroying corporations, and it is destroying the farmer. We are trying to help each become independent. That is why we passed the freedom to farm bill. We are allowing farmers to farm, not telling them they do not have to farm and then they are given a subsidy. They can compete. They can maximize the return on their farm. We are getting the Government out of the way.

We are getting the government to be less supportive of things that are simply not necessary for corporations because we want them to compete without a lot of rules and regulations, except for health and safety and environmental reasons. In the process, we are trying to strengthen people. We are trying to help individuals grow the seeds and not give them the food.

That is why I am so supportive of our welfare reform bill. What a destructive thing to have four, not three, four generations of people on welfare. They are doing what their parents did and they are doing what their grandparents did. They are staying on welfare because they were never taught to dream. They were not given the kind of push they needed and they were not given the kind of care they needed.

We had job training programs that did not work because these were job training programs that said, you come in here and stay a bit of time. We teach you something and then you are out on your own. Our job training programs, our career bill is designed so differently. It is designed to say, we want to give you the day care, the job training, and we are going to follow you through work. Six months from now we are still going to be on your back. We are going to be pushing, encouraging you.

The State of Connecticut has welfare reform, and it is very caring legislation. It is the kind of reason why we passed our bill in Washington. The caring legislation is this. We have 2 tracks, those who we think are employable and those who are not. Maybe

they have mental challenges. Maybe they do not speak English well enough now so we have to teach them English. They have reasons why it may not be easy for them to get a job right away. But for the vast majority, we say, you are going to have to work. And Connecticut says, 21 months. And it does it this way: It helps people get the job. It allows them, this is really terrific, it does not penalize them for getting a job. They still can keep their entire welfare cash payment, they still keep their health care for the 21 months. So they get a job, they establish themselves for 2 years, they have this extra money coming in because they have their jobs plus they have the actual welfare benefits plus they get the health care benefits.

Mr. Speaker, I remember in a Committee on the Budget meeting one time you pointed out one reason why people do not get off welfare is because they lose their health care. I remember in the dialogue that we had on the Committee on the Budget, the point was made that people should be able to keep their health care when they are pushed off of welfare so that they are not tempted to stay on welfare. So we push them in that direction.

One bill that was controversial in this session was the minimum wage bill. I am so proud of how the Republican Party dealt with that issue because two-thirds of our party does not agree with that issue. They think that the minimum wage is too much of an intrusion on business. One-third supported it and a vast majority of people on the other side supported it. But we know that we had to do something else if we were going to pass the minimum wage, and that was to have some significant and meaningful tax cuts to small businesses who employ those who are considered the most unemployable, tax credits for those on welfare, tax credits for those who simply do not have the work experience to actually be yet credible to the employer.

They know they might have to spend a year or two to train that person because they are not well-educated and not well-trained and they need the training. It is a cost to the business. They actually are discouraged from doing it under the present system until we passed our tax cut bill, $8 billion. Our tax cut bill took some of the things that we had in terms of our tax cuts when we were trying to pass the tax cut legislation earlier, which the President vetoed. Because the President did veto our 7-year balanced budget bill, he did veto our changes to Medicare with no increase in the copayment, the deductible, the premium and lots of choice and a savings of $270 billion, put right back into Medicare. He vetoed it. He vetoed Medicaid reform. He vetoed welfare reform, but finally the third time he decided he could support it. That bill we passed was basically the same bill that we had given him the first two times.

□ 1115

So we have that bill, and he finally signed it.

Well, we want to help people off of dependency in government, corporations and agriculture; we want to give them the job training as it relates to individuals, we want to give them the day care, and we want to allow them to work in their business, still keeping some of their welfare benefits for a period of time in health care.

I am kind of drawing to a close, Mr. Speaker, but I do want to address this whole issue because we have had a lot of people criticizing this Congress, and for me, it is probably one of the most difficult things to contemplate. For the first time in the history of Congress, Congress is doing major heavy lifting. We are taking on some of the biggest and most powerful special interest groups to move this country to be more caring and less a caretaker. Those who want this Government to continue to be a caretaker are objecting to changes that we are making.

Now, we passed and slowed the growth of some of our entitlements, but one of the ways that we are going to balance the budget is to slow some runaway programs, and in the process of slowing these runaway programs, like the Earned Income Tax Credit, the school lunch program, the student loan program, Medicare, Medicaid, the student loan program actually is not running away. We are actually going along with exact numbers of loans that we did schedule to do; we are just continuing it.

But let us take the Earned Income Tax Credit. It is a payment made to people who do not make enough money, but are working to really support themselves, so instead of paying taxes to the Federal Government, they pay Social Security, but instead of paying other taxes, they actually get a cash payment from the Government that, if they do not pay enough taxes or any taxes, they do not just get a reduction in their tax, they actually get a payment from the Federal Government.

We allow that program to go from 19 billion to 25 billion, but our colleagues on the other side of the aisle say that program, the Earned Income Tax Credit, tax credits for the working poor, that we are destroying the program, cutting the program. Only in Washington when you go from 19 million to 25 million do people call it a ''cut.''

I mean, it is absurd. It is a growing program and a very important program. We did decide that it should apply to income levels of $28,000 or less, not income levels of $36,000 or less.

The school lunch program: I will never forget watching the President visit a school, trying to frighten the students and also the American people that we were cutting the school lunch program. I got pretty upset that we would cut the school lunch program, thinking we had done it. When I got back, I could not wait to speak to some of my colleagues who serve on the committees that would have done that, and this is what I found. What they were recommending and ultimately what we did until the President vetoed it: We allowed the school lunch program to grow from $5.2 to $6.8 billion. Only in Washington when you go from $5.2 to $6.8 billion do people call it a ''cut.'' The President calls it a cut, I have constituents who think I cut it, but when the learned it grew from $5.2 to $6.8 billion, they find that that is very acceptable.

What did we do? The program is to grow at 5.2 percent more a year. We said, it should grow at 4.5 percent more a year, seven-tenths of a percent reduction in the growth. And what did we allow local communities to do? We cut the bureaucracy in Washington, which saved more than the money that we reduced in the growth. Then we gave to local communities and we allowed the State of Connecticut to say, for instance, that the school where my daughter goes to school and where her dad, who makes a good salary, and her mother, who makes a good salary, can find we do very well, my daughter's lunch is subsidized 17 cents by the Federal Government, every student in the country, 17 cents, rich or poor, wealthy communities and poor communities, 17 cents.

We allowed the State of Connecticut and every other State to say, we want the money that is going to the wealthy communities to continue for the poor kids in the wealthy communities, but not for the wealthy kids in the wealthy communities. We then allow them to take that money and put it into Bridgeport and Norwalk and Stamford, for instance, in my Fourth Congressional District, the district I represent, for kids who are poor in relatively poor communities.

Bridgeport is a working class, middle-income community, but it has a lot of poor people, and some kids do not get a breakfast, some kids do not get a dinner, they get that lunch. We do not want to take away that lunch. We want to give them a breakfast, and we want to give them a lunch and a dinner for those kids, and a kid in one of my suburban communities who is well-to-do should not be subsidized.

So we did not cut the school lunch program. We allowed it to grow from $5.2 to $6.8 billion.

The student loan program is the one that really gets me. $24 billion last year; that is what we spent, $36 billion in the seventh year. Those of you who are thinking mathematically know we increased it 50 percent. Only in Washington when you go from $24 billion to $36 billion would people call it a ''cut.'' But my colleagues on the other side of the aisle call it a ''cut,'' the President calls it a ''cut.'' It is simply not true.

There is another word for when you say things are not true. It is not right for the President of the United States to go around the country and simply not say things that are not factually

incorrect, in fact, factually so incorrect that he knows that. He knows that the student loan program is going from $24 to $36 billion.

Now what we did do to save money is, we got rid of the direct student loan program. This was a government student program that, basically, we tied it down by getting rid of it? No, we clamped it down to 10 percent of all student loans. That is what we did, and this is a direct student loan program that the administration tried to tell us was cheaper than doing it through the banks.

The only problem was they had not factored in all the people that the government had to hire to manage the student loans. So when you had a local college give a direct student loan bypassing the bank, you would think it would save money. But then who had to administer that student loan? You got it, the Federal Government, and the Federal Government did it with twice as many people as the banks and at twice the cost.

So we just simply said, we have got to make sure we do not get too deep into that program because it is going to be so expensive that we are going to be spending more on administrative costs than we should. We saved billions of dollars by slowing and condensing that program. We did try and failed. We did try and failed to say that from graduation to the first 6 months, when you do not pay back the loan yet, your grace period, the taxpayers pay the interest on that loan. We said the students should.

I am proud of the fact that we asked students to play a role in this process. Six months after they graduate they start paying back their 10-year or 15-year loan. In a basic 10-year loan, for the average loan, we were asking the students to pay $9 more a month. That is the price of a pizza. But where I live, it is the price of a movie and a small Coke. I have no problem saying to someone after they graduated from college or graduate school, 6 months after they graduate, they start to pay the loan back. It costs them $9 more a month.

I have no problem saying you do not have to go to a movie maybe once a month. You may not be going to get that pizza, for the good of the country, so you do not have to pay a big debt later on.

We are trying to get our financial house in order. It ends with the two points: Medicaid has grown from $89 to $127 billion. Again, only in Washington when you go from $89 to $127 billion do people call it a ''cut,'' but my colleagues on the other side of the aisle call it a ''cut.'' It is a significant increase in spending, and then, as I have already pointed out, Medicare is growing from $178 billion to $289 billion, $4,800 per senior to $7,100 per senior.

Mr. Speaker, you have been very patient. I am drawing to a close. My biggest concern of all is that I have colleagues on this side of the aisle who have done some very, very heavy lifting. They have put, in a sense, their political careers on the line for the good of the country.

We were told early on, when we got elected, the best way to get reelected is to avoid controversy, controversy is conceived as the enemy of the incumbent. We had a freshman class and a number of senior members and rank and file members of this conference that said, I do not want to be back if being back means we continue to allow the country to go bankrupt, if coming back means we ignore saving Medicare from bankruptcy, because, remember now, the President vetoed our Medicare plan.

He vetoed it last year when we thought the plan was going to go bankrupt by the year 2002. Now we know it is going to go bankrupt by the end of the year 2000. We know we are losing $22 million a day in Medicare, we are losing $36 billion next year, projected, and $60 billion the year after that, every day.

Who is going to deal with that problem? Are my colleagues on the other side of the aisle going to do that kind of heavy lifting? How could they possibly when they demagogue? How can they possibly do that if they simply oppose getting our financial house in order and balancing the budget and taking on the tough decisions?

And so, Mr. Speaker, I just would like to end with the basic concept that the people we love the most, the people we care about the most, we try to teach them to grow the seed and to be better Americans. We try to free them up to compete in a very competitive environment. We try to help those who cannot help themselves, but not help those who can help themselves. Those that can help themselves need to be encouraged to be on their own, to work and to study and to grow as individuals.

This Congress has taken on heavy lifting, and I hope and pray, whether they are Republicans or Democrats, I will say it this way: Those who have done the heavy lifting, those who have dealt squarely with the problems, those who have not demagogued the issues, those who have tried to serve this country with courage, those are the people who should be reelected and returned here; and if those are the people who are defeated, think of what the message will be. Those who survive, who were doing the heavy lifting, will say: ''I had better not do that again,'' and those who were critical of this heavy lifting, those who may demagogue the issue, are in there saying, ''Well, I had better just continue what I am doing,'' and that unfortunately is what has happened for the last 20 years.

This is a crossroad in our country. I hope, I pray, that the true story will get out about the extraordinary job this Congress has done. We passed congressional accountability, we pass gift ban, we passed lobby disclosure, we passed the line item veto, we passed not imposing expenditures on local governments and State governments, the so-called unfunded mandate, bill, we passed welfare reform. We have changed welfare as we know it; it happened under our watch because of what we did. We have passed major changes in health care. We have passed the telecomm bill that will create 3 million jobs. We passed the Freedom to Farm bill. There are just so many other bills, the immigration bill that we hope to pass before we adjourn, and we have helped get our country's financial house in order.

I have never ever been more proud to be part of this institution.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. SCHROEDER) to revise and extend their remarks and include extraneous material:)

Mr. FILNER, for 5 minutes, today.

Ms. WATERS, for 60 minutes, today

(The following Member (at the request of Mr. SHAYS) to revise and extend his remarks and include extraneous material:)

Mr. WOLF, for 5 minutes on September 24.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Member (at the request of Mrs. SCHROEDER) and to include extraneous material:)

Mr. MENENDEZ.

(The following Members (at the request of Mr. SHAYS) and to include extraneous matter:)

Mr. BLUMENAUER.

Mr. BONO.

Mr. DINGELL.

ENROLLED BILLS SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1772. An act to authorize the Secretary of the Interior to acquire certain interests in the Waihee Marsh for Inclusion in the Oahu National Wildlife Refuge Complex;

H.R. 2909. An act to amend the Silvio O. Conte National Fish and Wildlife Refuge Act to provide that the Secretary of the Interior may acquire lands for purposes of that Act only by donation or exchange, or otherwise with the consent of the owner of the lands;

H.R. 3675. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1997, and for other purposes;

H.R. 3676. An act to amend title 18, United States Code, to clarify the intent of Congress

with respect to the Federal carjacking prohibition;

H.R. 3802. An act to amend section 552 of title 5, United States Code, popularly known as the Freedom of Information Act, to provide for public access to information in an electronic format, and for other purposes; and

H.J. Res. 191. Joint resolution to confer honorary citizenship of the United States on Agnes Gonxha Bojaxhiu, also known as Mother Teresa.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1636. An act to designate the United States Courthouse under construction at 1030 Southwest 3rd Avenue, Portland, Oregon, as the ''Mark O. Hatfield United States Courthouse'', and for other purposes; and

S. 1995. An act to authorize construction of the Smithsonian Institution National Air and Space Museum Dulles Center at Washington Dulles International Airport, and for other purposes.

ADJOURNMENT

Mr. SHAYS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 27 minutes p.m.), under its previous order, the House adjourned until Monday, September 23, 1996, at 12 noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LEWIS of California: Committee of Conference. Conference report on H.R. 3666. A bill making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1997, and for other purposes (Rept. 104–812). Ordered to be printed.

Mr. BLILEY: Committee on Commerce. H.R. 4083. A bill to extend certain programs under the Energy Policy and Conservation Act through September 30, 1997 (Rept. 104–814). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HYDE: Committee on the Judiciary. H.R. 1031. A bill for the relief of Oscar Salas-Velazquez; with an amendment (Rept. 104–810). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H.R. 1087. A bill for the relief of Nguyen Quy An and Nguyen Ngoc Kim Quy; with amendments (Rept. 104–811). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H.R. 4025. A bill for the relief of the estate of Gail E. Dobert (Rept. 104–813). Ordered to be printed.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X. bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. SHUSTER: Committee on Transportation and Infrastructure. H.R. 3217. A bill to provide for ballast water management to prevent the introduction and spread of nonindigenous species into the waters of the United States, and for other purposes; with an amendment; referred to the Committee on Science for a period ending not later than September 27, 1996, for consideration of such provisions of the amendment recommended by the Committee on Transportation and Infrastructure as fall within the jurisdiction of the Committee on Science pursuant to clause 1(n), rule X (Rept. 104–815, Pt. 1). Ordered to be printed.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 2740. Referral to the Committee on Commerce extended for a period ending not later than September 27, 1996.

H.R. 3217. Referral to the Committee on Resources extended for a period ending not later than September 27, 1996.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLUMENAUER:

H.R. 4128. A bill to amend title 23, United States Code, concerning eligibility for grants to implement alcohol-impaired driving counter measures; to the Committee on Transportation and Infrastructure.

By Mr. HOKE:

H.R. 4129. A bill to enforce the constitutional right to the free exercise of religion; to the Committee on the Judiciary.

H.R. 4130. A bill to enforce the constitutional right to the free exercise of religion; to the Committee on the Judiciary, and in addition to the Committee on Economic and Educational Opportunities, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 2209: Mr. SERRANO

H.R. 2223: Mr. DEUTSCH, Mr. MENENDEZ, Mr. FUNDERBURK, Mr. EVANS, Mr. LIPINSKI, and Mr. OLVER.

H.R. 3012: Mr. COMMINGS and Mr. SCOTT.

H.R. 3632: Mr. MINGE.

H.R. 3633: Mr. MINGE.

H.R. 3725: Mr. SERRANO.

H. Res. 515: Mr. DOYLE, Mr. LAFALCE, Mr. FUNDERBURK, Mr. HOSTETTLER, Mr. HOEKSTRA, and Mr. CANADY.

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Senate

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

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

Almighty God, Creator and Sovereign of all, slow us down, we are moving too fast; we do not realize Your blessings until they are past. We jet at high speed to our destinations only to circle in holding patterns. Life also has its holding patterns when we must wait. We are not very good at waiting. We want everything yesterday. Help us to trust in Your timing. You are always on time. Keep us from running ahead of You or lagging behind. Today, help us to enjoy life as it unfolds, to live to the fullest in each hour, and to relish the sheer wonder of Your grace and goodness. Open our eyes so that we may see Your glory in the people and opportunities You give us. Unstop the ears of our hearts so we may hear Your guidance. Release our wills from the bondage of our controlling attitudes so we can act on what You call us to do. Replenish our physical strength so we can have resiliency for each challenge. So, if life dishes out a holding pattern today, may we use it wisely to remember where we have been by Your grace and where we are going under Your guidance. Through our Lord and Savior. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator LOTT, is recognized.

SCHEDULE

Mr. LOTT. Mr. President, I thank the Chaplain for that meaningful prayer this morning, as we are in a holding pattern. I think maybe it is going to produce results very shortly. This morning, the Senate will immediately resume consideration of the maritime bill, H.R. 1350. There will be 30 minutes of debate, equally divided, on the Grassley amendment No. 5391, regarding war bonus, also with a vote on the motion to table that amendment occurring at 10 a.m. this morning.

We have been unable to reach an agreement, or we were last night, but we feel that maybe progress is being made now and we can get an agreement shortly, so that we can complete the amendments that are desired by some of the Senators to be offered and get to final passage on this very important maritime legislation.

Members can expect additional votes beyond the 10 a.m. vote on or in relation to amendments to the bill. As all Senators are aware, we are fast approaching adjournment and there are a number of other important issues yet to be resolved. So I hope all Senators will accommodate this schedule.

We have indicated throughout the last couple of months that we should expect votes on Friday, at least up until noon. We hope we can get this bill finished by then, and we would not be back in session until Tuesday morning beginning at 9:30. We may be asked to consider other legislative items that are cleared for action. We are still looking for other appropriations conference reports that may be coming over, perhaps not today, but we have at least one more we think we may be able to take up early next week. I thank all Senators in advance for their cooperation.

I yield the floor.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. BURNS). Under the previous order, leadership time is reserved.

MARITIME SECURITY ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 1350, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 1350) to amend the Merchant Marine Act, 1936, to revitalize the United States flag merchant marine, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Grassley amendment No. 5391, to provide for a uniform system of incentive pay for certain hazardous duties performed by merchant seamen.

AMENDMENT NO. 5391

The PRESIDING OFFICER. There will now be a period of 30 minutes of debate, equally divided, on the motion to table the Grassley amendment No. 5391.

Who seeks time?

Mr. GRASSLEY. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 5 minutes.

Mr. GRASSLEY. Mr. President, during wartime, in an area where there is military conflict between the United States and an opponent, there are legitimate war bonuses paid to people in the military for serving under more severe conditions, and there are also war bonuses paid to our seafarers for serving under those same conditions. The only problem is that there is a great inequity between what the seafarers get as a bonus and what our regular military gets paid. The purpose of this amendment is to make sure that those bonuses are the same.

So my amendment, which is about to be voted on at 10 o'clock, represents common sense. What people don't like about Washington is they see their money being wasted because we don't

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

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use commonsense approaches to governing and spending the taxpayers' money—the same commonsense way that the average family and small business has to use to live within their income and balance their budgets.

Why should taxpayers be saddled with war bonuses for seafarers, which evidence shows can be 50 times as high as those war bonuses that we give the men and women in the Reserve or the regular military? One Persian Gulf seafarer got a bonus of $15,700 for 2 months. The regular military would get, during that same period of time, a 2-month war bonus of $300—$300 as compared to $15,700.

The argument was made last night that the taxpayers don't end up paying these war bonuses. Well, the taxpayers do end up paying. The argument was made last night that, well, our Treasury was reimbursed by a lot of nations around the world for our efforts in Kuwait. That is true, we were. I was part of the effort to make that happen. But we don't conduct war, or at least we should not be conducting war, to make a profit.

At any time in the future when our military ends up paying these bonuses, the taxpayers are going to be paying them. But this is not just a taxpayer issue. This is an issue of equity between seafarers and our full-time military people.

My colleagues have received letters from a number of taxpayers and public-interest organizations, representing hundreds of thousands of Americans, who adamantly oppose this legislation that is before us. Three of them have expressed support for my amendments, for instance, Citizens Against Government Waste will key vote my amendment. The National Taxpayers Union will weight it heavily in their annual voting analysis. And Citizens for a Sound Economy strongly supports this amendment as well.

Furthermore, this war bonus amendment is supported by a number of retired admirals—admirals, I might add, whose good names were lent to the American Security Council letter in support of this bill, and who now support my pro-taxpayer, pro-defense amendments.

Taxpayers do end up paying for seafarers' war bonuses. as well as the incredibly high salaries and benefits they receive year in and year out.

This is so because we in Congress have allowed an unaccountable payment system to the U.S.-flag carriers that allow them to pass on to Uncle Sam virtually all of their costs plus a hefty profit for any business they do for the Government.

Mr. President, collective bargaining is great when Congress allows us to have an open checking account to the United States Treasury to cover salaries, benefits, and war bonuses.

This chart includes the salaries, benefits, and overtime of seafarers that this bill will subsidize—$310,915 per month, and most of this paid for by taxpayers. Seafarers get these generous benefits from taxpayers year in and year out, and then, if they do someday deliver goods into a war zone, they can get a war bonus.

Take a look at this category called ''able-bodied seaman.'' His base pay is $12,192 per month. His war bonus for a month could therefore, be $12,192 and he could get an extra $600 per day if his vessel is actually shot at.

My amendment was characterized last night, and I quote as ''demeaning, unfair, and insulting to seafarers.'' There is no way that you can see it that way. What this amendment tries to do is to seek fairness to our men and women in the regular military, but most importantly accountability for the American taxpayer.

I reserve the remainder of my time.

Mr. STEVENS. Mr. President, the bill before us sets up a prospect of having the merchant marine available to the United States in the event of emergency on a daily charge basis. The taxpayers will not pay any more regardless of the contract between the seafarers and their employer, the operator of the vessel. This is a new approach.

The Senator from Iowa is mistaken. The funds that were paid for those ships that were in the Persian Gulf were not taxpayer dollars. They were dollars provided by our Persian Gulf allies. In any event, we are trying to change that.

I say to my friend from Iowa that these people are not in the military. They are civilians. They are not subject to the control of the Federal Government. Their salaries are not in the control of the Federal Government. The Constitution prevents what the Senator from Iowa wants to do, and that is for Congress to legislate an amendment to a private contract between the seafarers and their employers.

I have to say that, if this is the Taxpayers Union provision, as the Senator from Iowa said, someone has misinformed that organization because this bill has nothing to do with payment to the people who man these ships. That is between the employer and the employee. It is not a Government affair.

As I said last night, our alternative is to once again try to contract with foreign ships to provide us vessels to carry our goods to supply our men and women in the field in times of crisis. In the last Persian Gulf crisis we did that. We paid a minimum of 50 percent more on the total contract—not just the seafarers' contract moneys for entering into a war zone but for the whole vessel. And some of them, despite the fact that we paid them a 100-percent bonus, refused to enter the war zone.

This is a bill to give us the merchant marine we need in times of emergency, particularly in times of a war. These people are not in the military. They are not subject to the draft. They are not required to go in harm's way by any law that I know of, and there is no way to conscript them, which is what the amendment of the Senator from Iowa will do. It literally conscripts them, and says, ''In the event of the war, you are working for the Federal Government.''

I have never heard of such an approach. I want to say again that I moved to table the amendment last night because it really does nothing to help this bill. It is an attempt to drag a red herring across the Senate floor and tell us that somehow or other the taxpayers will be forced to pay for these people extraordinary rates if they are called upon to provide service during times of war, that under the bill we have to pay whatever their contract provides that their employer is going to pay them. The Secretary of Defense sets the rate for the cost of those vessels—fully crewed—under this bill; what is paid to the seafarer is between the employer and the employee. It is none of the Federal Government's business.

Does the Senator wish time?

Mr. INOUYE. Yes.

Mr. STEVENS. I yield such time as the Senator from Hawaii wants.

Mr. INOUYE addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, let the record indicate that we began this debate on this amendment last evening. So what I say may be a bit repetitive but I believe it must be repeated.

In World War II, 700 merchant marine ships were sunk, and most of them are now resting, hopefully peacefully, at the bottom of either the Atlantic Ocean or the Pacific Ocean.

When these ships went under nearly 6,000 men, civilians who were carrying military cargo, went down with the ships. The casualties that exceeded 6,000 in World War II was second only to that experienced by the U.S. Marine Corps.

There is a difference. This amendment would suggest that merchant mariners should receive the same combat pay as our GI's suggesting that merchant mariners are overpaid for standing in harm's way.

Mr. President, as some of my colleagues are aware, I had the great honor of serving my country in uniform. And for serving in harm's way I received combat pay, which was a token amount. I believe at that time it was $10 a month. But we were not in the service for pay purposes. However, at the end of the war because of my injuries I receive a lifetime pension; a very generous one. I have a lifetime privilege of hospitalization and medical care. And that privilege also extends to my dependent, my wife. I received education under the GI bill of rights. And, as a result, I received my law degree and my baccalaureate. I can, if I wish to, purchase goods at the PX, or at the commissary. There are many privileges. For example, when I die the Government will pay for my coffin, and will pay for my headstone.

On the other hand, for the man who serves in the merchant marine, if he should be wounded in action he will not receive a lifetime pension, nor will his wife receive hospitalization for the rest of her life. He will not get a tombstone; a headstone. He will not receive the benefits of the GI bill of rights.

We are not talking about apples and apples, Mr. President. We cannot compare the merchant marine and a man on a naval vessel.

I can understand why the merchant marine decided after World War II that something had to be done to bring about equity. In World War II, none of the benefits were available. Now, this small amount, $12,000 a month, for standing in harm's way and risking death is not much. As my colleague from Alaska pointed out, we were not providing that war bonus. It was by the coalition forces.

Whatever it is, this amendment is demeaning to the merchant mariners—to suggest that merchant marine seamen are mercenaries. They are not mercenaries. In Desert Storm, many of the countries that were asked to deliver goods to our fighting forces refused to enter the Persian Gulf. Sixteen ships refused to go into the Persian Gulf. On the other hand, our American seamen, all of them, without hesitation, went into the most dangerous of waters. Yes, it is insulting to suggest that they are mercenaries. They are not. They are good, patriotic, dependable Americans.

Mr. President, I will support the motion to table this amendment.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I have 8 minutes—7 minutes remaining?

The PRESIDING OFFICER. The Senator has approximately 6 minutes remaining.

Mr. GRASSLEY. I yield myself such time as I consume.

I rise to respond to what the Senator from Alaska said, where he is right and where he is wrong. He is right that we are paying in corporate welfare $2.1 million per ship to have these ships available, and the responsibility to the companies to provide shipping to meet their contracts, to meet our national defense needs.

That is under section 652. But when those ships are called up to deliver materiel to the war zone, then you move to page 19, and this is where the Senator from Alaska is wrong. It says:

> Compensation. In general, the Secretary of Transportation shall provide in each Emergency Preparedness Agreement fair and reasonable compensation for all commercial transportation resources provided pursuant to this section.

That is above that $2.1 million. So we are going to pay more if these ships are used. Then it goes on to specific requirements.

> Compensation under this section shall not be less than the contractor's commercial market charges for like transportation resources; shall include all the contractor's costs associated with provision and use of the contractor's commercial resources to meet emergency requirements; in the case of a charter of an entire vessel; shall be in addition to and shall not in any way reflect amounts payable under section 652.

So where the Senator from Alaska is wrong is that there are charges above and beyond the $2.1 million when our ships are called to be used.

Let me repeat what my amendment deals with—fair and reasonable costs. More importantly, ''all the contractor's costs associated with provision'' obviously includes the war bonuses, and these extraordinarily high war bonuses were $15,700 for one seaman in the Persian Gulf war compared to $300 for the regular military.

Now, let us suppose the Senator from Alaska were right about those 47 ships, that this corporate welfare is going to subsidize these companies that are making extreme amounts of profits. Then we have all the other vessels that the Department of Defense can call on and will call on to meet our national security needs, and this bill does not apply to those. In those instances, obviously this bill does not apply, but they will get war bonuses. Moreover, there is no place in this bill that says war bonuses are not going to be paid to the employees on those 47 ships. So my amendment goes to the heart of this issue, to establish equity between our regular military people and our seafarers.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who seeks time?

Mr. STEVENS addressed the Chair,

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. The answer is simple, in my opinion. What we have is a situation where today the only thing we have available to us in the event of war or emergency is to contract once again with foreign shipping. We did that in the Persian Gulf war. As I said, we paid 50 percent to 100 percent more on the total charter price.

This bill is an attempt to change that concept and make available to us the U.S.-flag ships already crewed, ready to serve, and ready to go in harm's way because of their contractual commitments. We had foreign ships that would not enter the war zone. We had foreign crews that deserted their ships as they were going into the Persian Gulf.

We need a program to give us the capacity to continue to serve our fighting men and women when they are abroad. The impact of this bill is to provide a system to in effect have a standby charter. It is very similar to the reserve fleet we have for the airlines. The civil air reserve program provides us the aircraft. And just as in this case those people who fly civilian planes into harm's way get war bonuses, they get special bonuses, because, as the Senator from Hawaii points out, they have no rights to any of the benefits that are available to those people who serve in the military should they be harmed when they are in harm's way.

What we are doing here now would authorize $100 million annually for sustainment sealift. That is $250 million less than the funded levels before and $150 million less than it is today —$250 million less than it was during the Persian Gulf period, $150 million less than the existing program today.

The Senator's amendment is an attempt to destroy a program that is designed to save $150 million from the program as it stands today.

Now, we are going to pay these companies to reserve these vessels for our use in the event of war. The contracts that the Senator has mentioned are subject to approval by the Secretary of Defense. The payments that would be made will be made on an equitable basis, and they will be subject to annual review by the Appropriations Committee which I hope to chair.

I reserve the remainder of my time.

Mr. GRASSLEY. I would seek knowledge about how much time is remaining on each side.

The PRESIDING OFFICER (Mrs. FRAHM). The Senator from Iowa has 1 minute 45 seconds, the Senator from Hawaii has 49 seconds.

Mr. GRASSLEY. I will use the remainder of my time right now and leave the last word to the opponents of the amendment.

First of all, I think everybody heard my response to the original statement of the Senator from Alaska in opposition to my amendment. I came back and said that the bill provides for compensation, return of the cost, plus profit, under what we are told is a fair and reasonable rate. It covers all costs, and so that includes war bonuses.

He went on in his last remarks to speak about how great the bill is. So I think the absence of comment on my rebuttal speaks for itself; my point is that under this bill these war bonuses are 50 times as high as the men in the regular military get. Maybe the issue here is that we are not paying enough to regular Navy and Army, Air Force, and Marine personnel who are in harm's way on the battlefield and we ought to be paying them more than what we are, so that they are not getting 50 times less than what the seafarers are getting. But, at least we should not have this extraordinary difference between the two.

So, consequently, in my closing seconds I remind people the conservative fiscal group Citizens Against Government Waste, the National Taxpayers Union, and the Citizens for a Sound Economy feel that this amendment is a justified amendment to bring commonsense budgeting, expenditure of money, commonsense use of the taxpayers' money to public policy on maritime issues.

I yield the floor.

Mr. STEVENS. Madam President, we only use these vessels for the time they are actually in the war zone under this contract. As the Senator from Hawaii

says, we pay people by the day rather than by the lifetime. I agree with the Senator from Iowa, we ought to compensate our people in the military who go in harm's way more than we do, but we set up a very complex system here to take care of the people who are actually harmed in the military. We set up a different system for people who enter harm's way for a very short period of time and we have no further responsibility to them for any injuries they might sustain, as far as that is concerned.

All of the costs of this bill are subject to rejection by the Secretary of Defense at the time the ships will be called up. He could decline to use these ships and once again go back to trying to use foreign ships if they were available to us at a reasonable cost. There are no foreign ships available to us anywhere near the cost of this bill.

So I have moved to table this. I hope Senators will not be misled by this concept that, somehow or another, conservatives oppose this bill. This is a very fair bill to us and to the people who might be put in harm's way in order to serve the defense of our country.

I move to table, Madam 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 PRESIDING OFFICER. The question is on agreeing to the motion to table amendment No. 5391, offered by the Senator from Iowa, Senator GRASSLEY. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina [Mr. HELMS], the Senator from Florida [Mr. MACK], the Senator from Delaware [Mr. ROTH], and the Senator from Wyoming [Mr. THOMAS] are necessarily absent.

Mr. FORD. I announce that the Senator from Arkansas [Mr. PRYOR], the Senator from Georgia [Mr. NUNN], and the Senator from Massachusetts [Mr. KERRY] are necessarily absent.

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

The result was announced, yeas 77, nays 16, as follows:

[Rollcall Vote No. 296 Leg.]

YEAS—77

Abraham	Coverdell	Hatfield
Akaka	Craig	Heflin
Baucus	D'Amato	Hollings
Bennett	Daschle	Hutchison
Biden	DeWine	Inhofe
Bingaman	Dodd	Inouye
Bond	Domenici	Jeffords
Boxer	Dorgan	Johnston
Bradley	Exon	Kempthorne
Breaux	Feingold	Kennedy
Bryan	Feinstein	Kerrey
Burns	Ford	Lautenberg
Byrd	Frist	Leahy
Campbell	Glenn	Levin
Chafee	Gorton	Lieberman
Cochran	Graham	Lott
Cohen	Gramm	Lugar
Conrad	Harkin	McCain
McConnell	Robb	Specter
Mikulski	Rockefeller	Stevens
Moseley-Braun	Santorum	Thompson
Moynihan	Sarbanes	Thurmond
Murkowski	Shelby	Warner
Murray	Simon	Wellstone
Pell	Simpson	Wyden
Reid	Snowe	

NAYS—16

Ashcroft	Grams	Kyl
Brown	Grassley	Nickles
Bumpers	Gregg	Pressler
Coats	Hatch	Smith
Faircloth	Kassebaum	
Frahm	Kohl	

NOT VOTING—7

Helms	Nunn	Thomas
Kerry	Pryor	
Mack	Roth	

The motion to lay on the table the amendment (No. 5391) was agreed to.

Mr. STEVENS. Madam President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. STEVENS. If there are amendments to be disposed of, we might be able to dispose or review them at this time. We have seen no other amendment today. We know the Senator from Iowa may have other amendments.

May I inquire if any other Senator has an amendment to this bill? We would like to know if any other Senator has an amendment at this time.

Mr. INOUYE. Not at this time.

Mr. STEVENS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Ms. MIKULSKI. Madam President, I rise as a proud cosponsor of the Maritime Security Act. I urge my colleagues to give their support to this important bill.

This bill is critical for America's future. This bill is about our national security. A strong, vibrant merchant marine is absolutely critical to our national defense and our economic security. We need to ask ourselves one simple question, do we want to have a American shipping industry in the 21st century? The answer is an unequivocal yes.

Time and time again, we have seen the critical role our merchant marine has played. In World War II, it was our merchant marine—our ''heroes in dungarees'' who braved Nazi U-boats in the Atlantic and Japanese submarines in the Pacific in order to save Western civilization at a cost of over 6,000 merchant mariners who lost their life. The casualty rate for merchant mariners in World War II was second only to the Marine Corps.

In Korea, and Vietnam, our merchant marine kept the supply lines open for our fighting forces and never let them down. In Desert Storm, almost 80 percent of the cargo was transported on American ships with American crews. Our merchant marine became the ''steel bridge'' to our men and women in Saudi Arabia. General Schwarzkopf talked about how important the merchant marine was in sustaining our troops with needed supplies. And had we gone into an escalated ground war our merchant marine would have been even more important.

In Bosnia, United States mariners were used to activate the Ready Reserve ships to aid peacekeeping efforts. Mr. President, history has taught us one thing, we cannot rely on foreign countries with foreign crews to transport our military cargo in time of war. This is why the Defense Department strongly supports this bill.

But this legislation is more than keeping merchant marine viable in times of crisis it is about keeping our shipyards open, and ensuring that there will always be American ships moving American cargo across our oceans.

We cannot allow America's economy to be held hostage to the whims of foreign shipping companies or in some cases, foreign governments. In addition, our merchant marine fleet must compete with ships that fly ''flags of convenience.'' Two-thirds of all merchant ships fly under flags of convenience.

Without the Maritime Security Program, American ships will be unable to compete against foreign ships that are heavily subsidized or state-owned. In addition, ''flag of convenience'' ships do not have to comply with American environmental or safety standards giving foreign ships another advantage.

Our merchant marine provides good jobs at good wages and we have a responsibility to keep the American flag flying over the oceans of the world. That's why we need the Maritime Security Act—to give our merchant marine a fighting chance in today's shipping climate.

Finally, Madam President, this bill makes sense for the American taxpayer. Compared to the present maritime program, the Maritime Security Act will cut costs by more than 50 percent. If this bill is not adopted, taxpayers could pay even more if the Defense Department was forced to build its own military sealift fleet.

Madam President, when the world makes a 911 call to America, we must be ready. We must have a merchant marine ready to defend our national security and our economic security. I urge my colleagues to give their strong support to this legislation.

Mr. STEVENS. It is my understanding the distinguished Senator from Illinois would like to have time to make a statement. I ask unanimous consent the Senator have 5 minutes as in morning business while we try to work out this agreement.

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

Ms. MOSELEY-BRAUN. I thank the Senator from Alaska.

AFFORDABILITY OF HIGHER EDUCATION

Ms. MOSELEY-BRAUN. Madam President, yesterday some of my colleagues were debating the issue of student loans and performance of this Congress with regard to education. No issue is more central to our Nation's future and the 21st century than the availability and the accessibility of quality public education from kindergarten through college. The accessibility of higher education is threatened, Madam President, by the exploding cost of higher education, documented in a report released yesterday by the General Accounting Office.

The General Accounting Office, having studied the cost of tuition in 4-year public institutions of higher learning nationwide, documented that tuition has increased some 234 percent over the last 15 years. As a percentage of median household income, tuition has nearly doubled over the same period. In 14 States today, college tuition is more than 10 percent of median household income. In 30 States, it is more than 8 percent of household income. In all but one State, tuition as a percentage of household income is more than it was 15 years ago.

What this means is that access to higher education is getting more and more out of reach for working and middle-class Americans. What this means is that our country is suffering a kind of brain drain, driven by the escalating costs of higher education.

Madam President, that is exactly the wrong direction. By the year 2000, the Department of Labor estimates that more than half of all new jobs will require an education beyond high school. The cost of college has a direct impact on access to college. The more tuition goes up, the more students will be priced out of their opportunity for the American dream. Our country as a whole will suffer the loss of talent and of training. We cannot as a Nation prepare for the 21st century by making it more difficult now for our children to access higher education.

In the global economy, America must carve out the upper niche. We cannot and should not expect our workers to compete with 50-cents-a-day Third World labor. Our strength in the information-intensive 21st century will continue to be our people. Education is the key to that strength. Our community, our country as a whole, will benefit from a well-educated work force.

A quality public education has always given poor and middle-class Americans economic opportunities. The link between educational attainment and earnings is unquestionable. The average earnings of the most educated Americans is, today, 600 percent greater than that of the least educated Americans. As we move nearer to the 21st century and into an information-driven economy, the gap between high school and college graduates will grow. A college graduate in 1980 earned 43 percent more per hour than a high school graduate. By 1994, that had increased to 73 percent. When we reduce access to higher education, we reduce access to the American dream and we create strains on our community and on our social compact from which we may have a very difficult time recovering, even into the next generation.

Madam President, we must improve the quality and the accessibility of education so that no American child gets a high school diploma without being able to read, subtract, add, or use a computer, and so that all Americans may have access to higher education, not just the wealthy elite. The rungs on the ladder of opportunity in America are crafted in the classroom. We cannot let higher education become so expensive that only a fraction of our society can afford it.

Unfortunately, the GAO has documented that is exactly the direction in which we are now heading. For a typical family with more than one child in school, in the States at the bottom of the affordability scale—and there is an affordability scale included in the report—the cost of college can easily consume 30 percent to 40 percent of that family's annual income. For families with several children who attend college, tuition can become the most significant expenditure and financial burden of a lifetime.

The 234-percent increase in tuition over the last 15 years compares, Madam President, to an 82-percent increase in median household income and a 74-percent increase in the Consumer Price Index. What that means is the cost of tuition is rising far in excess of the rises in the costs of other indicia of our economic well-being in this country.

Madam President, I know for a fact that I would not be able to be in the U.S. Senate today were it not for quality public education and the accessibility and the affordability of higher education. The Chicago public schools gave me a solid foundation, and I was then able to attend the University of Illinois and later the University of Chicago, in spite of the fact that my parents were working-class people. One can only imagine, Madam President, how many CAROL MOSELEY-BRAUNS, or the equivalent, of this generation did not have that opportunity. The exploding cost of college is closing the door of opportunity for them. I believe that our generation has an absolute duty to keep that door open and to preserve the American dream for the 21st century and for our children and for our community as a whole.

Finally, Madam President, I ask unanimous consent to have printed in the RECORD the GAO report so that Senators and private citizens who are interested in reading the report itself and exploring the methodology used by the General Accounting Office may do so.

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

GENERAL ACCOUNTING OFFICE,
HEALTH, EDUCATION AND HUMAN SERVICES DIVISION,
Washington, DC, September 19, 1996.

Hon. CAROL MOSELEY-BRAUN,
U.S. Senate,
Washington, DC.

DEAR SENATOR MOSELEY-BRAUN: In August 1996, we reported that there is widespread concern about the increase in college tuition levels and that average tuition levels vary widely among the states.[1] In our earlier report, we showed that tuition were rising faster than college expenditures and that state funding and grant aid were not keeping pace with these costs.

Based on our report, you requested information on (1) the states' public 4-year colleges' and universities' average tuition as a percentage for median household income and (2) comparative increases in tuition at these schools from school year 1980–81 through 1995–95, with increases in other selected consumer prices and median household income during the same period.

To determine schools' average tuition as a percentage of median household income, we divided the average annual tuition for in-state undergraduate students of 4-year public colleges and universities for school year 1995–96 in each state by the state's median household income for calendar year 1994, the latest year for which such data were available. For our comparison of tuition price increase with changes in selected consumer prices and median household income, we used the consumer price index (CPI) and other information from the 1995 Statistical Abstract of the United States.

We conducted our review in August and September 1996 in accordance with generally accepted government auditing standards.

Results in brief

On a nationwide basis, our analysis shows that the average tuition (including related fees) for in-state undergraduate students of 4-year public colleges and universities for academic year 1995–96 was about 8.9 percent of median household income; however, there is a significant difference among the states. On one end of the spectrum, Hawaii's average tuition for the 1995–96 school year was less than 4 percent of median household income. In contrast, Vermont's average tuition for 4-year public colleges and universities was over 15 percent of median household income. In general we found that state differences are more closely associated with tuition prices than with income levels. That is, states in which the average tuition was a low percentage of median household income tended to be ones with low tuitions but not high incomes.

From school year 1980–81 through 1994–95, tuition charges at 4-year public colleges and universities for in-state undergraduate students increased nationally by 234 percent. In contrast, other consumer prices and household incomes increased at a much slower pace. Medical costs, for example, increased 182 percent, and consumer expenditures for new cars increased 160 percent. Household incomes rose 82 percent during the same period.

College tuition as a percentage of income varies widely among States

Our analysis showed that schools' average tuition as a percentage of median household income at 4-year public colleges and universities varies widely among the states. Schools in Hawaii, for example, were found to have tuition taking 3.61 percent of median

[1] Higher Education: Tuition Increasing Faster Than Household Income and Public Colleges' Costs (GAO/HEHS–96–154, Aug. 15, 1996).

household income.[2] In contrast, 4-year public colleges and universities in Vermont had a higher ratio—tuition was 15.42 percent of income. The national average was 8.88 percent. Enclosure 1 shows the average tuition as a percentage of median household income for 4-year public colleges and universities in each state. This percentage tends to be higher in the Northeastern states.

In general, state differences in this percentage are more closely associated with tuition prices than with income levels. That is, states in which the average tuition was a low percentage of median household income tendered to be ones with low tuitions but not high incomes. For example, of the 15 states with the lowest percentages, 13 were among the states with the lowest tuitions while only 5 of them were among the states with the highest incomes. At the other end of the spectrum, of the 15 states with the highest percentages, 11 were among the states with the highest tuitions but only 1 of them was among the states with the lowest incomes.

College tuition compared to selected consumer prices and household incomes

From school year 1980–81 through school year 1994–95, the average annual tuition at 4-year public colleges and universities for in-state undergraduate students increased from $804 per year to 42,689, or 234 percent. Over approximately the same period, median household income increased by 82 percent, from $17,710 in 1980 to $32,264 in 1994. During this 15-year period, the prices and costs of other consumer goods also increased, but not as fast as the increases in tuition. For example, the average consumer expenditure for a new car went from $7,754 in 1980 to $19,676 in 1994, an increase of 160 percent.

Agency comments

Information contained in this correspondence is consistent with that in our August 1996 report in which the Department was given an opportunity to provide comments.

We are sending copies of this letter to the Secretary of Education, appropriate congressional committees and Members, and other interested parties.

Please call me at (202) 512–7014 if you our your staff have any questions regarding this correspondence. Major contributors include Joseph J. Eglin, Jr., Assistant Director; Charles M. Novak; Benjamin P. Pfeiffer; and Charles H. Shervey.

Sincerely yours,

CARLOTTA C. JOYNER,
Director, Education and Employment Issues.

Enclosures.

TUITION AT 4-YEAR PUBLIC COLLEGES COMPARED TO MEDIAN HOUSEHOLD INCOMES

State	Average tuition in 1995–96 [1]	Median household income in 1994 [2]	Tuition as a percent of income [3]	State rankings		
				Tuition	Income	Tuition as a percent of income [3]
Alabama	$2,234	$27,196	8.21	20	43	24
Alaska	2,502	45,367	5.52	25	1	5
Arizona	1,943	31,293	6.21	9	30	10
Arkansas	2,062	25,565	8.07	14	48	21
California	2,918	35,331	8.26	30	14	25
Colorado	2,458	37,833	6.50	24	7	12
Connecticut	3,828	41,097	9.31	43	4	33
Delaware	3,962	35,873	11.04	45	9	43
Florida	1,790	29,294	6.11	5	37	9
Georgia	2,076	31,467	6.60	15	28	13
Hawaii	1,524	42,255	3.61	1	3	1
Idaho	1,714	31,536	5.44	3	27	4

[2] As we pointed out in our August report, however, Hawaii's schools may not have the lowest tuition level in school year 1996–97. The state approved an 84.6-percent increase for in-state undergraduate tuition at the University of Hawaii's Manoa campus.

TUITION AT 4-YEAR PUBLIC COLLEGES COMPARED TO MEDIAN HOUSEHOLD INCOMES—Continued

State	Average tuition in 1995–96 [1]	Median household income in 1994 [2]	Tuition as a percent of income [3]	State rankings		
				Tuition	Income	Tuition as a percent of income [3]
Illinois	3,388	35,081	9.66	36	17	35
Indiana	3,040	27,858	10.91	32	41	42
Iowa	2,565	33,079	7.75	28	21	19
Kansas	2,110	28,322	7.45	16	39	18
Kentucky	2,160	26,595	8.12	18	46	22
Louisiana	2,139	25,676	8.33	17	47	26
Maine	3,562	30,316	11.75	37	32	47
Maryland	3,572	39,198	9.11	38	6	31
Massachusetts	4,178	40,500	10.31	47	5	38
Michigan	3,789	35,284	10.74	42	15	41
Minnesota	3,108	33,644	9.24	34	18	32
Mississippi	2,443	25,400	9.62	23	49	34
Missouri	3,007	30,190	9.96	31	33	36
Montana	2,346	27,631	8.49	22	42	28
Nebraska	2,294	31,794	7.22	21	26	16
Nevada	1,830	35,871	5.10	6	10	2
New Hampshire	4,537	35,245	12.87	48	16	48
New Jersey	3,848	42,280	9.10	44	2	30
New Mexico	1,938	26,905	7.20	8	45	15
New York	3,697	31,899	11.59	41	24	46
North Carolina	1,622	30,114	5.39	2	34	3
North Dakota	2,211	28,278	7.82	19	40	20
Ohio	3,664	31,855	11.50	40	25	45
Oklahoma	1,741	26,991	6.45	4	44	11
Oregon	3,241	31,453	10.30	35	29	37
Pennsylvania	4,693	32,066	14.64	49	22	49
Rhode Island	3,619	31,928	11.33	39	23	44
South Carolina	3,103	29,846	10.40	33	35	39
South Dakota	2,549	29,733	8.57	26	36	29
Tennessee	2,001	28,639	6.99	11	38	14
Texas	1,832	30,755	5.96	7	31	7
Utah	2,007	35,716	5.62	13	12	6
Vermont	5,521	35,802	15.42	50	11	50
Virginia	3,965	37,647	10.53	46	8	40
Washington	2,726	33,533	8.13	29	19	23
West Virginia	1,992	23,564	8.45	10	50	27
Wisconsin	2,555	35,388	7.22	27	13	17
Wyoming	2,005	33,140	6.05	12	20	8
Nationwide	2,865	32,264	8.88	.....	.....	.....

[1] Average full-time, in-state undergraduate tuition and related fees at 4-year state colleges and universities weighted by the estimated number of full-time, in-state undergraduates at each institution. We obtained these data from the Department of Education's Integrated Postsecondary Education Data System surveys.

[2] This is the latest year for which median household income data were available. We obtained median household income data from the U.S. Bureau of the Census.

[3] the average tuition for in-state undergraduate students of 4-year public colleges and universities for school year 1995–96 in each state, divided by the state's median household income for calendar year 1994, the latest year for which such income data were available.

Ms. MOSELEY-BRAUN. It is a very important study. It suggests that we need to begin to take up this issue and examine the cause of the exploding cost of college tuition so we can make cogent policy in this area. I feel confident that we have the ability, and certainly we have the will, to begin to address this question so that college is as accessible for this generation of Americans as it was for every Member of this body. I encourage my colleagues to examine the work done by the General Accounting Office. I thank the General Accounting Office for its investigation in this area and for its work in this area. I believe that it will provide the foundation for a very important debate in our country.

Mr. KENNEDY. Will the Senator yield for a question?

Ms. MOSELEY-BRAUN. Yes.

Mr. KENNEDY. I commend the Senator from Illinois for her excellent statement. I think all of us understand that she has been a leader here in the Senate in pointing out not only the issues of quality that are so important in schools, but also the issue of physical facilities. She understands that if you have a dilapidated building with poor support facilities inside the building, it creates a climate that makes it much more difficult for children to learn.

In my own State of Massachusetts, this is the case. We are one of the oldest States, and many of our schools are also quite old. Too often, our schools, both in the inner cities and in other areas, have deteriorated over the years. She has been a strong leader in challenging the Senate to make progress in this area and has challenged the President to take the initiative in this area. This is going to make a great deal of difference for students.

And now, this report on rising costs of higher education is an important contribution. Like the Senator from Illinois, I am strongly committed to creating a package for young people of talent and ability, so that they have access to whatever they need—schools, 4-year colleges, community colleges, State colleges, or whatever it might be. They must be able to patch together different kinds of programs so they can go on to college.

Tuition costs are a problem not just in private colleges and universities, but at public colleges as well. In my own State of Massachusetts this is certainly the case. In tuition as a percentage of family income, Massachusetts ranks 38th in the Nation, making it one of the more expensive States for families who want to help their children obtain a quality college education.

So the cost of higher education is a key issue. As the Senator understands very well, today those decisions are often made based on the size of the pocketbook or wallet rather than the young person's abilities. It is important for us to ensure student access to higher education, and to look at the core reasons why these costs have gone up so much. Too often in the past, we have not watched that as closely as we should have.

I think the Senator strengthens all of us who believe that education should be a major priority for this Nation. It leads to good employment, it is essential in training our doctors, scientists, and engineers, and it is key in so many areas of public policy. She reminded us of this by requesting this GAO study about the costs of higher education. It is helpful to all of us, not only in the Congress, but also in States and local communities, to understand this issue. I think it is a very important study, and we should build on it in the next Congress. It is timely and I think it can have an important impact as we begin to address needs in higher education.

I commend the Senator for her continued interest in education. As someone who serves on the Education Committee, I have observed firsthand her very strong commitment in elementary, secondary, and higher education. I commend her for her initiatives and for her excellent statement.

Ms. MOSELEY-BRAUN. Thank you. Madam President, I thank the Senator from Massachusetts. The Senator from Massachusetts is being modest. He not

only serves on the Education Committee, but is the leader on that committee on the issues pertaining to educational opportunity for our young people. I thank him for his kind, complimentary remarks.

I also thank him for pointing out how these issues link together. We just finished doing a television program about rebuilding our Nation's crumbling schools. The Senator is right. Fully a third of the schools across this country are in dilapidated condition and need extensive repair or replacement. The previous GAO study found this was a condition that expresses itself in all regions of the country and in all communities. In inner-city communities, 38 percent of the schools are crumbling; in suburban communities, 29 percent are crumbling; in rural communities, it is 30 percent. This is something that happens in cities, suburbs, and rural communities. That is a real challenge for us, because our children cannot learn if their schools are falling down. The report makes it clear that we are failing to live up to our responsibility as a generation to provide the generation of Americans coming into the school systems now with an environment in which learning can take place, and with the support that they will need to be competitive in the global economy.

So looking at these issues, the General Accounting Office has been just wonderfully helpful because their studies give us the kind of intellectual and demographic base, if you will, because they have gone and actually counted and done the research and the surveys to find out what the true facts are in this area. So it is not just a matter of looking at what do we see when we drive past a school, but rather having actual documentation of what is going on with regard to crumbling schools all over the Nation.

This last report on college tuition is really fascinating. I, again, encourage my colleagues to look at it, or anyone else who would like to. It is available from the General Accounting Office. A 234-percent increase in college tuition is stunning. Even medical care costs, which we have been talking about, rose about 182 percent. So this is outpacing even the increase in medical care costs. So it is very clear that families are having a difficult time coping with this. State support for higher education is declining at the same time costs to colleges are going up. The result is that young people are having a harder and harder time accessing higher educational opportunities.

We have asked the Department of Education, as of yesterday, to make available information on scholarships and information on tuition on the World Wide Web, so that people can access that information through the Internet. It can be more accessible, and they can do the kind of shopping that may be particularly necessary given the escalating cost of higher education. Certainly, we have to get to the bottom of this and to the heart of this problem to find out what the reasons are. Why is the tuition going up so high and so quickly? What can we do to ameliorate the impact on working and middle-class families?

I commend all of my colleagues who share a concern for education and these issues. I think nothing short of our Nation's national defense is at stake here. We will not be able to be competitive in this 21st century global economy, in an information age, unless we provide our young people with an opportunity to have the highest level of skills in the world. It is that challenge that compels us today.

Again, I thank my colleague.

Mr. KENNEDY. If the Senator will yield for one other point. Would she not agree that unless we are able to get a handle on escalating education costs, it is going to be very difficult to convince taxpayers to provide more support for education, if providing more will not lead to greater opportunity for the young people? For those of us that are strongly committed to expanding opportunities, if we see that what we do here does not work, it makes the task much harder.

There are those who might say, ''If we provide more resources, they will just get swallowed up in tuition increases.'' That charge must be answered, and answered effectively. I think the work done on this committee and the report by the GAO should be helpful.

Finally, I think the report that the Senator commissioned on the dilapidation of elementary and secondary schools creatively points out ways of obtaining scarce resources at the State and local level.

Rehabilitating schools is a complex and difficult challenge. We at the Federal level are not going to be able to resolve all of these problems, but commitment at all levels is required, and I hope we will be able to deal with these issues in much greater detail in the next Congress.

As I say, I am grateful to the Senator for her continued interest and very constructive work in this area.

Ms. MOSELEY-BRAUN. Madam President, I thank the Senator, my friend and colleague, from Massachusetts.

Again, the first report, ''Profiles of School Condition by State'' is available. Similarly, the new one on college affordability ''Tuition Increasing Faster Than Household Income and Public Colleges' Costs'' is available.

Again, I couldn't agree more with my colleague when he talks about the qualities because certainly it is going to require the cooperation of educators, of parents, of the kids themselves, and all of us in the National Government—and State and local governments—all are going to have to cooperate and carve out our respective responsibilities, our respective niche, if you will, in addressing these issues. The educators are going to have to address the equality issues and whether or not youngsters are getting the kind of quality education and skills they will need for this 21st century.

We at the national level have to address the Federal support for education all the way through. The State and local governments may want to take a look at better ways to fund our schools so that they are not scaling down so that the opportunity is available.

I look very much forward to working with my colleague from Massachusetts and the committee with as much compassion as it takes. Hopefully we can come up with, again, some cogent policy responses guided by the facts as produced by the General Accounting Office.

I thank the Chair. I thank the Senator from Alaska.

I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, I ask unanimous consent that I be permitted to speak for 5 minutes as if in morning business.

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

The Senator from New Mexico is recognized.

Mr. DOMENICI. I thank the Chair.

(The remarks of Mr. DOMENICI pertaining to the introduction of S. 2098 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

THE LEGACY OF BITA LEE

Mr. DOMENICI. Madam President, I rise today to congratulate a woman from my home State of New Mexico who will be honored on November 1, 1996, by being inducted into the National Cowgirl Hall of Fame.

Harriet Frances Lee, better known as Bita, hails from the small town of San Mateo, NM. Raised on a sheep and cattle ranch, Bita embodied the spirit of the West. Sheep, cattle, and hard work were all a part of Bita's daily life. She, her twin brother Harry, and her mother and father, Floyd and Frances, all worked side-by-side creating and maintaining the American dream.

Most people only know the old West through Hollywood movies, Louis L'Amour books, and history lessons. Many times, however, Hollywood, books, and history lessons forget to mention the cowgirls. Women like Bita have always been a part of the rich fabric of my State and other States in the West. The National Cowgirl Hall of Fame and Western Heritage Center's mission is to ensure that the West, its women, and their heritage are remembered.

The women of the West did not just take care of home and hearth. These women rode horses, sheared sheep, roped steers, managed books, and worked day-to-day with the earth. The National Cowgirl Hall of Fame and Heritage Center holds the memories of

these women, and honors those who don't live in the past but remain a part of our living heritage.

Bita died in early 1991, but her legacy lives on. Although her life has ended, Bita left behind her two nephews, Floyd and Harry, and sister-in-law Iona, to run the ranch she loved. She was the last of the Lees that ran the ranch during the Depression and the drastic fall of sheep prices, and kept the ranch operating in the days before paved roads, cellular phones, and four-wheel drives.

Bita was an avid horse woman; she could ride the most surly of beasts and rope the most wily of steers. Often known for her breed of Palominos and her ability to rope, Bita was an avid worker with the 4–H of New Mexico and the New Mexico State Fair. She maintained a love for agriculture by living it and passing it on to others.

Although Bita was not world-famous like some of her counterparts in the National Cowgirl Hall of Fame, she was famous in her corner of the world. Her neighbors knew her well and delighted in her wood-working ability, her keen and subtle sense of humor, and her composure. She was a tiny woman in stature, but she earned the respect of all her ranch employees, whom she managed with a firm hand and kind heart.

Last year, my colleague JOE SKEEN and I each sent letters of support to the Cowgirl Hall of Fame regarding Bita's nomination. Over 600 women are nominated each year to fill four open spots. I am pleased that the National Cowgirl Hall of Fame has recognized Bita's significant contribution to the heritage of the West by accepting her nomination. My sincere congratulations and best wishes to Bita's family and many friends.

I yield the floor.

I suggest the absence of a quorum, Madam President.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. GRASSLEY. Mr. President, I ask unanimous consent to speak as in morning business.

Mr. STEVENS. For how long?

Mr. GRASSLEY. For 11 minutes.

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

The Chair recognizes the Senator from Iowa.

MILITARY HISTORY AT THE NATIONAL MUSEUM OF AMERICAN HISTORY

Mr. GRASSLEY. Mr. President, particularly since there are on the floor people who are very interested in the military of the United States, I want to speak to an issue that should have been discussed 2 days ago during the Interior Department appropriations bill. But the Interior Department will still be up next week when it is put back up on the calendar, or in parts of the continuing resolution, and so I alert my friends to a trend in military history that is very disturbing to me as it relates to the Smithsonian Institution.

Upon debating the Interior Department's funding, this is as good time as any to voice concern over the interpretations of American history at the Smithsonian Institution's National Museum of American History. Apparently, military history has assumed a minor role in the museum's depiction of this Nation's history. The exhibit space allocated to the display of military items has slowly decreased. A large percentage of that which is currently on display remains in the cases in which they were installed for the opening of the museum over 30 years ago. Further inquiry has led me to believe that what remains of the Armed Forces' history hall is in jeopardy.

The administrators of this museum appear to be swayed by the ideology of revisionist/liberal historians. They desire to decrease even further the exhibit space devoted to U.S. military history. This is reflective of their adherence to the concept of new history as opposed to the traditional approach, which emphasizes important people, events, and movements.

History has typically been organized into areas of concentration, such as military, diplomatic, political, and economic history. But a museum devoted to a new history would, instead, reflect cultural, social, gender, ethnic, and community concentrations. Obviously, a conventional exhibit depicting our Nation's military history would not fit into this theme. This approach, in itself, is not inherently bad. But dominance of this new history to the detriment of a conventional representative display of military history is disturbing.

This overemphasis on common people and the infrastructure of their community tends to then decrease the importance of meaningful events and significant people, which have played pivotal roles throughout the history of our Nation.

Military history is, therefore, overlooked because it is a conglomeration of momentous events and distinguished soldiers. What is neglected by these historians is the detail that, throughout the history of the Armed Forces, we witnessed common people leaving the security of their communities and performing extraordinary, consequential feats in the scheme of military affairs.

This ideology is reflective of that which is popular in many liberal and academic circles. Military history is deemed evil in that it involves death and weaponry. As a result, the great impact the military has had on every American is disregarded.

Since the habitation of this country by Europeans in the 16th century, the militia and its leaders have played a prominent role. This is true not only in the defense of their people but in society as well. Weapons were an important tool of the early settlers in the defending of their families from hostile native Americans. They were important also in the task of putting food on the table. Not only has the military continually defended the Nation, but it has assisted in the exploration and opening of the frontiers to settlers.

Military contractors and arsenals played an important role in developing interchangeable parts, standardization, and mass production. In more recent years, it has played important roles in developing new technologies that we use every day, such as computers, new communication techniques, et cetera. The military has touched many facets of our lives, and this history is not exhibited in any museum.

There are various Naval, Army, Marine Corps and Air Force museums scattered across the country. But they only concentrate on the history of their particular service, not on the entirety of the U.S. Armed Forces. The National Museum of American History holds the best collection of American military artifacts, and it has the capability to recount the whole story of the armed services. What better place to develop a comprehensive exhibit of our Nation's military service and its history than on The Mall at Washington, DC.

Our Nation's military history is special. It is unique from other modes of history, such as social, cultural, political, or economic. It involves the ultimate sacrifice of one's life for his or her country. These sacrifices were incurred in the hope of a better future for generations of Americans to come.

In this sense, an exhibit devoted to our Armed Forces is not only an educational tool. More important, it is a memorial to those who risked their lives, and those who ultimately gave their lives for our freedom. The military has also touched many American families throughout our history. Millions of men and women have answered the Nation's call to duty, both as soldiers and citizens in support of war efforts. Having such a great impact on our society, a museum of American history should not slight exhibit space devoted to the Armed Forces.

In decreasing the importance of military history at the museum, we are losing a significant segment of our proud history. Storage rooms are stocked with artifacts belonging to American military heroes, many of them used during important military engagements. These artifacts bring to our Nation's Capital a little excitement and drama from the battlefields of Saratoga, the naval battles on Lake Champlain, the many fields of our Nation's Civil War, distant fields of Verdun, Normandy, Korea, Vietnam, and the gulf war. Many artifacts link us to

significant individuals throughout the span of our history: Gen. George Washington, Gen. Andrew Jackson, Gen. Ulysses S. Grant, Gen. John J. Pershing, and Gen. Dwight Eisenhower, to name only a few.

To ignore these military events and these personalities makes meaningless their struggles and the struggles of the people of this Nation who enlisted their assistance to the military. That is true whether it was service in the Armed Forces or in the support of them.

Now, if things go as planned, I fear that many of these items will be hidden from the American public despite the results of a recent visitors survey. In this survey taken at the National Museum of History, it became evident that the Armed Forces' history hall was the second most popular exhibit area in the museum. Therefore, speaking on behalf of most Americans, I urge the museum to reconsider its plan for the military history hall.

We should look at this museum, responding to the needs of the American people. If this survey shows that this is the second most popular exhibit in the museum, we should not have some revisionist at the Smithsonian Institution taking away what the American people like and enjoy and depriving American people of understanding and visualizing the sacrifice of American service men and women who do sacrifice with lives, with injuries, with time away from family for the defense of freedom, so that not only can the American people enjoy freedom, but the revisionist historians still have the intellectual environment in which they can do their work. But they ought to show more appreciation of that sacrifice, and I think the plans for this military history museum detract from that.

I yield the floor.

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that I be allowed to proceed as in morning business for 5 minutes.

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

GUATEMALA ACCORD

Mr. BINGAMAN. Mr. President, I want to call attention to a very encouraging development that was announced in Mexico City, yesterday.

For 35 years, the conflict in Guatemala between the insurgents there and the government has produced more than 100,000 deaths, many millions have been maimed and seriously injured, and there has been scant hope that the guerrilla warfare in that country might end.

Yesterday, in the offices of the Mexican Foreign Ministry, Gustavo Porras Catejon, who is the head of the Guatemalan Government delegation, broke into a bear hug with the senior commander of the Guatemalan rebels, Rolando Moran. Although no cease-fire was signed yesterday, the warring parties—which have produced the longest conflict in this hemisphere—reached a historic agreement that finally holds out hope for a more hopeful future and a return of civil society to Guatemala.

According to the New York Times this morning, Guatemalan military leaders agreed to reduce their 46,000 troops by one-third next year. They agreed to cut the military's budget by one-third by the year 1999. Military leaders also consented to an alteration of their mission from one that did include domestic security control enforcement—that is, security threats within Guatemala—to a mission limited to dealing with external threats, from outside Guatemala.

In 35 years of fighting, this is the most significant action we have seen that could lead to long-term peace. There are still many risks ahead, particularly how to reincorporate insurgents into the Guatemalan society. The progress made yesterday, however, lays important groundwork so that progress can be made in future weeks.

I commend the U.N. negotiators who helped to mediate between the Guatemalan Government and the rebel leaders. Yesterday's accord is the fifth that has emerged from these United Nations-mediated talks. The other agreements dealt with human rights, Indian rights, poverty and land tenure, and also to set up a commission to review some of the crimes committed during the war.

The military's agreement to downsize its forces and its budget and its mission was coupled with a commitment by the government to create a new police force with new recruits and retrain former officers to take over the army's domestic security functions.

Mr. President, there certainly will be skeptics who will not believe the military will carry through with these commitments. I, too, have concerns about how this transition may occur, but this is, nevertheless, an important turning point in Guatemalan history, given the long history and troubling encounters that our own Government has had with the Guatemalan Government.

American interests need to be encouraged with this move away from the extreme undue influence the military has previously exerted in affairs of state in that country.

I do welcome this news. I want my colleagues to know about it. I wish both sides of this negotiation well in carrying out the agreement that they announced in Mexico City yesterday.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

MARITIME SECURITY ACT

The Senate continued with the consideration of the bill.

Mr. LOTT. Mr. President, after a lot of good work by many Senators, I believe we have a unanimous consent agreement to allow us to go forward on the maritime bill and to schedule votes.

Mr. President, I ask unanimous consent that the only amendments in order to H.R. 1350, the maritime security bill, be the six Grassley amendments that are now filed at the desk; further, that the amendment relative to rates be subject to a relevant second-degree amendment to be offered by Senator HARKIN; further, those amendments must be called up and debated during today's session; further, following the disposition of all amendments, the bill be deemed read a third time.

I further ask unanimous consent that any votes ordered with respect to these amendments be postponed to occur in stacked sequence beginning at 5 p.m. on Tuesday, September 24, with 2 minutes for debate equally divided before each vote, and at 4:30 p.m., there be 30 minutes equally divided on the rates issue.

Mr. STEVENS. Mr. President, reserving the right to object, it is my understanding that there will be 15 minutes for Senator HARKIN before the motion to table his second-degree amendment and 15 minutes for Senator GRASSLEY before we move to table his first-degree amendment.

Mr. LOTT. That is correct.

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

Mr. LOTT. Mr. President, now that we have that agreement entered into, I will note also there is a clearly understood gentlemen's agreement about how the votes will occur in terms of what will be tabled and what will not be tabled. We have had very clear understanding and discussion on that. We will work very carefully with Senators to make sure that understanding is adhered to.

With this unanimous-consent agreement, also I announce there will be no further recorded votes today. The next votes will occur on this issue at 5 o'clock on Tuesday. It is possible that other votes will occur during the day, Tuesday. We will come in session on Tuesday at 9:30 a.m. We hope to be prepared to enter an agreement as to how we will proceed on Tuesday, with the likelihood, the possibility of votes during the day, but these stacked votes will not occur until 5 o'clock.

I yield the floor, Mr. President.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Iowa.

Mr. GRASSLEY. Mr. President, I am going to offer my first amendment. I am going to explain the amendment before I send it to the desk, Mr. President.

Some people think that once we pay for the U.S.-flag companies, the $2 million of corporate welfare that we pay per year, per vessel, with this bill that we will not have to pay them again to carry actual war sustainment cargoes. I think the managers of the bill have, in speaking in opposition to some of

my amendments, have suggested that we got this $2.1 billion corporate welfare subsidy per ship, per vessel; that that is all we ever have to pay.

But what we are paying for, if I can tell my colleagues, is the right and the obligation of those companies to have those ships available, or similar ships available, to do what the Department of Defense requires to meet our national security obligations.

But once those ships are brought in to meet our national security obligations—that is presumably when we have to deliver things during war—then we have additional costs, because we will have to pay again to carry the actual war sustainment cargoes. So the fact that we just paid $2.1 million of corporate welfare subsidy per year, per vessel, that that is the end of it, is simply not the case.

There are more charges. H.R. 1350 allows these carriers, even though they have already received this heavy corporate welfare subsidy, they will be able to charge to carry war sustainment materials at what is called ''fair and reasonable'' rates.

My amendment deals with the subject of fair and reasonable rates. Unfortunately, these rates are anything but fair and reasonable to the taxpayers. That is what this Government is all about, getting the taxpayers the most for their money, at least that is what it is supposed to do.

OK. Why is this way not fair and reasonable to the taxpayers? It is because Congress failed in its responsibilities to the taxpayers to define ''fair and reasonable'' and has left to the Maritime Administration the right to come up with its own definition of ''fair and reasonable.'' The problem with this is that the Maritime Administration views its primary responsibility, not to the American taxpayer, but instead to the welfare of U.S. maritime companies and seafarers.

Therefore, under the guise of ''fair and reasonable,'' taxpayers are forced to pay an extra $450 million a year above world market rates to ship defense cargoes. When you include other agencies that can be involved in paying part of this bill, the taxpayers' bill runs up to $600 million a year.

Price gouging is even worse when we need these U.S. flags for war. During the Persian Gulf effort, they charged taxpayers an extra $625 million. Again, I want to quote other authorities. You might recall on September 10, 1990, in U.S. News & World Report, an article entitled ''Unpatriotic Profits.''

> The Pentagon is miffed at what it feels is profiteering by the operators of two U.S. cargo ships. Because the Navy is required to use American bottoms before contracting with foreign-owned ships, it paid the two U.S. carriers $70,000 to send war materiel to the gulf. The comparable foreign bid was $6,000.

We paid $70,000, when a comparable bid could cost only $6,000. In other words, if our people had been on their toes, or if the Maritime Administration had been looking out for the taxpayers, we could have shipped that materiel for $64,000 less.

Before somebody tells me that the GAO concluded that neither U.S. flags nor foreign flags gouged taxpayers during the Persian Gulf war, I want to remind anybody who might refer to that of two things: First, the GAO auditing uses the liberal measure, such as ''fair and reasonable,'' not anything close to what the rate would be in a competitive market.

Second, the fact is, a U.S.-flag company did overcharge the Defense Department by $18 million for Persian Gulf war transport services. This matter is still pending before the Armed Services Board of Contract Appeal. So the Defense Department is concerned about being overcharged $18 million.

The Defense Department has made no claims of overcharging by foreign-flag vessels. In fact, foreign flags typically cost one-half to one-third the cost of comparable U.S.-flag vessels during the gulf war. One-half to one-third less.

My amendment embraces taxpayers' protection similar to Buy-America laws. For instance, under buy America, agencies are required to buy products from U.S. companies, but if the same product can be purchased from a foreign company at 6 percent less than what the U.S. company charges, the Government can buy from foreign sources.

So you see, I am using definitions in law today. I am applying that definition in other sections of the code applying to other purchases of service to the maritime industry as it is used in our war efforts.

My amendment uses the very same Buy-America market test of 6 percent. So if my amendment were in place, then U.S.-flag companies, if they would charge more than 6 percent above what can be secured from a foreign-flag vessel, the Government has a right to hire the foreign-flag vessel. This amendment will also prohibit a new scheme that allows U.S.-flag carriers to charge the Defense Department what they would charge infrequent or spot customers.

Mr. President, let me confer here just a minute.

Mr. President, I am sorry. I was explaining my Buy-America amendment and saying we use the same 6 percent test. That would apply then to our maritime industry, like that 6 percent test applies to others. So we would prohibit, then, paying more than 6 percent above what competition would charge.

My amendment also has a second portion by prohibiting a new scheme that allows U.S.-flag carriers to charge the Defense Department what they would charge infrequent or spot customers. My amendment makes certain that this bill will require that U.S.-flag vessels give taxpayers the same rate that they gave their volume customers like the JC Penneys of the world.

This idea also comes from a lot of activity of other Members in this body to apply the same principle. For instance, in pharmaceuticals, you may remember a lot of debate we had in this body on the purchase of Medicare pharmaceuticals, that Medicare would not be charged any more than the largest volume price that the company would give to one of its other customers. We apply that principle here to this bill.

This amendment is not only essential for protecting the taxpayers, as these other amendments have been—some of this is even law in other provisions of the code—but, also, I offer this amendment because I think it is necessary that we slowly and gradually nudge our U.S. merchant marine into the competitive world.

We have done it with our railroads. We have done it with our airlines. We have done it with our truckers, my gosh, almost 20 years ago. It is about time we start doing it with the maritime.

Our deficit-riddled Government can no longer afford to allow the maritime lobby to block efforts to negotiate worldwide maritime reforms. There is another bill in this Congress sitting around here right now that has something to do with that. It may not pass because of the opposition of some, not all, of the maritime industry to competing in the real world out there. Then they will argue, won't they, that they need subsidies because foreign competition is unfair. So I say they cannot have it both ways.

Some time ago in a Journal of Commerce article entitled ''On the Evils of Maritime Subsidies,'' former Maritime Administrator, Adm. Harold E. Shear, stated—and I quote:

> Nearly 50 years of subsidies have not prevented the demise of the U.S. merchant marine . . . Subsidies do nothing more than cause inefficiency, mediocrity, lack of incentive, and dependence upon Uncle Sam.

That is the statement of a former maritime administrator. He has been there. He has seen the entire industry. He has watched it over a period of time. That is what he had to say.

I feel that time is running out on the U.S.-flag merchant marine. They must become competitive and give up government welfare. This legislation deals with that.

Once again, I want to speak about several grassroots organizations located here in town that speak for the American people on wasteful Government spending, who support my efforts on this amendment and on this bill. The Americans for Tax Reform ''strongly opposes the continuation of maritime subsidies in any form and strongly urges you to remove any such subsidies from the bill.''

We also have a letter from the Council of Citizens Against Government Waste, cosigned as well by the National Taxpayers Union. We also have a letter from Citizens for a Sound Economy.

I ask unanimous consent to have those printed in the RECORD.

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

AMERICANS FOR TAX REFORM,
Washington, DC, September 18, 1996.

DEAR SENATOR: The ''Maritime Reform and Security Act of 1995'' is now pending in this Senate. Americans for Tax Reform strongly opposes the continuation of commercial maritime subsidies in any form and strongly urges you to remove any such subsidies from the bill.

Numerous independent studies have illustrated the needless and excessive cost of commercial maritime subsidies to the U.S. taxpayer. For example, a 1989 Department of Transportation report done by MIT entitled ''Competitive Manning of U.S.-flag Vessels'' exposed serious waste in this program and determined that maritime subsidies could be reduced by half if there was, in fact a military need for these ships. Even Al Gore has concluded that these subsidies should be abolished.

Like many proponents of increased government intervention, supporters of this legislation assert that it is necessary for national security reasons. However, this legislation is not likely to be at all effective in accomplishing that task. In fact, the Department of Defense's Mobility Requirements Study, Bottom Up Review Update concluded that even without subsidies, the U.S. fleet would be adequate in the event it was needed in time of conflict. If the United States military can meets its requirements without these subsidies, why are we asking the American taxpayer to foot the bill?

The subsidies contained in the Maritime Reform and Security Act of 1995 are particularly egregious examples of a bloated federal government spending taxpayers' money on a project that is wholly unnecessary. This Congress has shown its willingness to eliminate ridiculous pork-barrel spending. Why is the Senate even considering extending a program that costs American taxpayers more than $100,000 per job subsidized annually?

Let's get rid of this wasteful and inefficient program once and for all.

Sincerely,

GROVER G. NORQUIST.

COUNCIL FOR CITIZENS AGAINST GOVERNMENT WASTE, NATIONAL TAXPAYERS UNION,
September 17, 1996.

DEAR SENATOR: Most members of the 104th Congress have prided themselves on ending welfare as we know it. Unfortunately, the Senate may soon consider H.R. 1350, the ''Maritime Security Act,'' which is nothing more than corporate and labor union welfare. The Council for Citizens Against Government Waste will key vote these votes for our 1996 Congressional Ratings. And because they do not key vote per se, the National Taxpayers Union will weigh heavily these votes for their analysis of the 104th Congress.

Taxpayer watchdog and public interest groups asked to testify at public hearings to expose this welfare for shipping companies, but were denied that opportunity. Therefore, the undersigned organizations oppose this bill and will key vote (or weigh heavily) final passage unless several pro-taxpayer amendments to be offered by Sen. Grassley (R–Iowa) and others are adopted.

According to an internal 1993 White House memo to President Clinton from then-Assistant to the President for Economic Policy Robert Rubin, the primary reason for this $1 billion subsidy is to pay for the exorbitant salaries and benefits of union seafarers.

In addition, this internal White House memo cited the Defense Department's (DoD) argument that it needed as few as 20 U.S.-flag vessels. DoD also proposed a deficit-neutral plan to pay for new subsidies. The DoD plan was supported by the heads of 15 executive branch agencies. Only one-Transportation Secretary Pena—opposed this deficit-neutral plan because it ''provides less support than is sought by the industry and its supporters.''

This is one of my reasons why we join opposition to this bill, and will key vote final passage if the Senate fails to pass Sen. Grassley's pro-taxpayer amendments, especially those that provide protections to taxpayers from maritime rate price gouging and prohibit subsidies from being used for campaign and lobbying purposes.

Sincerely,

COUNCIL FOR CITIZENS AGAINST GOVERNMENT WASTE.
NATIONAL TAXPAYERS UNION.

CITIZENS FOR A SOUND ECONOMY,
Washington, DC, September 16, 1996.

DEAR SENATOR: On behalf of our 250,000 members across America, I want to express our strong opposition to H.R. 1350, the so-called Maritime Security Act, and our strong support for the amendments to this bill offered by Senator Charles Grassley (R–Iowa). The amendments would limit the cost to taxpayers from this proposal without weakening our national defense.

The Act has less to do with maritime policy reform and national security than with corporate welfare. Indeed, this initiative would hand out a staggering $1 billion in subsidies over the next decade to the private merchant marine fleet, without any compelling national security interest or other rationale. It would reward maritime special interests that have been highly vocal on this issue—contributing some $17 million to candidates for political office over the last decade. For taxpayers and consumers, it is quite another story. Assuming, conservatively, that the overall annual cost of present maritime policies is $5 billion, the average cost per seagoing job is no less than $375,000.

Yet, as Harold E. Shear, a retired navy admiral, concluded: ''Nearly 50 years of subsidies have not prevented the demise of the U.S. merchant marine. . . . Subsidies to nothing more than cause inefficiency, mediocrity, lack of incentive and dependence on Uncle Sam.'' We believe that Mr. Shear, who has overseen the administration of these subsidies as maritime administrator, knows what he is talking about.

Supporter of maritime subsidies—and H.R. 1350 in particular—maintain that only a U.S.-owned, U.S.-flagged, U.S.-manned commercial fleet can support the military in emergencies. This argument is a red herring. First, as Admiral Shear points out, the impact of subsidies on the U.S. commercial fleet has been questionable at best. Moreover, there is an enormous amount of capacity available on the open market that can deliver more services more reliably at lower cost. The Military Sealift Command made heavy use of foreign ships staffed by non-U.S. citizens in the Gulf War. Only 17 ships out of the 500 that went into the war zone during the Gulf War were from the active U.S. flag commercial fleet—only six of these had ever received the subsidies.

In 1993, 15 out of 16 government agencies supported an option presented to President Clinton to limit these subsidies. This is how now-Secretary of the Treasury Robert Rubin described this option in his June 30, 1993 ''Decision Memorandum on Maritime Issues.'':

''Subsidies for the U.S. flag feet have always been justified by their role in providing a sealift capacity for use in military emergencies. With the end of the Cold War DOD's sealift requirements have declined. Although DOD's bottom-up review is not complete, the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and the Commander of the Transportation Command have already concluded that future requirements will not exceed 20–30 liner vessels . . . This opinion would meet DOD'S maximum military requirements.'' [H.R. 1350 subsidizes 47 vessels.]

We strongly support Seanator Grassley's attempt to address many of the more egregious problems with this bill. Senator Grassley's seven amendments would:

Eliminate the provisions in H.R. 1350 that for the first time would exempt U.S.-flag vessels from requisitioning, to ensure that vessel operators who receive taxpayer funding cannot escape their obligations in time of war;

Require that all subsidized U.S. vessels are utilized before foreign-flag vessels may be hired;

Require subsidized seafarers to serve when needed or lose their license to work on U.S.-flag vessels for five years;

Prohibit recipients of the handouts provided in the bill from using the money to make contributions to political campaigns. This would make it harder for the maritime lobby to use taxpayer dollars to press Washington for more taxpayer dollars;

Preclude subsidies from being used in so-called ''public education'' efforts;

Require that war bonuses paid to seafarers be harmonized with the war bonuses the Pentagon pays regular military personnel. According to Persian Gulf War data, taxpayers can be forced to pay seafarers war bonuses that are 50 times greater than the war bonuses paid to active military personnel;

Limit maximum vessel rates to no more than 6 percent above world market rates. Currently, the Maritime Administration appears to interpret ''fair and reasonable'' rates to mean whatever rates cover the cost of operation plus a profit margin of about 13 percent and keep as many seafarers in business as possible.

The American taxpayer—who on average makes less than $29,000 per year—is unlikely in the long term to reward those politicians who grant a government subsidy of over $50,000 a year to a commercial sailor who works no more than six months per year.

We want to emphasize, that our endorsement of the Grassley amendments should not, in any way, be construed as an endorsement of the bill. We believe that, first, this bill should be defeated. Should that prove impossible, we believe the Grassley amendments must be passed in order to reduce special interest subsidies and soften the blow to taxpayers.

Sincerely,

PAUL BECKNER,
President.

Mr. GRASSLEY. These letters speak to the issue of these votes and they are scoring these votes in their index of whether or not you are a fiscally responsible Member of Congress.

Mr. STEVENS. Will the Senator yield?

Mr. GRASSLEY. I am happy to yield.

Mr. STEVENS. Has the Senator proposed the amendment?

Mr. GRASSLEY. As a matter of efficiency, I would like to speak to the three amendments that I was going to put forth—I will not put six amendments forth—and then we would avoid the necessity of setting amendments aside. As a matter of efficiency, I wanted to do that.

Mr. STEVENS. Mr. President, I wonder when we would be able to see the amendments that the Senator is offering?

Mr. GRASSLEY. We will give you copies of the amendments now, before I send them to the desk.

The PRESIDING OFFICER. The Chair recognizes the Senator from Iowa to proceed.

Mr. GRASSLEY. Mr. President, I am going to offer amendments as a combined amendment, amendments that would prohibit the use of money in these subsidies to the maritime companies from being used for lobbying or for campaign contributions. That will be one amendment.

I was going to offer it as two separate amendments, but they are so closely related, I think they should be joined together. On behalf of the amendment I am speaking about now, it would say that these funds cannot be used for lobbying or public education.

For years now, maritime subsidies, such as operating differential subsidies, have funneled money into pro-maritime lobbying organizations. The Maritime Administration has historically calculated a certain amount of the taxpayer subsidies to U.S.-flag carriers to cover funding for organizations such as the Transportation Institute and the Joint Maritime Congress.

I want to make clear to my colleagues that I do not have anything against the Transportation Institute or the Joint Maritime Congress, but it should not be a cost of operation that the taxpayer subsidy is going to be used for. This should be funded by private money. It should not be a cost of doing business figured into the subsidy.

My amendment makes certain that these funds cannot be misused for such lobbying or so-called public education purposes. There is not much that I need to add. The Senate has debated this issue and voted on it on other bills at other times, with the principle of my amendment applicable to the subject matter of that legislation, as my amendment is subject to the maritime legislation.

On November 9, 1995, the Senate voted on a measure to restrict the use of public funds being used for lobbying. So every Senator is on record on this issue. Simply put, taxpayers should not be forced to pay for lobbying by special interest groups.

Then the second part of this amendment would say that funds cannot be used for campaign contributions. Realizing how much maritime subsidies are really maritime union welfare, you can understand why I might argue if you are against taxpayer campaign finance, you should vote in favor of my amendment.

Former Congressman McCloskey, a Republican in the House of Representatives when he served in the Congress, was involved in this issue very deeply because he was high ranking on the subcommittee dealing with maritime. He said that seafarers' per capita campaign contribution ran 500 times the average of the AFL–CIO member. You probably know why. First of all, there are much higher salaries there for it to be paid from. Also, the overburdened taxpayers have helped to some extent, because to the extent there are subsidies involved in the support of the industry, seafarers can afford to be generous with campaign contributions.

My amendment would prohibit this bill, H.R. 1350, the subsidies therein, from being used for campaign contributions. Again, this is a simple proposition. Taxpayers should not be forced to fund the campaign contributions of special interest groups. Congress has already adopted similar campaign contribution restrictions on other funding bills. I hope my colleagues would support this measure, as well.

AMENDMENTS NOS. 5393 AND 5394

Mr. GRASSLEY. Mr. President, I send these two amendments to the desk and ask that they be read.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY] proposes amendments numbered 5393 and 5394.

The text of the amendments (Nos. 5393 and 5394) are as follows:

AMENDMENT NO. 5393

On page 23, after line 25, insert the following:

''(7) FAIR AND REASONABLE COMPENSATION.—The term 'fair and reasonable compensation' means that charges for transportation provided by a vessel under section 653 do not exceed by more than 6 percent the lowest charges for the transportation of similar volumes of containerized or break bulk cargoes for private persons.

At the end of the bill, insert the following:

SEC. 18. MERCHANT MARINE ACT, 1936.

Section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241(b)) is amended by adding at the end the following new paragraph:

''(3) For the purposes of this subsection, the Secretary of Transportation shall consider the rates of privately owned United States-flag commercial vessels that are available to an agency to transport cargo pursuant to paragraph (1) not to be fair and reasonable if, at the time the agency arranges for the transportation of the cargo, the lowest acceptable rate offered for the transportation by a privately owned United States-flag commercial vessel exceeds the lowest acceptable rate offered for the transportation by a foreign-flag commercial vessel by more than 6 percent.''.

SEC. 19. MILITARY SUPPLIES.

(a) IN GENERAL.—Section 2631 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) in the second sentence, by striking ''is excessive or otherwise unreasonable'' and inserting ''is not fair and reasonable''; and

(B) in the third sentence, by striking ''by those vessels may not be higher than the charges made for transporting like goods for private persons'' and inserting ''by those vessels as containerized or break bulk cargoes may not be higher than the charges made for transporting similar volumes of containerized or break bulk cargoes for private persons''.

(2) in subsection (b)—

(A) by redesignating paragraph (3) as paragraph (4); and

(B) by inserting after paragraph (2) the following new paragraph:

''(3) For purposes of this section, the President shall consider the rates charged by a vessel referred to in this section not to be fair and reasonable if, at the time the arrangement is made for the transportation by sea of supplies referred to in subsection (a), the lowest acceptable freight offered for the transportation by any such vessel exceeds by more than 6 percent the lowest acceptable freight charged by a foreign-flag commercial vessel for transporting similar volumes of containerized or break bulk cargoes between the same geographic trade areas of origin and destination.''.

(b) MOTOR VEHICLES FOR MEMBER ON CHARGE OF PERMANENT STATION.—Section 2634 of title 10, United States Code, is amended—

(1) in subsection (a)(3), by inserting ''or if the freight charged by a vessel referred to in clause (1) or (2) is not fair and reasonable'' after ''available''; and

(2) by adding at the end of subsection (b) the following new clause:

''(3) The term 'fair and reasonable' means with respect to the transportation of a motor vehicle by a vessel referred to in clause (1) or (2) of subsection (a) that the freight charged for such transportation does not exceed, by more than 6 percent, the lowest freight charged for such transportation by a vessel referred to in clause (3).''.

AMENDMENT NO. 5394

(Purpose: To prohibit the use of funds received as a payment or subsidy for lobbying or public education)

On page 16, between lines 23 and 24, insert the following:

''(q) PROHIBITION ON THE USE OF FUNDS FOR LOBBYING OR PUBLIC EDUCATION.—

''(1) IN GENERAL.—An operating agreement under this subtitle shall provide that no payment received by an owner or operator under the operating agreement may be used for the purpose of lobbying or public education.

''(c) DEFINITIONS.—For purposes of this subsection, the terms 'lobbying' and 'public education' shall have the meanings provided those terms by the Secretary of Transportation.

On page 18, between lines 21 and 22, insert the following:

''(4) PROHIBITION ON THE USE OF FUNDS FOR LOBBYING OR PUBLIC EDUCATION.—

''(A) IN GENERAL.—An Emergency Preparedness Agreement under this section shall provide that no payment received by a contractor under this section may be used for the purpose of lobbying or public education.

''(B) DEFINITIONS.—For purposes of this paragraph, the terms 'lobbying' and 'public education' shall have the meaning provided those terms by the Secretary of Transportation.

On page 26, between lines 17 and 18, insert the following new subsection:

(c) PROHIBITION ON THE USE OF FUNDS FOR LOBBYING OR PUBLIC EDUCATION.—Section 603 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1173) is amended by adding at the end the following new subsection:

''(g) PROHIBITION OF THE USE OF FUNDS FOR LOBBYING EDUCATION.—

''(1) IN GENERAL.—No subsidy received by a contractor under a contract under this section may be used for the purpose of lobbying or public education.

''(2) DEFINITIONS.—For purposes of this subsection, the terms 'lobbying' and 'public education' shall have the meanings provided those terms by the Secretary of Transportation.''.

On page 16, between lines 23 and 24, insert the following:

''(q) PROHIBITION OF THE USE OF FUNDS TO INFLUENCE AN ELECTION.—An operating agreement under this subtitle shall provide

that no payment received by an owner or operator under the operating agreement may be used for the purpose of influencing an election.

On page 18, between lines 21 and 22, insert the following:

''(4) PROHIBITION ON THE USE OF FUNDS TO INFLUENCE AN ELECTION.—An Emergency Preparedness Agreement under this section shall provide that no payment received by a contractor under this section may be used for the purpose of influencing an election.

On page 26, between lines 17 and 18, insert the following:

(c) PROHIBITION ON THE USE OF FUNDS TO INFLUENCE AN ELECTION.—Sectiion 603 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1173) is amended by adding at the end the following:

''(g) PROHIBITION ON THE USE OF FUNDS TO INFLUENCE AN ELECTION.—No subsidy received by a contractor under a contract under this section may be used for the purpose of influencing an election.''

Mr. GRASSLEY. Mr. President, the last amendment I am going to propose on this bill states that subsidized carriers must provide U.S. flag and U.S. crews for the entire defense sealift voyage. This amendment is responding to the desire, presumably, behind the bill, presumably behind cargo preference legislation for 50 years, a necessity of having American ships and U.S. crews delivering our products, our materiel, to the war zone. So it requires that we have U.S. flag and U.S. crews for the entire defense sealift voyage.

Most believe that if we pay these U.S.-flag carriers this billion dollar corporate welfare subsidy over the next 10 years, they will carry out their obligation to deliver military sustainment cargo all the way into the war zone with their U.S.-flag commercial vessels with U.S. crews. Unfortunately, neither the VISA program, which is already in place, nor this bill, H.R. 1350, guarantees this. So the legislation purports that it is necessary, for our own national security, to have our own U.S. ships and our own U.S. crews to deliver to the war zone our war materiel. Yet, there is no guarantee from this legislation and no guarantee from VISA that this will be the situation.

What typically is the practice is that U.S.-flag vessels will deliver war sustainment materiel to its commercial hub—that hub could be Rotterdam, as an example—and then unload it onto foreign-flag, foreign-crewed vessels, which will then carry the materiel into the war zone.

But this bill does not correct this situation, the practice of using foreign vessels and foreign crews feeders. Now, as you have heard me say, that doesn't bother me so much because, as a practical matter, that is the way we get our goods there. But it seems to me that if we are going to have this subsidy of $2.1 million of corporate welfare for each ship and they get paid that just for the obligation they have to the United States to be available in case of war, or to provide equal service in the case of war, then they ought to be delivering the product to the war zone.

So this practice of transferring to foreign ships and foreign-crewed vessels caused us a lot of confusion about the extent of U.S.-flag support during the Persian Gulf war. Some believe that these U.S.-flag commercial container vessels, which will be subsidized under H.R. 1350, delivered 79 percent of our military cargo into the war zone. This is just not accurate.

We must not confuse the difference among the cargoes and the ownership of vessels. Although much of the Persian Gulf cargoes were carried by U.S. flags, many were Government-owned vessels, not the commercial-owned container vessels that seek these taxpayer subsidies. In reality, Government-owned and Government-chartered vessels deliver 50 percent of these cargoes—primarily ammunition and military equipment. The remaining 29 percent of cargoes, which was primarily sustainment—that included food, clothing, and things like that—was transported by U.S.-flag container vessels to some hub port around the world. From there, most of the military sustainment cargoes were unloaded onto foreign-flag, foreign-crewed vessels, which made the deliveries into the war zone. In short, virtually all of the military sustainment cargoes carried by U.S.-flag container vessels were transferred to foreign flag/foreign crews to be delivered into the war zone. Foreign flag/foreign crews made about 500 voyages into the gulf war zone. About 300 were feeder vessels that picked up cargo from U.S.-flag containers at a hub port. This practice will not change under this bill and VISA, as it is currently written.

In fact, this legislation will allow U.S.-flag carriers to meet its stage three obligation by substituting its U.S. flag/U.S. crews with foreign flag/foreign crews for the entire voyage, not just to the hub.

Now, what is even more incredible is the fact that these subsidized U.S.-flag carriers will be able to charge U.S.-flag premium rates, while providing the Department of Defense with foreign-flag/foreign-crewed vessels.

Although the inference in this legislation may be that we will have American crews with American-owned ships do the necessary job of transporting our war materiel, and that may be an intent of the bill, it is not a certainty with the bill. It seems to me that we ought to nail that down for that $2.1 million corporate welfare subsidy.

Now, our distinguished majority leader, Senator LOTT, on July 30, 1996, stated this:

> Our military needs a U.S.-flag merchant marine to carry supplies to our troops overseas. We cannot—in fact, we must not—rely upon foreign ships and foreign crews to deliver supplies into hostile areas.

That was our own distinguished majority leader a little over a month ago, speaking of the importance of this. My amendment, then, to H.R. 1350 is necessary if we hope to achieve the objective stated on July 30, 1996, by Senator LOTT.

My amendment requires subsidized carriers to provide Uncle Sam with U.S.-flag vessels and U.S. crew members to carry the war materiel, and to carry it clearly into the war zone, not just to a commercially convenient drop-off point, such as Rotterdam. In other words, if we are paying a $2.1 million subsidy to have these ships available, with the responsibility to get the stuff to the war zone. If the philosophy behind this legislation is that we should have this stuff carried to the war zone on American ships with American crews, then obviously the bill ought to do that. Otherwise, it ought to be made very clear that what this bill is supposed to do, it really does not do that.

So you want to remember that maritime unions and carriers are constantly arguing that we cannot trust foreign flag and foreign crews, and they say that is why we must subsidize American companies' ships with this corporate welfare program that is before us.

So then it seems to me that, under this philosophy, taxpayers should be able to insist that U.S.-flag carriers that receive this billion-dollar corporate subsidy over 10 years put their national defense responsibilities ahead of their commercial interests in times of war.

AMENDMENT NO. 5395

(Purpose: To provide that United States-flag vessels be called up before foreign flag vessels during any national emergency and to prohibit the delivery of military supplies to a combat zone by vessels that are not United States flag vessels)

Mr. GRASSLEY. I send this amendment to the desk and ask that it be read as I did the other two.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY] proposes an amendment numbered 5395.

Mr. GRASSLEY. 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:

At the appropriate place, insert the following new section:

SEC. . IMPLEMENTATION OF VOLUNTARY INTERMODAL SEALIFT AGREEMENT.

(a) IN GENERAL.—In any national emergency covered under the Voluntary Intermodal Sealift Agreement described in the notice issued by the Maritime Administration on October 19, 1995, at 60 Fed. Reg. 54144, the Secretary of Transportation shall ensure that, to the maximum extent practicable, United State-flag vessels are called into service to satisfy Department of Defense contingency sealift requirements under a State III activation of the Agreement (as described in the notice) before foreign flag vessels are used to satisfy any such requirements.

(b) LEVEL OF PARTICIPATION.—

(1) IN GENERAL.—Notwithstanding any other provision of law, United States-flag vessels that are the subject to a payment or subsidy under title VI the Merchant Marine Act, 1936, as amended by section 2 of this Act, shall be required to participate under the Voluntary Intermodal Sealift Agreement in accordance with this section.

(2) STAGE III LEVEL OF PARTICIPANTS.—In a Stage III activation of the Voluntary Intermodal Sealift Agreement, a carrier shall make available for satisfying Department of Defense contingency sealift requirements 100 percent of the carrier's United States-flag vessels that are subject to a payment or subsidy referred to in paragraph (1).

(3) STAGE I OR II LEVEL OF PARTICIPATION.—In a Stage I or II activation of the Voluntary Intermodal Sealift Agreement, a carrier shall make available for satisfying Department of Defense contingency sealift requirements the maximum percentage practicable of the carrier's United States-flag vessels that are subject to a payment or subsidy referred to in paragraph (1).

(c) REQUIREMENT FOR CERTAIN STAGE III PARTICIPANTS.—

(1) REQUIREMENT.—Notwithstanding any other provision of law, in the provision of sealift services in accordance with a Stage III activation of the Voluntary Intermodal Sealift Agreement, a United States-flag vessel referred to in subsection (b) shall be operated by a crew composed entirely of United States citizens—

(A) whenever the vessel is in a combat zone; and

(B) during any other activity under Stage III of such agreement.

(2) PROHIBITION.—A carrier may not use any vessel other than a United States-flag vessel operated by a crew composed entirely of citizens of the United States to provide any part of sealift services that the carrier is obligated to provide under a Stage III activation of the Voluntary Intermodal Sealift Agreement.

(d) CONSULTATION.—The Administrator of the Maritime Administration, in consultation with the Secretary of Defense, shall establish procedures to ensure that the requirements of this section are met.

(e) DEFINITION.—For purposes of this subsection, the following definitions shall apply:

(1) COMBAT ZONE.—The term ''combat zone'' shall have the meaning provided that term in section 112(c)(2) of the Internal Revenue Code of 1986.

(2) NATIONAL EMERGENCY.—The term ''national emergency'' means a general declaration of emergency with respect to the national defense made by the President or by the Congress.

Mr. GRASSLEY. Mr. President, parliamentary inquiry. The other two amendments are officially before the body as well.

The PRESIDING OFFICER. The Senator is correct.

Mr. GRASSLEY. I inform the Senator from Alaska and the Senator from Hawaii that these are the amendments that I proposed. I can offer more. Obviously, if I am going to offer more, I have to do it before 2 o'clock. Am I right, Mr. President? These amendments must be offered by 2 o'clock?

The PRESIDING OFFICER. Any amendments to this bill would have to be offered by 5 p.m. today.

Mr. STEVENS. If the Senator will yield, that includes time for Senator HARKIN to offer his amendment.

Mr. GRASSLEY. I am going to give up the floor. I just wanted to speak to the fact that there might be some reason that I cannot think of right now to offer another amendment. I do not really anticipate doing it. So I yield the floor. I would be happy to respond to questions or engage in debate. I should give my opponents the courtesy of listening to their objections to my amendments. Whatever the floor managers at this point want to do, I yield the floor.

Mr. STEVENS. Mr. President, we have not had a chance to study the amendments. I only have the first one in my hand now. We have two more. I can't debate these amendments until I have a chance to analyze them. So I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 5396 TO AMENDMENT NO. 5393

(Purpose: To provide for payment by the Secretary of Transportation of certain ocean freight charges for Federal food or export assistance)

Mr. INOUYE. Mr. President, on behalf of the Senator from Iowa [Mr. HARKIN], I send to the desk an amendment to the Grassley amendment No. 5393, and this is offered in the second degree.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Hawaii (Mr. INOUYE), for Mr. HARKIN, proposes an amendment numbered 5396 to amendment numbered 5393.

Mr. INOUYE. 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:

In lieu of the matter proposed to be inserted, insert the following:

SEC. . OCEAN FREIGHT CHARGES.

(a) IN GENERAL.—Notwithstanding any other provision of law, the Secretary of Transportation shall finance any ocean freight charges for food or export assistance provided by the Federal Government for any fiscal year, to the extent that such charges are greater than would otherwise be the case because of the application of a requirement that agricultural commodities be transported in United States-flag vessels.

(b) APPLICATION OF OTHER ACTS.—Subsections (c), (d), and (e) of section 901d of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241h) shall apply to reimbursements required under subsection (a).

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

(1) AGRICULTURAL COMMODITY.—The term ''agricultural commodity'' has the same meaning given to such term by section 402 of the Agricultural Trade Development and Assistance Act of 1954.

(2) FOOD ASSISTANCE.—The term ''food assistance'' means any export activity described in section 901b(b) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241f(b)).

Mr. INOUYE. Mr. President, pursuant to the agreement, this amendment will be discussed on Tuesday at 4:30.

Mr. President, if I may, during the time available, respond to the amendments as submitted by Senator GRASSLEY, many critics of the U.S.-flag merchant marine have suggested that the U.S. military rely on foreign-controlled and foreign-flag vessels for sealift because they maintain that to ship goods on foreign vessels would be less expensive. However, I would like to suggest that to do this would subject our Armed Forces to a highly unreliable source of sealift and supply. This would leave the United States at the mercy of price gouging by foreign-flag vessels who would have a captive client.

For example, in the recent war in the Persian Gulf, 80 percent of the cargo was carried on American flags. We had to pull out ships from all over the seven seas. But we cannot provide 100 percent coverage of all cargo. It was not possible. Our fleet was not large enough. Therefore, to carry the remaining 20 percent, we had to rely on foreign vessels.

These statistics that I am about to present, Mr. President, have been confirmed by the GAO and confirmed by the Department of Defense. The average cost of Desert Shield-Desert Storm shipping by foreign flag was $174 per ton. The average cost for Desert Shield-Desert Storm shipping by U.S. flagships was $122 per ton. It was $52 per ton cheaper on American ships. When shipping was particularly essential, when the demand for shipping space became an urgent matter, foreign-flag vessels began to gouge the U.S. military. And I am going to read examples of this.

During this period, the vessel *Green Lake,* which is an American vessel, was paid $31,500 per day to charter. The vessel capacity was 400,416 square feet. For each dollar that we paid, we carried 12.71 square feet. We were able to purchase 12.71 square feet for $1.

In the case of the Italian vessel *Jolly Smeraldi,* we paid a $29,000 per day charter cost. The vessel capacity is 97,427 square feet. And for each dollar that we provided this Italian ship, it provided us 3.35 square feet as compared to the American at 12.71.

The *Saudi Riyada,* we paid that company $25,000 per day. The Saudi Riyada evidently is owned by the Government of Saudi Arabia. The vessel capacity is 141,000. And for each dollar that we paid the *Saudi Riyada,* we were able to use 5.64 square feet.

I could go on and read dozens of cases of this sort. But in each case we got a bargain from American steamship companies, whereas, on the other hand, these companies, these foreign vessels, were gouging us.

For example, it might interest Americans to know that the Norwegian vessel *Arcade Eagle* was given $16,000 per day by charter, and they carried 55,000 square feet of cargo which comes down to 3.43 square feet per dollar. The usual charge of the *Arcade Eagle* would be $8,000 per day for charter. But in this case, because they knew that the United States had no choice but to rely upon foreign vessels, they doubled their cost. And in each case, whenever we called upon foreign vessels to help us carry cargo to this war zone, they

jacked up the price because they knew we had no choice.

What I am trying to say is that notwithstanding the criticism we might hear, we get a better deal from American vessels than from any foreign-flag vessel. In the case of the U.S. ship *Green Lake*, for example, for $1 we had more than 12 square feet of cargo space. For the Panamanian ship *Takoradi*, for each dollar we paid that company, we got 2.85 square feet of cargo space.

Second, one of the amendments would require that any cargo carried by American vessels must continue on into the war zone. This would take away the military flexibility that is so necessary to the military leaders for one reason. Not all harbors are deep enough. Most of the American ships are the larger ones, the tankers, the huge tankers that can carry a large amount of cargo, and they require deep harbors. These are deep draft ships. These are not small ships.

For example, it would be impossible for the *Green Lake* to go to Somalia. That was one of the war zones. It would be impossible for the *Green Lake* to go into the harbor in Bosnia. Therefore, the *Green Lake* would carry the cargo to the nearest major port, in the case of the Bosnian war, in Italy and there place the cargo on smaller American or foreign vessels to finish up the journey. And so this amendment which would require military leaders to charter ships that will carry a cargo from point of departure to point of arrival without any stoppage would take away the flexibility that military leaders require.

These amendments just make no sense, Mr. President. And finally, the amendment proposed relating to campaign contributions and educational programs. The amendment says that if any company receives subsidies, that company may not involve itself in providing campaign contributions or involving themselves in political campaigns.

There are many subsidy programs in the United States. Farmers receive large amounts of subsidy. They join the Farm Bureau. Does this mean that the Farm Bureau can no longer participate in political campaigns? Does it mean that it cannot make political contributions? If this amendment were to be applied to all subsidy recipients, and many subsidies are for research grants—just about every university in the United States receives some sort of grant. Some are large; some are small. Does this mean that the professor who is conducting the research program is denied his constitutional right to make a campaign contribution?

These amendments at first glance may appear to be reasonable, rational, and very American, but when one analyzes the amendments, they begin to bring up problems that I do not think the author intended.

So I hope that when the time comes on Tuesday to determine whether to accept or to deny these amendments my colleagues will vote against them.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. 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. GRASSLEY. Mr. President, on July 30, 1996, Senator LOTT said, and I quote, ''We cannot, in fact, we must not, rely on foreign ships and foreign crews to deliver supplies into hostile areas.''

This is the impetus for one of the three amendments that I have that require American crews and American bottoms subsidized by this bill, to carry war materiel, carry it the entire way to a war zone. And this legislation does not require this.

I know it is the intent of the legislation that American bottoms and American crews be used most of the time, or maybe all the time. That may be the intent. But it is not required. And Senator LOTT being one of the biggest proponents of this legislation stated this. Since this is his measure of the importance of our maritime industry, I felt we should bring that issue here in the way of my amendment.

Now, I want to speak maybe just for 3 or 4 minutes in response to the amendment that has not been debated but has been offered by the Senator from Hawaii for my colleague from Iowa, Senator HARKIN.

I know there is going to be an opportunity for us to speak on this Tuesday under the unanimous consent, but I would like to express this thought about this idea of my colleague from my State.

This happens to be the second time that my colleague from Iowa has tried to undercut my efforts to obtain sanity and control over the way we shovel union welfare and corporate welfare funds to the U.S. maritime industry and the merchant marines. The last time was 6 years ago exactly.

The purpose of this amendment is to have the U.S. Department of Transportation pay the cargo preference costs rather than the Agriculture Department for the food programs of the Agriculture Department. I do not think we can find any fault with the Transportation Department paying it instead of the Agriculture Department, because it is a transportation cost and it is not the cost of food. But it does not accomplish anything and is just a bookkeeping issue.

So I said then, 6 years ago, and I say again today, it does not make any difference which agency pays for cargo preference—either way taxpayers get ripped off. So this amendment by my colleague from Iowa would continue to allow the maritime labor unions to rip off taxpayers.

I read in debate yesterday from this Rubin-Clinton memo. The Rubin-Clinton memo had been sent to every Senator last year by Citizens Against Government Waste. I had it delivered again to each office yesterday.

In short, Secretary Rubin, in his memo to President Clinton on this issue of subsidies for the maritime industry, President Clinton's own Cabinet people argue that maritime subsidies are simply aimed at paying high-priced seafarers. They argued that the maritime subsidies are little more than a jobs bill, and it would be unfair to give special treatment to seafarers unless President Clinton would be willing to give other workers facing job losses the same type of subsidies.

The amendment I have on this bill is supported by taxpayers' organizations because it goes to the heart of wasteful maritime subsidies. My amendment requires Congress to define the legal term ''fair and reasonable rates.''

So, if Senator HARKIN's amendment would be adopted, then that would undercut the pressure for Congress to define what is fair and reasonable, because we have left that definition to the maritime industry. The Maritime Administration has been more concerned about the maritime industry and the maritime unions, protecting them, than protecting the taxpayers. So they have a very liberal ''fair and reasonable rate'' definition.

So, in my amendment, which Senator HARKIN has offered to amend, we use the same type of definition for taxpayers' protection that are under Buy-America laws, which are already on the books. In short, such as with Buy America, agencies can buy products, or in maritime cases it would be services, if U.S. companies are charging taxpayers 6 percent more than foreign companies. My amendment might save the taxpayers $500 million a year.

Now, for $500 million a year I use as a source—I honestly can document $500 million. There is, in every budget since Darman was Director of the Office of Management and Budget, a figure on what cargo preference costs are. We never had it in previous budgets. At least we have a dollar figure on it now.

So, Senator HARKIN's amendment in the final analysis does not save the taxpayers one thin dime. It merely says this is going to be paid for out of transportation rather than out of the Agriculture Department. So I urge my colleagues to oppose this amendment.

I do not think we should fool ourselves. This amendment will not help farmers who happen to be taxpayers as well. My amendment gets at saving taxpayers the money, not just saying who is going to pay for the cost of cargo preference.

Our appropriating committees will simply take money out of funds allocated under agriculture to buy food for those starving overseas, which is the agriculture program involved, and they will take whatever the cargo preference cost is and give it to the Transportation Department. Farmers will

not sell more food under this amendment. It will not save the taxpayers any money. And this is the reason this amendment should be opposed.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I wish I had the luxury of the Senator from Iowa to make statements that he just made. The Senator from Hawaii and I have the duty to also manage the defense budget. We know what it costs to maintain ships and crew them 12 months a year, to pay for the construction of the ships in order to have them available to send food and supplies to our service men and women when they are at war. We can no longer afford that. We have had to abandon the program started by President Eisenhower. As I said on the floor right here last night, the build and lease programs where we built the ships and we leased them to other people during peacetime and we used them during war, it cost us a great deal more than the system does now.

I am sad that these great organizations that support the concept of protecting the taxpayers have been misled again. But they have been misled. If we followed the advice of the Senator from Iowa, we would be spending billions more—billions. We did spend billions. We have cut it down now to where it is going to be less—I have said $150 million less than the program costs us today—if we pass this bill.

This amendment of the Senator would require that U.S. ships carry Government cargo at rates no more than 6 percent higher than the lowest rate charged by any foreign-flagged vessel, regardless of the quality of the vessel or whether or not that vessel could even handle the cargo. These foreign-flagged vessels operate under flags of convenience. They do not meet our safety requirements, environmental standards, and they do not pay decent wages. Their seamen left the ships when we had them under contract to go to the Persian Gulf. They abandoned their ships. They would not go into harm's way.

Cargo preference accounts for only 1¼ percent of all commercial and Government agricultural exports. The Senator from Iowa is representing farmers very well. I understand that. We represent the taxpayers. I think the fact that these taxpayers' organizations have been misled by things like my friend from Iowa has said is what gets us into so much trouble with these organizations.

The 1997 budget estimate for cargo preference is $70 million—$70 million. The nationally recognized accounting firm of Nathan Associates estimated the U.S. Treasury receives back $1.26 for every $1 spent on cargo preference. The extra 26 cents comes from the fact that the U.S. taxes would not be paid if we do not have a U.S. fleet and U.S. crew. In other words, we are actually saving the taxpayers' money by using cargo vessels that pay to support our system. And we hire people who pay taxes.

If you want to hire foreign ships and foreign crews, you do not get any taxes, you do not get compliance with Federal standards. We have all sorts of problems, including the fact that the crews abandon ship when they have to go into war zones. That has to be figured in, but the cost to the taxpayers, if we follow the approach that is outlined by the Senator from Iowa, would be to go back to building the ships, keep them standing in some port, paying people to sit on them, waiting until the time we have to go to war.

We have worked out a better system. This system is being designed in the interest of the taxpayers. The GAO estimates without the cargo preference, the U.S. fleet would shrink dramatically. In other words, we would have no vessels available for sealift. None. We can predict how long it would be. We can actually tell you exactly when there would no longer be any ships, and we would be completely dependent upon foreign ships to maintain our military posture. Imagine that, the last superpower of the world would have to go begging around the world in time of crisis to find some way to send supplies to our people.

The GAO found that we would lose 90 percent of the bulk cargo fleet, 80 percent of the cargo vessels, 75 percent of the intermodal vessels and 35 percent of the tankers. That is a vast majority of our fleet if we followed the advice of the Senator from Iowa.

I tell the Senate again, I don't know why we have to, as Members of the Senate, be threatened—threatened—by the taxpayers unions. That is what the Senator is doing. It is already on a sheet. Every one of us is going to be rated now by a group that is being misled. If they want to come to me, I will show them what it will cost to build a fleet, I will show them what it costs to maintain the fleet, because we know what it used to cost us. We did that in the period after World War II. Then we went into the Eisenhower build and lease program, and we know what that cost. But it was the best system available then.

We have a system now, we have an agreement from our people that they will provide us, just like we provide airplanes now. Mr. President, we do not maintain a full air cargo fleet in our military any longer. We have a CRAFT program, the civil reserve air fleet. We use our planes that are cargo planes—the best in the world—manned by Americans, built by Americans, owned by Americans, and they are available to us.

That is exactly what we are going to do now with the maritime cargo fleet. We are going to deal with U.S. vessels. We have this system, and it is going to cost the least amount in the history of the United States to provide it. The Senator from Iowa has the audacity to tell me that I am going against the taxpayers of the United States to put forward this bill to provide that system. I say this is the kind of thing that destroys the confidence in the Congress, to have people of this country told that we are wasting money when we devise a system that brings back $1.26 for every dollar we spend in order to keep this reserve military sealift capacity available.

I am sorry to say, unfortunately, under the agreement, we don't have any time to answer the Senator on Tuesday. Both Senators from Iowa will have 15 minutes to explain their amendments, and we have the right to table them. So I hope we have the confidence of this Senate that the Senator from Hawaii and I normally enjoy, and that is, that we will not mislead the Congress, we will not mislead the people of the United States, and we are not going to mislead the taxpayers.

The people misleading the taxpayers are these people who are coming forward with these fallacious arguments and presenting figures that cannot hold up. These have been studied by independent people, by the nationally recognized accounting firms, by the Government Accounting Office that we rely on as a branch of the Government, and they have told us this system is sound.

What the Senator from Iowa is trying to do is kill this bill. Any one of the amendments, if they are adopted this late in the Congress, sends this bill back to the House, and it is dead. So I intend to oppose all of his amendments and oppose them for what they are: Killer amendments. That is what they are, killer amendments, and that is his design—to kill. He has tried several times to kill the cargo preference concept. We back it because it is the most efficient way to handle export of products produced by farmers from the farm belt of this country, great people. We buy their grain and we ship it abroad on a humanitarian concept.

The Senator objects to the fact we are using American ships, American crews, American management to do that. The reason we use the American fleet is that we must have it in the event of war. Without our program, we would not have it. We would not have any, and I, in my capacity as a member of the Commerce Committee, support the cargo preference concept because I know, in my capacity as chairman of the Defense Appropriations Committee, if we do not, we have to put much more of our money that could be used to maintain our Army, our Air Force, our Navy, our Marine Corps, into maintaining a ready fleet to carry our goods to support our people if we ever have to deploy them.

My staff points out if this bill is killed, it will leave intact the more expensive system we are trying to replace. That is the point I am trying to make, too. The bill before us has been the one we have been working on, the Senator and I, now for two decades trying to put forward a concept like this.

We finally got a bill out of the House. I want to see it go to the President and signed before this Congress is over.

I will come back at a later time and address the other amendments of the Senator from Iowa. Unfortunately, Mr. President, I must leave the floor, as the Senator from Iowa did last night several times. I must leave for an hour. I will be back at 1:30.

Mr. INOUYE addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, if I may comment upon the very eloquent statement made by my colleague from Alaska on cargo preference. Cargo preference is not new. In fact, every nation on this globe that has a maritime fleet has cargo preference. The United States was the last nation to adopt cargo preference as part of its economic policy.

How does cargo preference operate? Whenever we buy oil from Saudi Arabia, the requirement is if you are going to buy Saudi oil, it will be shipped on Saudi ships, and the only time an American ship may carry that Saudi oil is when there are no Saudi ships available. We have no say as to how much they are going to charge for the shipment of that crude oil.

Whenever we buy automobiles from Toyota, Mitsubishi, and God knows what else, they come in on Japanese ships, not on American vessels, because that is part of the cargo preference agreement.

Our cargo preference laws are very limited. It applies only to humanitarian goods, agricultural products. For example, when starvation was rampant in Ethiopia, the United States, like most other nations, responded by sending food. Under our laws, it says that 50 percent of those products must be shipped on American vessels; the other 50 percent on foreign vessels. We are not like other countries that would say every pound of grain must be shipped on American vessels. We say 50 percent. There are those who are suggesting either to wipe this out or bring it down to 25 percent.

What are the consequences? Imagine American grain on a Russian vessel shipped to Ethiopia—and this is not a hypothetical, Mr. President, it is done—with the red flag. And you can just hear the stevedores unloading American grain, an American gift and saying, ''Thank you, Soviet Union.'' ''Thank you, Russia.'' That is how it appears. By cargo preference, we are keeping our fleet alive.

Mr. President, I think we should remind ourselves that at the end of World War II we were the superpower when it came to shipping. No other nation came close to us. The British fleet was at the bottom of the Atlantic and the Pacific Oceans. The Russian fleet was nonexistent. The German fleet was nonexistent. The Japanese fleet was nonexistent. We were the shipping nation of the world.

Today, Mr. President, we have less than 350 ships. We are No. 15. The Chinese have more ships, the Greeks have more ships, the Italians have more ships, the British have more ships. In order to bring down the cost of running this Government and taking off the burden from our taxpayers, we have strange laws.

This might interest you, Mr. President. The mail that is now being carried from our shores to our NATO allies, that is, in Europe, one would assume would be carried on American vessels. Russian mail from Russia comes in on Russian ships. British mail from England would come in on British ships. Japanese mail would come in on Japanese ships.

So you would think that American letters from here to Europe and from Europe to America would be on American ships. No, it is not so. We open it up to bid. The lowest bidder will carry the cargo and the ships and the mail. The shipping company that carries our mail is the Polish Steamship Company. It is owned by Poland. It is not a private steamship company. It is owned by the Government of Poland, fully subsidized. How can you expect any American vessel to bid against the Polish Steamship Company? At one time it was the Russian Steamship Company.

These steamship companies are either fully subsidized or partially subsidized by their nation. The United States has to compete in that playing field. So the small amount that we set aside for cargo preference is not only wise, it is not only prudent, it is absolutely necessary because without that you will find that many of our ships would decide to go out of business.

I think we should also keep in mind that our ships, unlike those ships of other countries, pay good wages. I do not suppose Americans would expect our merchant seamen to work for minimum wage. I do not suppose that we American taxpayers want our merchant seamen to have no health benefits, no pension programs. I think they are entitled to pension programs like other workers. They are entitled to at least a minimum wage like other workers.

Most of the sailors on foreign vessels do not match our minimum wage. And we expect, under this amendment, to have our ships pay a rate that would require the companies to pay our merchant fleet seamen less than minimum wage? It is outrageous. It is demeaning.

Mr. President, I hope that we will join our chairman from Alaska to oppose all of these amendments. Cargo preference is not bad. It makes good sense. I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I know that my colleague from Alaska had to leave the floor for an hour, and legitimately so, because he has important duties elsewhere. But I want to take time to respond to the sadness he expressed that organizations like the National Taxpayers Union would be concerned about the waste in this bill, as they see it and as I see it, the fact that we should not have corporate welfare subsidies, and that they are reflecting their membership at the grassroots level, that he is sad for that, or at least for what he considers to be a negative impact that that process has on the legislative process.

He should not be saddened in any way because basically what we are talking about here is a constitutional right that is in the first amendment. It is in the first amendment and about which you do not hear much. You always hear about freedom of speech, freedom of religion, freedom of press, but you do not read much about the right to petition your Government for redress of grievances.

All these organizations are doing, in opposing this legislation, is speaking for their grassroots membership who feel that Washington is wasting money on a corporate welfare subsidy. We ought to encourage that process. We should not be saddened by that process. It is what has made America great for the 209-year history of our constitutional Government. I want to encourage it.

If I had letters from the National Taxpayers Union in opposition to this legislation, that is not any more illegitimate than the Senator from Alaska or the Senator from Hawaii having letters from the maritime industry, the individual corporations, or from the maritime unions in support of the legislation.

Everybody has a right to voice their opinion on legislation. We ought to spend our time listening and encouraging that process. We should not be discouraging that process. The more open Government can be, the stronger our Government will be. And there is so much cynicism at the grassroots that we do not listen to our people that it is weakening the very foundation of our system of representative government. Each one of us has a responsibility to encourage that process of representative government and to listen.

It is better to listen to a Taxpayers Union member in my State of Iowa than their national organization. It is better to listen to the individual who does not belong to any organization than it is to listen to organizations in town. But the right of association guarantees those same people at the grassroots who feel that they do not have time to work the governmental process to work through organizations. That is just as true of the members of the National Taxpayers Union as it is the employees of John Deere in Waterloo, IA, working through their UAW people in Washington, DC; albeit, it is better if each of us listened to the individual and not have it filtered through the organization.

The issue was brought up by the Senator from Alaska of how this saves money. If you compared the cost of existing programs, this bill will cost less.

I do not dispute that. I have never disputed that. But can we spend even less and get the job done? I feel we can. And if we can, we should.

It was disputed that I had the authority to use numbers for savings. We know what cargo preference costs. We know that because after my railing about it for several years, the Office of Management and Budget started ferreting out the information where it is hidden in the appropriations of different departments, and bringing it together in one figure. It is in the President's budget document. So that $600 million figure I did not make up. It is a study figure from the President's budget.

Now, whether or not these good-Government groups like the National Taxpayers Union should be sending these letters, I suggest to the leadership of this bill that it would not have been necessary for that point of view to be considered this late in the legislative process. They and other organizations in opposition to this legislation, a year ago, asked to be part of a public hearing where only the proponents of this legislation were allowed to appear—only the proponents of the legislation. The opposition was not heard.

If the committee process had worked the way it should have worked—without having both pro and con in a hearing, to have a fair hearing. They tried to get a second hearing since then, and for a long period of time was promised such a hearing, but it did not come off. So these problems would not have existed in getting their point of view out if they had been heard in the first place.

So that it is plain, very plain that these organizations did ask to appear. From the director of government relations of Citizens for a Sound Economy, I will read part of this letter:

To date, the subcommittee on Surface Transportation of the Merchant Marine has held one hearing on the act, failing to invite any of the many individuals and organization opposed to the bill. We believe that consideration of the act without the benefit of open debate will prevent the Senate from making an informed decision in this matter.

Americans for Tax Reform say:

I strongly urge you to hold hearings on this entire bill before the full committee in which those opposed to continued maritime subsidies are allowed to state their views.

We also have Citizens Against Government Waste. To the chairman of the committee:

Therefore, we urge that no Senate consideration of either H.R. 1350 or S. 1139 be allowed until the first Senate commerce committee holds open hearings allowing independent experts and critics to testify.

Then a letter from my colleagues:

We therefore request that before either H.R. 1350 or S. 1139 be considered by the Senate that you hold a series of full committee hearings to explore the work devoted to the Rubin memo and the MIT study, and to hear the concerns and successes.

Suggestions from a growing number of critics of maritime subsidies—a letter on March 12 of this year was sent to the chairman of the committee and signed by Bob Dole, JOHN ASHCROFT, DON NICKLES, NANCY KASSEBAUM, HANK BROWN, myself, JON KYL, JESSE HELMS, and ROD GRAMS, the distinguished Presiding Officer right now. We did not get into the hearing room, obviously.

I ask unanimous consent these letters be printed in the RECORD.

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

AMERICANS FOR TAX REFORM,
Washington, DC, May 10, 1996.

Hon. LARY PRESSLER,
U.S. Senate,
Washington, DC.

DEAR SENATOR PRESSLER: The so-called ''Maritime Reform and Security Act of 1995'' (H.R. 1350 and S. 1139) is now pending in the Senate—without a single opportunity for those who oppose the continued corporate maritime subsidies in the bill to testify before the Subcommittee on Surface Transportation and Merchant Marine. Americans for Tax Reform strongly opposes the continuation of commercial maritime subsidies in any form and strongly urges you to hold hearings before the full Commerce Committee on all of the provisions of this bill.

Numerous independent studies have illustrated the needless and excessive cost of commercial maritime subsidies to the U.S. taxpayer. For example, a 1989 Department of Transportation report done by MIT entitled ''Competitive Manning on U.S.-flag Vessels'' exposed serious waste in this program and determined that maritime subsidies could be reduced by half if there was, in fact a military need for these ships. Even Al Gore has concluded that these subsidies should be abolished.

Like many proponents of increased government intervention, supporters of this legislation assert that it is necessary for national security reasons. However, S. 1139 is not likely to be at all effective in accomplishing that task. In fact, the Department of Defense's Mobility Requirements Study, Bottom UP Review Update concluded that even without subsidies, the US shipping fleet would be adequate in the event it was needed in time of conflict. If the United States military can meet its requirements without these subsidies, why are we asking the American taxpayer to foot the bill?

The subsidies contained in the Maritime Reform and Security Act of 1995 are particularly egregious examples of bloated federal government spending taxpayers' money on a project that is wholly unnecessary. This Congress has shown its willingness to eliminate ridiculous pork-barrel spending. Why are you even considering extending a program that costs American taxpayers more than $100,000 per job subsidized annually?

I strongly urge you to hold hearings on this entire bill before the full committee, in which those opposed to continued maritime subsidies are allowed to state their case.

Sincerely,

SCOTT P. HOFFMAN,
Director of Operations.

U.S. SENATE,
Washington, DC, March 12, 1996.

Hon. LARRY PRESSLER,
Chairman, Senate Commerce Committee.

DEAR CHAIRMAN PRESSLER: Last year, you joined us in a letter to Budget Chairman Domenici calling for the ''elimination of wasteful maritime programs.'' As you can see from the enclosed materials, public interest groups also oppose maritime subsidies, including:

(1) Citizens Against Government Waste
(2) National Taxpayers Union
(3) Citizens for a Sound Economy
(4) Heritage Foundation
(5) Competitive Enterprise Institute
(6) Cato Institute
(7) Progressive Policy Institute of the Democratic Leadership Conference, and
(8) Ralph Nader's Essential Information Group

Unfortunately, these and other critics of maritime subsidies were not called to testify at the single hearing by the Subcommittee on Surface Transportation and Merchant Marine. Now H.R. 1350 and S. 1139, the Maritime Reform and Security Act of 1995, are pending on the Senate Calendar.

The committee was denied the benefit of important independent analyses of maritime subsidies, including the MIT report entitled ''Competitive Manning on U.S.-flag Vessels'' which exposed serious waste and determined maritime subsidies could be cut in half.

The committee also was denied the benefit of extensive work by 16 executive branch agencies summarized in the 1993 ''Decision Memorandum on Maritime Issues'' from Robert Rubin to President Clinton. Fifteen of 16 executive branch agencies concluded that as few as 20 vessels—not 50—should be subsidized. The memo states that the ''Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and the Commander of the Transportation Command have already concluded that future requirements will not exceed 20–30 liner vessels. DOD will have no need for bulk vessels.''

It was also concluded that ''subsidies are needed primarily to offset the higher wages of U.S. mariners'' and that ''subsidizing carriers simply to preserve jobs would leave the Administration hard pressed to explain why it should not also subsidize every other industry that suffers job losses.''

We therefore request that before either H.R. 1350 or S. 1139 be considered by the Senate, that you hold a series of full committee hearings to explore the work devoted to the Rubin memo and the MIT study, and to hear the concerns and suggestions from the growing number of critics of maritime subsidies.

Sincerely,

Bob Dole, John Ashcroft, Don Nickles, Nancy Landon Kassebaum, Hank Brown, Chuck Grassley, Jon Kyl, Rod Grams, Jesse Helms.

COUNCIL FOR CITIZENS
AGAINST GOVERNMENT WASTE,
March 7, 1996.

Hon. LARRY PRESSLER,
Chairman, Senate Commerce Committee, Washington, DC.

DEAR MR. CHAIRMAN: The 600,000 members of the Council for Citizens Against Government Waste (CCAGW) strongly oppose H.R. 1350 and S. 1139, the Maritime Reform and Security Act of 1995. These bills neither reform nor sustains security for America's hard working taxpayers. This legislation is another example of entrenched corporate political pork.

Because only maritime supporters were invited to attend the single hearing held by the Subcommittee on Surface Transportation and Merchant Marine, and critics of the programs were barred from testifying, your full committee was denied the benefit of independent analyses which would expose the enormous waste involved in federal maritime programs. There are far less costly and more effective means of protecting America's national security interests.

Therefore, we urge that no Senate consideration of either H.R. 1350 and S. 1139 be allowed until the full Senate Commerce Committee holds open hearings that allow independent experts and critics to testify.

This legislation actually undermines our national defense because it:

1. allows vessel operators to be exempt from requisitioning;

2. permits operators to withhold their U.S.-flag vessels from war duty by subcontracting far less costly foreign-flag vessels, an still receive U.S.-flag vessels, and still receive U.S.-flag premium rates;

3. provides the least militarily useful ships (i.e., large non-self-sustaining container);

4. allows the transfer of U.S.-flag vessels to foreign flags without approval, and,

5. reduces the capacity of the U.S. merchant marine fleet by allowing operators to double-dip taxpayers through multiple subsidies (direct—lump sum; indirect-cargo preference premium rates and subsidized service in the domestic trade and leasing subsidized ships without restrictions to foreign citizens).

This legislation will discourage new investment and innovation by erecting artificial, anti-competitive barriers that give the upper hand to operators servicing domestic trades in 1995, and barring subsidies to any newcomers even if they are more efficient and can provide more militarily useful vessels.

Your full committee should review the MARAD-sponsored MIT report, ''Competitive Manning on U.S.-flag Vessels.'' This report exposed wasteful maritime practices and found that subsidies could be cut down to as little as $1.1 million per vessel.

We also request that your committee study the work of 16 executive branch agencies summarized in the ''Decision Memorandum on Maritime Issues'' from Robert Rubin to President Clinton. Fifteen agencies sided with the Defense Department's conclusion that as few as 20 vessels—not the 50 required by S. 1139—are needed for national security and should be subsidized. And they concluded ''DOD will have no need for bulk vessels,'' which means cargo preference subsidies should be eliminated.

Just as telling is the fact that these agencies concluded that ''subsidies are needed primarily to offset the higher wages of U.S. mariners'' and that ''subsidizing carriers simply to preserve jobs would leave the Administration hard pressed to explain why it should not subsidize every other industry that suffers job losses.''

Your committee should also hear from the Department of Transportation's Inspector General, who concluded that the entire Maritime Administration and all of its U.S.-flag subsidies should be terminated, a conclusion similar to that reached by Vice President Al Gore's National Performance Review Transportation Task Force.

Strengthening our national defense is a goal CCAGW strongly supports, but forcing taxpayers to subsidize high-priced seafarers and militarily useless vessels during a time we are eliminating the jobs of our men and women serving in the Navy makes no sense at all. There is not one of these sealift billets that our Navy personnel, with little or no training, could handle.

S. 1139 and H.R. 1350 is corporate welfare that must be stopped. We stand ready to assist you in these hearings and in making the necessary changes to these bills.

Sincerely,

THOMAS A. SCHATZ,
President.

CITIZENS FOR A SOUND ECONOMY,
Washington, DC, March 15, 1996.

Hon. LARRY PRESSLER,
Chairman, Committee on Commerce, Science, and Transportation, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: On behalf of Citizens for a Sound Economy's 250,000 members across America, I urge you to give the opponents of H.R. 1350 and S. 1139, the Maritime Reform and Security Act of 1995, a fair chance to voice their concerns. To date, the Subcommittee on Surface Transportation and Merchant Marine has only held one hearing on the Act, failing to invite any of the many individuals and organizations opposed to the bill. We believe that consideration of the Act without the benefit of an open debate will prevent the Senate from making an informed decision in this important matter. Especially at a time when Congress is attempting to come to grips with excessive spending, pro-spending legislation should not be immune from criticism.

Citizens for a Sound Economy strongly opposes the Maritime Reform and Security Act of 1995. We believe that Congress should put the era of costly Cold-War level maritime subsidies behind it. The primary beneficiary would be current and future generations of American taxpayers, who would not have to pay the price of billions of dollars in new, unneeded subsidies. We believe that America needs to rely on more competitive, least-cost solutions to national security issues and concerns. Among other needed reforms, this entails ending spending on excessive salaries and benefits for U.S.-flag seafarers and other unwarranted expenses associated with often unwarranted vessels.

We would like to emphasize that a wide spectrum of policy analysts and public officials seriously question and oppose the continuation of the maritime subsidies and intervention of all sorts. For one, Vice President Gore's National Performance Review recommended that all maritime subsidies be ended, saving Americans $23 billion over ten years. A study by the Massachusetts Institute of Technology, ''Competitive Manning on U.S.-flag Vessels,'' pointed to the extensive waste and abuse in the maritime programs and suggested ways to get more value for less taxpayer dollars. This study was commissioned by none other than the Maritime Administration. The Defense Department notes that only 8 percent of the supplies delivered to the Persian Gulf during the Gulf War came on U.S. commercial vessels. The U.S. Transportation Inspector General recently recommended that the Maritime Administration and all maritime subsidy programs be eliminated.

Harold E. Shear, former U.S. Navy Admiral and Maritime Administrator, has concluded that ''Nearly 50 years of subsidies have not prevented the demise of the U.S. merchant marine . . . Subsidies do nothing more than cause inefficiency, mediocrity, lack of incentive and dependence on Uncle Sam.'' In 1993, 15 out of 16 government agencies sided with now-Secretary of the Treasury Robert Rubin's option to President Clinton to drastically revamp the Maritime subsidies. The rationale for Mr. Rubin's option, as reported to the President, was as follows:

''Subsidies for the U.S. flag fleet have always been justified by their role in providing a sealift capacity for use in military emergencies. With the end of the Cold War, DOD's sealift requirements have declined. Although DOD's bottom-up review is not complete, the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and the Commander of the Transportation Command have already concluded that future requirements will not exceed 20–30 liner vessels. DOD will have no need for bulk vessels. All agencies therefore oppose renewal of direct subsidies for bulkers. This option would meet DOD's maximum military requirements. [S. 1139 requires 50 vessels].''

The *Wall Street Journal*'s Review and Outlook section noted on June 6, 1995:

''Rob Quartel, a former FMC [Federal Maritime Commission] member, figures that all maritime subsidies together cost at least $375,000 per seagoing worker. It would be a lot cheaper to pay the sailors *not* to work. Eliminating these subsidies would not only force the maritime industry to become competitive, but also would contribute to the balanced budget effort. Mr. Quartel figures, based on dynamic scoring, that eliminating subsidies would save $7 billion between 1996 and 2002, and generate new economic activity that would raise an extra $28 billion in tax revenue. Even in Washington terms, $35 billion is real money.''

Mr. Chairman, the list of dissenting voices to this legacy of subsidies from World War II and the Cold War goes on and on. We ask that you carefully weigh the costs and the benefits associated with the Maritime Reform and Security Act of 1995, and all other maritime subsidies. The American people deserve fair hearings on this issue where both points of view are represented.

Sincerely,

SHANE SCHRIEFER,
Director of Government Relations.

BALTIMORE, MD,
June 8, 1996.

Senator CHARLES E. GRASSLEY,
Senate Office Building,
Washington, DC.

DEAR SENATOR GRASSLEY, Thank you for your letter of May 30th asking me to check off certain items that I support on an enclosed form.

You note that my signature is on a form submitted by the American Security Council. I only signed that form to gain time for mature study of a then pending bill which could have resulted in subsidies for VLCCs! And now that I see how my name is being used I much regret it.

I was invited to help that council formulate positions, and I met with their representative. I enclose a copy of a letter [please forgive bottom margins] that I sent to him that indicates where I stand. My qualification to comment is shown in my biology in Who's Who in America. I have not heard from them since. But I am not surprised that my opinions do not suit them.

So I prefer NOT to use your form. My views require a more complex presentation—more than in the ''tip of the iceberg'' letter enclosed.

I do believe that this country needs and should pay for only that part of a U.S. merchant marine that is configured in type and numbers to support our authenticated defense requirements. I am opposed to the continuation of federal programs. mostly designed to line the pockets of unions, owners, and shipbuilders unwilling to give up grossly inefficient practices. We desperately need a fresh start; not a continuing jobs program.

Sincerely,

GEORGE P. STEELE.
Vice Admiral (Retired).

Mr. GRASSLEY. Also, in rebuttal to the Senator from Alaska on another point he was making about foreign flags not doing the jobs, foreign crews not doing the job, as a studied response to that, I want to have printed in the RECORD a chart that tells a number of trips to the Persian Gulf. This shows that, in fact, only 17 U.S.-flag commercial vessels actually delivered goods in the war zone. This chart was provided by the military sealift command. I did not put these figures together; I got them from the military sealift command.

Only five APL vessels—these are U.S. flags—went into the war zone; only three sea-land U.S.-flag vessels went into the war zone; only four watermen,

and their U.S.-flag vessels went into the war zone; only five Lykes U.S.-flag vessels went into the war zone; total—total, only 17 U.S.-flag vessels delivered goods into the war zone. That is 17 compared to 500 trips into the war zone, so that means overwhelmingly—I hope you understand, overwhelmingly—17 trips versus 500 trips, U.S. The remaining were foreign flag, foreign crew.

I am sure the Senator from Alaska did not mean his remarks to be in support of my amendment to make sure American-flag ships deliver all the way. But his statement that he was making is a statement in support of that amendment. I am sure it was not intended to be that way, but he gives a rational argument for that amendment, a strong statement for that amendment.

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

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

U.S. CARRIER OWNED/CONTROLLED VESSELS USED FOR SMESA

	Total vessels used	U.S.-flag component	Number of vessels actually going into the gulf	U.S.-flag component
APL	30	23	12	5
Farrell	4	4	0	0
Lykes	12	12	5	5
Sea-Land	36	19	13	3
Waterman	4	4	4	4
Total	86	62	34	17

Mr. GRASSLEY. This chart makes it crystal clear the overwhelming number of these ships were foreign flag and foreign crew. Out of the defense control we only had one instance where the material did not get there—only one instance.

I think the statement by the Senator from Alaska was questioning the reliability of foreign-owned flag ships and foreign crews, but they delivered. Only one did not deliver. U.S.-flag components, total, 17. The rest out of the 500 that made it into the zone were foreign.

I have heard my colleague state U.S. flags charged less than foreign flags during the Persian Gulf war.

I want to provide my colleagues with what the Department of the Navy reported to me on the cost of charter vessels:

The cost of foreign voyage chartered ships is approximately 60 percent of U.S.-flag voyage charters.

The Navy said:

Only 41 of 283 vessels were U.S. flag.

My amendment does not prohibit transfers of smaller feeder vessels to deliver war materiel in the war zone. My amendment simply says that these smaller feeders must be U.S. flag and U.S. crewed, not foreign flag. This is what we are led to believe this bill is all about. We are led to believe that if this bill passes, only U.S. flags and crews will deliver our goods into the war zone. Without my amendment, this will not be guaranteed. My amendment says U.S. flag and U.S. crews will deliver our goods into the war zone. This is what Senator LOTT—and I quoted him twice—said 2 months ago that we need to assure.

I think it is appropriate at this point to repeat a section of a letter that I got from Vice Adm. George P. Steele, U.S. Navy, retired. He was one of those who had his name on the original National Security Council memo in support of this legislation. Then when I sent him a lot of material to study, he sent me back a very nice letter.

The last paragraph reads:

I do believe that this country needs and should pay for only that part of a U.S. merchant marine that is configured in type and numbers to support our authenticated defense requirements. I am opposed to the continuation of Federal programs mostly designed to line the pockets of unions, owners, and shipbuilders unwilling to give up grossly inefficient practices. We desperately need a fresh start; not a continuing jobs program.

Mr. President, I ask unanimous consent to submit for the RECORD two pages detailing the cost of cargo preference as determined by the Office of Management and Budget.

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

CARGO PREFERENCE PROGRAM COSTS

[Millions of dollars]

	1994		1995		1996	
	Obligations	Outlays	Obligations	Outlays	Obligations	Outlays
Agency:						
Department of Agriculture	113	132	74	74	79	79
Department of Transportation—Maritime Administration	50	50	61	61	43	43
Department of Defense	450	450	436	436	462	462
Agency for International Development	11	11	4	4	4	4
Export—Import Bank of the U.S.	4	3	5	3	8	4
Department of State [1]						
Total	628	646	580	578	596	592

[1] Estimate for costs related to transportation of preference cargo is less than $2 million.

CARGO PREFERENCE PROGRAM COSTS

[Millions of dollars]

	1995		1996		1997	
	Obligations	Outlays	Obligations	Outlays	Obligations	Outlays
Agency:						
Department of Agriculture	62	49	50	78	41	45
Department of Transportation—Maritime Administration	63	63	43	43	25	25
Department of Defense [1]	438	438	414	414	424	424
Agency for International Development	4	4	5	5	5	5
Export—Import Bank of the U.S.	40	40	61	61	71	71
Department of State	1	1	1	1	1	1
Total	608	595	574	602	567	571

[1] DOD estimate are preliminary.

Mr. GRASSLEY. Mr. President, this information is included in the President's budget each year, thanks to my request a few years ago. Cargo preferences does cost taxpayers $600 million per year. One is from the fiscal year 1997 budget and the other is from the fiscal year 1996 budget.

Mr. President, the Federal Government relies only upon numbers from OMB or CBO. We cannot use numbers from our budgeting process that come from any other source.

The Senator from Alaska quoted cargo preference cost estimates that differ from the OMB numbers I quoted.

He knows, and we all know, that these non-OMB or CBO numbers cannot be used here.

I yield the floor.

Mr. INOUYE. 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. SANTORUM. 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. SANTORUM. Mr. President, I ask unanimous consent to speak as in morning business.

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

PARTIAL-BIRTH ABORTIONS—VETO OVERRIDE

Mr. SANTORUM. Mr. President, I want to take this opportunity to, No. 1, congratulate the House of Representatives for their strong, bipartisan support for the override of the President's veto on the issue of partial-birth abortions.

The House did speak strongly yesterday and did speak in a bipartisan fashion. I had the opportunity to look at some of the debate and hear some of the debate. I was impressed with the strong bipartisanship. I was impressed with how articulate Members were on debating an issue which is a very emotional issue, a very difficult issue to talk about. This is not a procedure that many people feel very comfortable discussing. I think the Members who got up and spoke on behalf of the override spoke factually, compassionately, restrained, and, as a result, I think that kind of debate is what I hope to emulate here. I hope we see it emulated here on the floor of the U.S. Senate next week. We will have a vote here next week in the U.S. Senate on whether to override the President's veto. We are only halfway home to accomplish that.

Much has been written today about the likelihood of whether the Senate will do so and reporting that it appears that the possibility of overriding the President's veto of this is dim here in the Senate. I remind everyone that in the House, when the original vote was taken, there were not sufficient votes to override the President's veto. But as a result of educational efforts that had taken place by physicians and people who are concerned about this issue with Members of the House, a number of Members were persuaded to go along with the override.

I hope that occurs here. I hope Members who voted against the bill to outlaw this procedure, who voted to allow this procedure to continue, do take the opportunity to gather more information, because since the original passage of this bill, additional information has come out, even as late as this week.

We have a story in the Bergen County Record. A health reporter for the Bergen County Record did a report on partial-birth abortions in New Jersey, where, according to all of the abortion rights advocates, there aren't partial-birth abortions being done in New Jersey.

In fact, they were only done, according to them, by a couple of doctors which totaled about 500 a year. We find out from the health reporter of the Bergen County Record in her interviews with abortionists in New Jersey that they perform roughly 3,000 second- and third-trimester abortions, and approximately half of those 3,000 abortions are done in what is called ''intact D&E''—which is a partial-birth abortion.

So we know that just in the State of New Jersey there are 1,500 such abortions—just done in the State of New Jersey. And we are talking about abortions that are performed at at least 20 weeks.

My wife is a neonatal intensive care nurse. She worked as one for 9 years. We have three children. We are very blessed to have one more on the way. She knows a lot about premature babies. She has cared for a lot. She has cared for 22-week-old babies. She has cared for 22-week-old babies that are alive and well today—many of them. She has cared for a lot of 24-weekers that are alive and well today. And she certainly has cared for a lot of babies that are 24 weeks, 29 weeks, and 34 weeks who are alive and well, and very normal and very healthy.

The question is not whether we should have late- and second-term, or third-term abortions. I believe that is a legitimate question to ask in this country. But that is not the question that is before us with this override. This override deals with a medical procedure which I think is one of the most gruesome medical procedures that if it was being done in China today human rights activists would be calling on us to sanction China. If it was done on a dog, animal rights activists would be storming the Capitol saying it is inhumane. But if it is done on a 30-week-old baby that is fully viable outside the womb it is a choice; it is not a baby; it is a choice. It is up to the doctor and the mother to determine what happens to that baby. It is a choice; it is not a baby.

I do not think that is what most of America is. When we talk about this procedure being done on late second- and third-trimester babies, a procedure that delivers the entire baby feet first—delivers the baby from the shoulders down completely outside the mother; the arms and legs of the baby are moving outside of the mother; the head is held inside the birth canal—a pair of scissors is taken and jammed into the base of the skull, a suction catheter is placed in the skull and the brains are sucked out. As a result of that the head collapses, and then they deliver the rest of the baby.

I was on the Fox Morning News yesterday morning with a woman who works for an abortion rights advocacy group. And I asked her a question, which I will ask every Member of the Senate who speaks on this issue. I hope they have an answer for me, because she didn't. My question was very simple. It was a very logical question. ''What would your position be if the head of that baby had somehow slipped out; had somehow when the shoulders were delivered had been delivered also? Would it be the woman's choice and the doctor's choice when the baby is completely removed to kill that baby? Is that then murder? Or, if you hold the baby's head inside the birth canal, it is not murder? Explain for me the difference. Answer the question.''

I know that question has been asked a lot in the last few months. And, to my knowledge, no one has answered the question. But I think you have to answer that question, don't you? Don't you have to answer a question that, if just an inch more, maybe 2 inches more, it is murder? Most Americans would consider it as murder without question. But as long as that doctor is holding the baby in, it is not murder. We are blurring the line in this country a lot. It is more than blurring. It is more of a sign of a culture that has lost its way, that does not understand what its underpinnings are any more; what its vision is; what its purpose is; what it stands for; who it cares about.

This issue is not about abortion. This is about a procedure that is so horrendous and that is so disgusting that everyone in America should say, ''No. That is not who we are.'' For we in this country are not what we say we are. It is not what we would like to tell the American public we are. We are in this country what we do. And when we do something like this to children who doctors who perform this procedure say are healthy, elective abortions—these are elective abortions; there is no medical necessity; there is no fetal abnormality but simply healthy children—when the vast majority of these abortions are done at that time and in this way we have to say no.

I am hopeful, I am prayerful that the Members of the U.S. Senate, the greatest deliberative body in the history of the world, will live up to that, live up to that title, and will truly deliberate—not react to the special interests, or to the emotion of the moment, or to some political posture that you feel locked into because, you know, ''I am for choice''—but deliberately, thoughtfully, prayerfully about who we are, about what we stand for as a country. I think if we do that—and if all of you who care about who we are, about what is to become of us, will write and call and pray for Members of the Senate over this next week—then truly remarkable things can still happen in this country and in this body, and we will surprise a lot of people next week.

I yield the floor.

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

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

Mr. STEVENS. Mr. President, I want to make a few remarks concerning the Senator from Iowa's comments and his three amendment. First, I oppose his VISA program amendment. The amendment would require Maritime Security Fleet Program [MSFP] contractors to participate in Voluntary Intermodal Sealift Agreements [VISA]. This change is unnecessary. The bill already requires MSFP participants to enter into Emergency Preparedness Agreements [EPA]. EPA is the same as the VISA program, with several improvements suggested and supported by the Defense Department. The Senator's amendment would limit the Department of Defense's ability to access all of a contractor's assets. This would handcuff DOD's ability to tailor commercial sealift assets to meet DOD's sealift needs. The DOD helped write this bill. The bill provides the flexibility DOD wants. Further, it would impose additional restrictions that are not found in the bill or even in the existing VISA program that is voluntary today. This amendment simply does not make sense—it would impose additional costs on moving government goods. It would cost taxpayers more, not less. I hope my colleagues will join me in opposing this amendment.

Second, I oppose his lobbying and campaign contribution amendment. The amendment would prohibit the use of funds provided to Maritime Security Fleet Program [MSFP] contractors from being used to fund lobbying or public education efforts or campaign contributions. This amendment is unnecessary and unfairly singles out one industry with which the Government enters contracts.

Current Government contracting and Federal election campaign laws prohibit the use of Government funds for these purposes. The Byrd amendment, 31 U.S.C. 1352, generally prohibits recipients of Federal contracts, grants, loans, and cooperative agreements from using appropriated funds for lobbying the executive or legislative branches of the Federal Government in connection with a specific contract, grant, loan, or cooperative agreement. There is absolutely no legal basis for restricting the lawful activities of the employees of the recipients, as suggested by the Senator from Iowa. A logical extension of this suggestion would be to restrict the lawful activities of the contractor's fuel supplier or ice cream vendor. Any attempt to change current lobbying and campaign contribution restrictions should be broader in scope so as to treat all such recipients of Federal funds in a similar and fair manner. I intend to move to table this amendment.

Finally, Mr. President, as I said earlier, I am opposed to the Senator from Iowa's amendment on rates. All of these amendments are designed to kill the bill. They are killer amendments. I intend to move to table the Senator's amendment on rates. The managers of the bill will also move to table the second degree amendment to that amendment that has been proposed by the other Senator from Iowa. The second degree amendment is just as objectionable as the underlying one.

Mr. INOUYE. There is no further business?

Mr. STEVENS. Have we had an adjournment order yet?

The PRESIDING OFFICER. The Chair has not been informed of that.

Mr. STEVENS. I suggest the absence of a quorum. I will take care of that.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. COVERDELL. Mr. President, I now ask on behalf of the leader there be a period for the transaction of morning business with statements limited to 5 minutes each with the exception of the following: Senator DASCHLE or his designee, 45 minutes; Senator COVERDELL or his designee, 45 minutes; and Senator MURKOWSKI, 20 minutes.

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

A SAFETY NET

Mr. COVERDELL. Mr. President, we understand on our side that we are drawing near the most intense period of the 1996 elections, but we feel very strongly that we should set the politics aside for the election process, and here on the floor of the Senate and in the Halls of Congress create a safety net from politics for our soldiers in Iraq and in Bosnia or wherever they may be, for our disaster victims that have just suffered the ravages of the hurricane coming out of the Caribbean in the Atlantic and tearing its way through North Carolina and other regions of our country, and, obviously, for our children and our seniors.

In other words, Mr. President, this is a time to put the people first, the people's business first, to not raise anxiety among the Nation but go ahead and get our business done, get the politics out of these Halls, out of the city, and let those questions be settled by the American people in the actual election process. Once again, we should create a safety net from the political era for our soldiers in Iraq, our disaster victims in the United States, our children, and our seniors.

Mr. President, in that regard, I commend the leaders on our side, the Speaker of the House, Speaker GINGRICH, and the Senate majority leader, TRENT LOTT of Mississippi. Yesterday, they came before the American people, having met with the Republican leadership of the Appropriations Committee, and released the following statement:

We have already made substantial progress on appropriations bills for the 1997 fiscal year, with action completed or virtually completed on nine separate bills. We are committed to reaching an agreement with the administration on the remaining bills and completing congressional action by September 27th.

It is clear that Senate Democrats are using delaying tactics and political stunts designed more for the upcoming election than for the completion of the people's business. We have approached the consideration of these bills in good faith, but we have been met at every turn by gridlock, apparently coordinated by the White House. We refuse to be a part of this game. We believe Congress should complete its business and adjourn.

Given the Democrats' strategy to tie up the Senate floor, House and Senate leaders have decided that the Defense appropriations conference report will be the vehicle for final consideration of all uncompleted appropriation issues. The remaining issues will be resolved through bipartisan negotiations between congressional leaders and the White House.

In addition to reaching agreement with the administration on shared priorities like education and antiterrorism, we are determined to ensure that we quickly provide critical funding for our troops, for coping with recent disasters, and for those who are fighting the critical war on drugs.

While we are committed to reaching an agreement with the administration, we are concerned that we have not yet received complete information on their requests for additional spending. We look forward to active negotiations over the next days leading to final legislation that will complete the work of the Congress and stay within the limits of this year's budget.

Again, it is our goal to put a safety net under our troops, our disaster victims, our children, our seniors, and all the families that represents across our land.

Mr. President, on the other side, White House Chief of Staff Leon Panetta has admitted that some Democrats would like to force Republicans to stay in Washington longer. That sounds like it is designed strictly for political purposes. Now the other side uses a slogan, ''Putting Families First,'' but if the White House allows these Democrats to force extended legislative days here and confusion and chaos, moving you to a point you would have Government gridlock, they are engaged in politics at the ultimate.

Mr. President, I am reminded that last year was a very difficult period here between the Congress and the President. The President likes to blame the fact that Government came to a close on the Republican Congress. He tends to forget, Mr. President, that he vetoed appropriations bill after appropriations bill. At least, Mr. President, at that time, we were fighting over an absolute core issue in America, whether or not to balance the budget, something that virtually 80 percent of the American people are wanting and demanding—very substantive.

Of late, Mr. President, we have heard—and I will read from an editorial in the Washington Times—that shutdown may have had more to do with politics than substance, too. Everybody

is aware of the trials and tribulations of Dick Morris, former confidant of the President of the United States, but this woman that apparently shared a relationship with him, Sherry Rowlands, said, ''He asked if I would like some cognac, and we talked about how it tasted and then we talked about the Government shutdown, and that he said he planned this for 5 months ahead of time to show the President as a leader with no weakness.''

So now we have suggestions that that tumultuous period in the Congress may have, indeed, been nothing more than a political plan to increase one's fortunes in the political polls. Well, that may or may not be the case. We will be, sometime, adjudicating that. But we certainly know, Mr. President, that at this point the interests of the American people are that we conclude this fundamental decision, that we don't create new anxiety in the country, that we come to terms and settle our differences, that we protect our troops, that we protect our disaster victims, our children, our seniors, and all the families associated with that. Let the political stuff get settled out across the land in the elections. Don't put the people last. Put them first. Let's get this business done and do it in such a way that the American people can be comforted, and that all these systems upon which they depend will continue without interruption.

Mr. President, we have been joined by my good colleague, the distinguished Senator from Tennessee. I yield up to 5 or 10 minutes, as he may need, to comment on this issue.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

LEGISLATIVE PRIORITIES

Mr. THOMPSON. I thank my good friend from Georgia, who expresses some very valid concerns, and I share those concerns.

Mr. President, as we approach the end of this session of Congress, I think it is imperative that we get our priorities in order.

The elections are only 6 weeks away. As we all know, this is a highly charged time. There is much at stake. And right now, there are some vague rumblings out there that my colleagues on the other side of the aisle may wish to use this tension to partisan advantage.

Mr. President, I submit that the leadership has gone the extra mile toward accommodating the concerns of the party in the minority. This consideration of interests is as it should be.

But I also want to make it clear that if this session stretches out, it will largely be for political reasons—and caused by the minority in the Senate.

It appears entirely possible that some of my colleagues are prepared to stall the final legislation we are now considering in order to play raw politics.

First off, I believe that the Members of this body should be above that sort of thing. The American people are cynical enough about the character of the Congress without its Members handing them more ammunition. We need to raise the level of discourse here.

Second, we should keep in mind that we are not talking about trivial matters. We are here to conduct the people's business. To hold up the work of the Senate for partisan advantage is outrageous. And I will tell you something else, the folks back home will see through it. The people who elected us know pious posturing when they see it.

If there is a stall to keep us in session, the people are going to figure out who's doing it, and pretty fast.

It is one thing to work through honest differences of opinion. It is quite another to offer trifling, divisive amendments and stalling tactics at the end of an election-year session to wring out every last political advantage.

I call on my colleagues on the other side of the aisle to put this sort of maneuvering aside, so that we can finish the business that the people elected us to conduct.

To prevent playing politics with the lives of Americans, and to prevent even the charge that anyone might be playing politics, we must make certain that the President has legislation on his desk that finishes out the business we need to close in this term.

There are several basic issues we must address before we adjourn. I am certain that when we keep in mind how important it is to conduct the people's business with the dignity it commands, that we will find it in ourselves to work our way through these pending matters to a swift and proper outcome.

Right now, we have troops in Bosnia and the Middle East. These men and women are out there on our behalf, and they deserve our unyielding support. Let us make sure they have whatever they need, and let's do that immediately.

At home, even as we vigorously debate the Federal role in domestic affairs, we need to uphold the commitment we now have to maintain those services we have promised—and to do so at the levels to which we are committed. This is of vital importance, most especially to our veterans, students, senior citizens, and their families.

As Senators, we are obliged to set the highest moral example, and in that, we must keep our word to the people who elected us.

While we may disagree on the very best way to implement solutions to the problems we face, I trust that we do not disagree that some action is vital to keeping our country strong, and to enabling the Nation to conduct business. We have a basic obligation to the people who elected us, to maintain the services of the Federal Government at a high level of efficiency and responsiveness.

We can do this if we put our minds to it. All that is required is that we decide to finish the people's business, and work toward agreement on the outstanding issues we face.

This Congress has achieved a great deal. We should be proud. We've passed many reforms which will not only save money for the taxpayers, but that also will make Government more efficient and more positive in the lives of Americans.

We have passed the line-item veto. We have passed the Congressional Accountability Act. We have ended unfunded mandates. And these are just a few of the achievements we have to show for our efforts when we agree to get the job done.

Let us end this session of Congress on a high note by doing what we were elected to do. Let us work out our differences and pass legislation along to the President that will keep this country open for business.

I hope that as we move through these legislative decisions, that we keep in mind that we cannot jeopardize the important elements of our Government that enable this Nation to be strong, safe, and free.

We want to preserve the safety of our troops. We want to preserve the ability of the Nation to conduct its business, and to maintain the services that our children, our families, and our seniors have come to depend on. Let us not play politics with these matters.

Traditionally, the Members of this body have come together for the best interests of the Nation. This Congress has been up to that task, and I am certain that it still is. My colleagues on both sides of the aisle are strong enough in their resolve, and they care enough about the way we conduct our lives in America, that we can all come together to find agreement on the Nation's business.

Let us concentrate on where we agree, not where we differ.

Let us focus on the issues that bring us together, not those that take us apart.

Let us find a way to work together, and get this job done.

I trust that we can find a common path as we have in the past, and in cooperation with the White House, to reach a consensus without delay.

But make no mistake, the majority has done its part. If we are detained in Washington to keep Congress in session, it will not be over differences in ideas or for honest disagreements. We have met our colleagues more than halfway. It's time to wrap things up, and we ought to be doing that right now.

The people's business should be above partisan posturing, and I sincerely hope that we can maintain a level of effort and dignity—commensurate with the history of the Senate—so that we can complete our work on a high note as we finish out the 104th Congress.

I yield the floor.

Mr. COVERDELL. Mr. President, I appreciate very much the Senator from Tennessee making himself available for a very cogent statement on this subject. I know he is trying to get home. I appreciate his taking time to visit

with us about this very important matter of getting the people's business done, getting a safety net here so we can lower the anxiousness of what gridlock will produce in our country at this time.

As I said a little earlier, we are now speculating about whether the last gridlock that occurred in the country was an actual political plan. I am made uncomfortable when the White House Chief of Staff admits that some Democrats would like to force Republicans to stay in Washington longer. This article, which appears in the National Journal Congressional Daily, says:

Some Democrats, Thursday, warned that finishing the funding bills may not be as easy as Republican members are saying. Senate minority leader Daschle warned there may be pitfalls in trying to pass the bill.

Well, what we are hearing is that you are laying a political strategy because it is thought to be politically useful to have the Congress appear to be tied up in knots. But I would like to step back from that and just remind my colleagues on the other side of the aisle that, currently, because of decisions that the President of the United States has made, there are 15,000 American soldiers, men and women, in Bosnia. There are 1,500 of them in Croatia.

There are 29,500 American armed services men and women in the gulf. There are 200,000 U.S. troops on duty abroad. There are 54,000 involved in 13 operations around the globe while 146,000 are stationed at permanent bases abroad. We have literally—quick math—over 50,000 in harm's way today. And the prospect of this kind of posturing is completely out of place. It leaves everyone of the families here at home in support of these troops wondering, and it increases their worry.

I remember in 1990 my good friend and colleague, former President Bush, confronted with a Congress that was exacting and demanding tax increases, and priorities that were not his but he had 1.5 million of America's men and women in the gulf, and simply would not accept allowing our Government to come to a gridlock. He would not accept it. It may have been the decision that ultimately lead to his failed election. But he was not going to leave those American men and women overseas at risk. He was not going to do it. So he accepted the Congress—that was controlled by the other side of the aisle—he accepted it, and he paid an enormous price for it because people thought that he had reneged on a pledge. But he first and foremost stood behind those men and women in uniform in harm's way. We do not have as many, fortunately, in harm's way today. But we have 50,000. I think it is just as incumbent upon this Congress and this President to get that safety net under these men and women, and remove the anxiety and get the politics out of here. Get it done. Let them feel secure and move on.

I could read a long litany as we move from troops. We often hear the Families First agenda about children as if they were the only legislators that were concerned about children. I would like to remind them that in the legislation that we are calling upon to get settled we have 20,000 families in crisis who would not know where to turn for help for temporary child care, for crisis nurses that serve thousands of families with children who have disabilities, or serious illnesses. And the families that are under stress—including families affected by HIV, homelessness, violence, and family crisis in drugs and alcohol—over 20,000 families were served in the last 2 years alone. For these families are we going to put them first, as they are asking, or last, to fulfill a political objective?

Will you shut down 2,000 school districts who benefit from impact aid, or put in question the financing of all of those systems? Impact aid provides financial assistance to school districts for the cost of educating children when enrollments and the availability of revenues from local sources have been adversely affected by the presence of Federal activity. That means military impact by and large across our country.

Mr. President, the list goes on. You could cite the issues and problems that will be compounded ad infinitum as you go through this huge appropriations process that we are saying we should just announce to the entire country is going to be settled; lower the stress; our troops don't have to worry; the systems are going to stay intact and we are going to take politics out of the Halls of Congress, and we are going to put them in the election where they properly belong.

Mr. President, I have been quoting this National Journal rather extensively. It is interesting reading. I notice that my good friend, the Senator from Connecticut, Senator DODD, who is chairman of the Democratic National Committee, suggested that our party wants to go home because they realize—we realize—that this Congress, the 104th Congress, is a ''disaster.'' I just could not leave that unchallenged. I remind my good friend from Connecticut that in the last Congress, the 103d Congress, it was dominated by two massive events:

First, the passage by one vote in the House and the Senate, at their encouragement and by the President's demand, of the largest tax increase in American history;

Second, by the suggestion that we should grow Government to the largest level it had ever been, and that we should put in place for America a Government-run health system, which would have meant for the first time that over 50 percent of the U.S. economy would be run by the Government and not by our private sector and citizens.

Those are the two most singular marking events of the last Congress.

Now we come to this Congress that the Senator from Connecticut characterizes as a ''disaster.'' We have had no tax increase. We have had not expanded the Government. As a matter of fact, we have saved the American taxpayers in this Congress $53 billion in the last 2 years, marking the first time in 25 years that Congress has reversed the trend to increase discretionary spending; in other words, the first time we have responded to the American people's request that we get spending under control.

We adopted a tax—an adoption tax credit. We secured tax relief for small business. We passed the line-item veto after a 200-year debate. We made Congress—you and I—live under the same laws as the rest of America. We passed legislation that would stop unfunded Federal mandates. We passed, after years of debate, welfare reform. We passed tax deductions for long-term care expenses. We passed targeted health care reform, lobbying reform, food safety, safe drinking water and Everglades restoration.

And the list really is much longer.

More importantly, we secured at least an interim transition in our President, Mr. President, because in his State of the Union he said that the era of big Government is over. I would call that a rather substantive success.

The agenda in this city has been changed. The era of big Government is over. Welfare reform is in place. Health care reform is in place. We are not raising taxes. We are saving taxpayers billions upon billions of dollars.

Mr. President, I think this is exactly the kind of change that America has been asking for.

I am going to conclude, Mr. President, by simply saying that I think it is incumbent upon all of us—both sides of the aisle, given the nature of this political season, and the intensity of it, to come to terms—to get a safety net under our troops, our families that are victims of disaster, our children, and our seniors. Take the elections and our differences out of these halls and into the elections themselves.

With that, I yield back any time remaining under my designation.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MURKOWSKI. 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 CLINTON RECORD

Mr. MURKOWSKI. Mr. President, I would like to share a few moments with my colleagues on actions taken by the Clinton administration this week. We have had discussions concerning the appropriateness of the President withdrawing about 1.8 million acres in Utah under the authority of the Antiquities Act of 1906.

I ask the Chair and my colleagues, is this really the creation of a national

monument, or is it simply a reelection ploy? The administration justifies the action based on some historical withdrawals of Federal land, referring back to Teddy Roosevelt's time. I would ask for a quick reflection on the oversight of the various land management agencies and laws as they have been developed over the years—the Bureau of Land Management, the National Park Service, the management of our refuge systems—and suggest that there is, indeed, enough oversight in the process to ensure extremes are not taken on the utilization of public land.

I think a number of people are asking, in the wake of President Clinton's surprise announcement Wednesday of the 1.8-million-acre national monument withdrawal in southern Utah, just what the President and the administration have in mind. One looked at some of the media and saw the expanse of the Grand Canyon with the President standing—I should say sitting—at a desk overlooking the brink of the Grand Canyon with the Vice President standing behind him.

This withdrawal was a last-minute withdrawal, it was a secretive withdrawal, it was an unconventional withdrawal. The way they attempted to create the Grand Staircase-Escalante National Monument, could cause one to quickly conclude the administration was primarily concerned about the photo opportunities and climbing the staircase to reelection. The details of this withdrawal were left undecided. The potential harms of this hasty decision, in my opinion, suggest the President is in an irresponsible rush to get on the evening news.

I have a question for the White House and the President. It is specific. It is: Why was the public not involved in this decision? We have NEPA, FLPMA, and Federal land use planning laws, all of which stress public involvement in species protection. The administration insists on strict adherence to these laws. Adherence to these laws occurs, of course, before the action, not after it.

These laws were followed in the California desert wilderness debate. It was extensive. We all participated in it. It did not turn out the way we all wanted it, but a democratic process occurred, hearings were held, there was give and take, the State of California was consulted, individuals in this body took a stand, they voted on it and they were held accountable for their vote. Why was that procedure not followed in the State of Utah?

My constituency, of course, is the State of Alaska. We have already experienced a little activity in the 1970's, under President Carter, with the Antiquities Act, whereby some 56 million acres or thereabouts were withdrawn.

Wilderness in Alaska is very sacred to us. The mistake that was made in our State, when we were establishing land patterns, is we did not do a resource inventory. We almost did. We could have met the wilderness demands and we could have identified those areas of high resource potential, but, unfortunately, the technology and the commitment were not quite there at that time. So we are in constant conflict with Federal refuge areas and the potential development and access through these areas. So we do have a long memory with regard to the application of the Antiquities Act and other laws.

But, in this case, the President, in this day—not in 1970 or 1975 or 1978, but in 1996—did not run the idea by the State of Utah, its elected officials, its legislature, its Governor. He did it over the objection of the Utah delegation. They could have helped prevent some pitfalls that are going to occur.

Instead, they read about it in the newspapers. You can also assume the administration simply has written off Utah, their electoral votes—six, I think—written them off. They have probably written off Alaska.

I know my colleague from Idaho is introducing legislation to ensure, as far as Idaho is concerned, the application of the Antiquities Act. Wyoming, after the experience with the Antiquities Act, had a provision in the final settlement that suggested that the Antiquities Act would be no longer applicable in that State. In our State of Alaska, we have a no more clause. The Federal Government simply cannot take land under a land grab and designate it without a congressional process occurring.

The President included 200,000 acres of school trust lands in Utah which potentially could produce $1.5 billion to fund Utah's public schools. Why did the President not choose to work with Governor Leavitt about that and the other $6.6 billion the State potentially would lose? Does the President realize that locking up 62 billion tons of recoverable low-sulfur coal will lead to greater air pollution when utilities are forced to burn dirtier coal?

Like it or not, coal provides about half the Nation's electricity.

It is my understanding this particular coal deposit would be about 40 acres out of the 1.8 million acres—a pretty small footprint.

Does the President know that 350,000 acres of what he is declaring a monument will be opened up to buses, tourists, and other development, and that it would have been protected as wilderness under the plan written by the State of Utah and Utahns? In fact, Utah had indicated a willingness for further review of its roadless areas for wilderness status.

What about the huge liability the Federal Government assumes in wiping out private property claims in this area? Where are we going to find the money to reimburse Americans whose property is, obviously, taken at the cost of billions of dollars? What about the people who are going to lose their jobs? The President says the monument will add jobs.

Let's look at Utah. The people of Kanab, UT, an area surrounded by five national parks, had their families' incomes drop from $23,000 in 1990 to $18,000 in 1995. That does not sound like a lot of new jobs to me.

These questions bring a bigger question to mind: Why was our President in such a hurry? We went through this process. We were going to take it up again in the 105th Congress. He was pressed by the Utah delegation not to make the designation until such questions were answered. The administration and the President offered vague promises saying details would be worked out later. Even Utah's Democratic Congressmen begged him not to ignore the details. I have even heard that Dick Morris made the recommendation. Maybe he is still calling the shots for the President and the administration.

So let me be blunt. Our President appears to be a young man in a hurry. It is becoming more and more clear he doesn't seem to be very concerned about where he is going, as long as it leads to his reelection. As a result, we have great TV news stories, a lot of action and some major policy blunders, in my opinion. We seem to be seeing the influence from the extreme national environmental groups who have the ear of the administration and the President, and these groups have put fear into the American people; fear that we cannot develop resources on public lands. This issue is true not just about coal mining. It is true about grazing, it is true about timbering, it is true about oil and gas exploration—virtually all development on public land.

The environmental community is instilling this degree of fear in the American electorate. It bears no responsibility, no accountability. They simply sell American technology short and, by this fear tactic and the ability of the media to expound on it and add to it, they are generating membership, they are generating dollars, and we are becoming more and more dependent on imports, something I am going to talk a little bit about later.

As we reduce our own self-sustaining resource base, we become more dependent on imports. Those imports are coming in from nations that do not have the same environmental sensitivity that we do. We have the ingenuity, we have the technology, we have the American know-how to preserve these jobs at home, develop our resources, and do it safely.

The President's designation of the 1.7-million-acre monument was an arrogant act. It was in violation of the intent of the Federal environmental laws and procedures the President's own administration has so ardently enforce on everyone else.

Mr. President, I intend, before this session is over, to introduce legislation to close this dangerous loophole in our environmental laws. It is going to be applicable, obviously, to those States with public lands, which are the Western States, to eliminate the necessity and the authority of the President to

continue these land grabs without any congressional evaluation.

The Antiquities Act of 1906 has a narrow, specific purpose. It was never intended to be used in this manner. As I indicated, Alaska and Wyoming have been exempt from the act, but other public land States should know it could only be a matter of time before they are attacked for withdrawals similar to what occurred in Utah.

The question is not should we have a national monument in Utah. The Utah delegation said it would work with the administration on that. The question is, should a President ram through such a big Federal land change at the last minute without public participation and congressional involvement?

Clearly, we know the answer. The democratic process is being circumvented. It is no wonder some people are referring to this action as President Clinton's Federal land grab and calling it reelection national monument. He says he is merely doing what Teddy Roosevelt did by using the Antiquities Act of 1906. But, again, there are many important differences. President Roosevelt thought first and acted later. Roosevelt acted nearly 100 years ago, before this Nation developed environmental laws and procedures for proper and detailed land use decision-making. I am sorry, President Clinton, you are no Teddy Roosevelt.

(Mr. HATFIELD assumed the Chair.)

Mr. MURKOWSKI. Mr. President, in conjunction with that, I think it is noteworthy to recognize President Clinton's themes this week. He continues to push the themes that, one, he is the environmental President, and, two, he is the export President. Let's examine that for a minute. I just shared with you my views on why his decision to lock up Utah's vast energy resources was a mistake, but I also want to discuss why his rhetoric about exports covers up what is really going on with the trade deficit.

The most recent statistics on the trade deficit were absolutely horrible. In July, imports increased to $78.9 billion from $77.9 billion in June. The largest increases were in industrial supplies and materials, primarily the cost of crude petroleum.

Our exports decreased to $67.2 billion from $69.7 billion in June. The trade deficit in goods for the first 6 months of this year amounted to $89.6 billion, and this is expected to grow to $170 billion by year's end, second only to last year's record $175 billion.

China and Japan continue as the countries with the largest trade imbalance, but focusing only on China and Japan ignores one of the major contributors to our trade deficit, and that is our dependence on foreign oil. Right now, America is importing 51 percent of its daily oil needs. That percentage is expected to rise to two-thirds by the year 2000.

Here is a chart, Mr. President, of the current account balances of our top three creditors from 1994 to 1995. Petroleum payments in 1994, 27 percent, or $44.2 billion; petroleum payments in 1995, 33.2 percent, or $57.9 billion. Then there is China, Japan, and others.

That is what we are looking at when we look at the trade deficit. As this chart illustrates, foreign oil dependency translates into one-third of the total trade deficit. The Department of Energy predicts that by the years 2000 and 2002, we will be two-thirds dependent on imported oil. Instead of 51 percent, it will be 66 percent.

What is America doing about its continuing dependency? I think we are following counterproductive policies. We are not reducing our oil dependency. As I said earlier, the President just locked up huge reserves of coal in Utah. This is clean coal. Earlier, he vetoed legislation which would have opened up the Arctic oil reserve. That passed both the House and the Senate for the first time. That is the best chance to find significant stable American sources of oil domestically, in the United States.

I remind my colleagues that Prudhoe Bay has been supplying this Nation with nearly 25 percent of its total crude oil utilization for the last 18 years. It is in decline. Yet this administration will not let us use American technology to go into the areas that are most likely to have a major discovery. And with that technology, the footprint would be very small, no larger than the Dulles International Airport complex, which is about 12,500 acres out of the 19 million acres in the area associated with the Arctic National Wildlife Reserve.

So the President's actions are certainly disturbing. But I guess they are hardly surprising, because if you really look at our energy area—and as chairman of the Energy and Natural Resources Committee, that is my area of responsibility—he is equally unwilling to address and promote nuclear power, coal power, hydroelectric power. He strongly supports the consumption of natural gas, but is not equally supportive of domestic production. He does not want to see additional offshore and onshore Federal lands opened up. In short, he is doing virtually nothing to reduce our dependence on imported oil and, thereby, address our trade deficit.

During President Clinton's 4 years in office, the United States will have accumulated the largest trade deficit in the history of our Nation. That is astonishing, when you consider the exchange rate records set during the same period. I think this is a part of the Clinton record that Americans should understand and consider and reflect on a little closer.

There is another inconsistency relative to energy. As we recognize our dependence on nuclear power for about 30 percent of our power-generating capability, we have accumulated high-level nuclear waste. The President refuses to support the plan in Congress to establish in Nevada a temporary repository until a permanent repository can be determined at Yucca Mountain.

As far as low-level waste, the President refuses to support a congressional proposal giving the ability to the State of California at Ward Valley to put in a facility to store the waste even though we have given the States the authority. The disturbing thing is, while the President, in this election mode, opposes these proposals—responsible proposals, proposals that have been supported by State Governors, State legislatures, and proposals that have been supported by a majority of the U.S. Senate—he and his administration refuse to come up with responsible alternatives.

I have sent letters saying, if you do not like this, what will you support? He absolutely ignores the responsibility associated with addressing and correcting these exposures.

Lastly, Mr. President, another part of the Clinton record that should not go without remark is the inept and naive approach the administration has taken in dealing with some of our foreign adversaries. Let me just touch on two recent examples.

The Clinton administration, some time ago, embarked on a policy towards North Korea that can only be called, in my opinion, ''appeasement,'' and put the United States in a position of being a party, almost, to a bribe. Under the so-called negotiated framework deal, the Clinton administration was going to provide North Korea with $500 million worth of oil—500,000 tons a year—and, along with South Korea and Japan, two light-water nuclear reactors worth $4 to $5 billion.

What have we received in return for this so-called deal? Have the North Koreans acted in good faith? No. The North Koreans held us hostage. They said they would stop their own graphite reactor construction if they could have this new technology, and only then could we go in and examine their storage sites, once the new light-water reactors were on line.

Under the deal we negotiated, the Clinton administration was going to provide these light-water reactors worth $4 to $5 billion. We saw what North Korea did with regard to acting in good faith just yesterday and the day before in their relationships with South Korea and the rest of the world.

A North Korean submarine, filled with 26 commandos—I met with the Korean Ambassador last evening—tried to infiltrate the south. Some of the commandos carried South Korean uniforms with them. They were armed. And they had a mission, Mr. President, a mission to infiltrate South Korea. But we will hear more about that later.

Nineteen of the commandos have already been killed. A manhunt continues for the remaining infiltrators. But these commandos came from a North Korean submarine that beached in the south. The United Nations command attempted to deliver a formal protest to the North Korean military official in the face of clear evidence of the North Korean infiltration. The North

Korean Government refused to even accept the protest of South Korea.

So there we have, I think, an extraordinary example of our foreign policy, perhaps well-meaning, but indeed to a high degree naive in relation to shoring up a deteriorating regime of totalitarianism in North Korea, one that, if left to its own weight, in the opinion of the Senator from Alaska, would very soon flounder. There is no other area in the world as isolated as North Korea. Having visited there a few years ago, I can tell you that they cannot feed themselves as a nation. They have no energy. They have no capital reserves. They have an extraordinary government whose longevity is extremely short, in this Senator's opinion.

So, Mr. President, what has the Clinton administration done? Well, have they decided to reconsider the energy bribery deal they have negotiated with the north? No. No. They are not reconsidering it. Are they so naive they believe the North Korean Government bargains in good faith? I wonder. The American people have to wonder when it comes down to this administration and President Clinton negotiating with foreign adversaries.

What of the Clinton administration's spin-doctoring claim of ''success'' after last week's cruise missile attack in Iraq? The coalition that President George Bush put together in 1990 is crumbling. Saddam Hussein has no fear of crushing the Kurds because he knows that U.S. leadership is lacking under this President and this administration.

Just this week we learned that nearly 200 people disappeared. They have been murdered, Mr. President. These are people who were providing our Government with intelligence. Why didn't we get those people out of the country before Saddam and his murderous troops crushed the Kurds?

Yesterday, CIA chief John Deutch told Congress that Saddam is politically stronger today than he was before he sent his troops into northern Iraq. Somebody asked the question, well, is Saddam better off today than he was 2 weeks ago? The answer is clearly, yes. We have lost a good deal of credibility.

So, Mr. President, it is a very dangerous world we live in. It is easy to criticize. But it is important to point out the gross inconsistencies associated with these items that I have touched on today.

I think the administration is naive. I think they are gullible. I do not think they are equipped, based on their record, to deal with the dangers that confront us today and in the immediate future. Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MURKOWSKI). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

ON PUBLIC SERVICE

Mr. HATFIELD. Mr. President, in the last days of this session, as I reflect on the past 30 years in which I have been priviliged to serve here in the U.S. Senate, my thoughts turn time and again to the many, many individuals who not only have enriched my experience here but have been exemplars of public service. I cannot possibly name them all or thank them all. There are two gentlemen, however, who have been integral to the work of the Appropriations Committee in my time as chairman and ranking minority member these past 15 years, and I want to take a few minutes today to thank them, particularly, today.

Bill Hoagland has served as the staff director of the Senate Budget Committee for 11 years. In that time, he has grappled with Gramm–Rudman–Hollings, played a significant role in the 1987, 1990, and 1995 ''budget summit'' negotiations, and fought daily battles with virtually every committee in the Senate and the House of Representatives to nurture an effective congressional budget process and keep the fiscal policy of our Government on a sound foundation. The legislative process during his tenure in the Senate has been nearly consumed with budget legislation of one sort or another, and he has been in the midst of it all.

Bill Hoagland has epitomized the qualities and character of an outstanding public servant and Senate staffer. He has been unfailingly honest. He has considered opposing views of issues dispassionately. He has been a staunch defender of the budget process, and a loyal advisor to his chairman, Senator PETE DOMENICI. Like his chairman, he has been courageous in holding his convictions despite harsh criticism from certain quarters. The Senate is fortunate to have his able assistance, and I salute him.

A sound relationship with the Office of Management and Budget is very important to the work of the Appropriations Committee, and in the past 10 years that relationship has been enhanced by the work of Chuck Kieffer, a career employee of OMB. Chuck started at OMB when Mr. David Stockman was named Director, and he has served under every Director since, through Republican and Democratic administrations alike. He has been the principal OMB liaison with the House and Senate Appropriations Committees under Republican and Democratic majorities.

By virtue of that experience, Chuck Kieffer has become the single person in OMB most knowledgeable about the appropriations process. He is the institutional memory of the Executive Office of the President on what we have done, and what we have left undone, in appropriations acts. More important, he is the honest broker between the Congress and the administration, faithfully characterizing the differences between us, and providing accurate information to bridge those differences. He works impossibly long hours keeping track of myriad issues, and does so with a degree of professionalism that meets the highest standard. For that, he has earned the respect and appreciation of the committee members and staff in both Houses on both sides of the aisle, and I want thank him for his service.

Mr. President, there are many other people throughout our Government, at all levels, who perform demanding jobs under difficult circumstances. They do so with integrity and diligence to duty. Those of us who serve here, in the House of Representatives, and in the highest levels of the executive departments, could not do without them. All of the citizens of this Nation owe them more than we ever effectively express. By expressing my appreciation to Bill Hoagland and Chuck Kieffer, I mean to convey that appreciation to all those other public servants as well, who perform day after day these many duties staffing our committees and our personal offices.

(The remarks of Mr. HATFIELD pertaining to the introduction of S. 2100 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

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

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

MORNING BUSINESS

(During today's session of the Senate, the following morning business was transacted.)

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Thursday, September 19, the Federal debt stood at $5,190,460,235,894.57.

One year ago, September 19, 1995, the Federal debt stood at $4,965,955,000,000.

Five years ago, September 19, 1991, the Federal debt stood at $3,625,828,000,000.

Ten years ago, September 19, 1986, the Federal debt stood at $2,108,205,000,000. This reflects an increase of more than $3 trillion, $3,010,255,235,894.57, during the 10 years from 1986 to 1996.

HONORING LOWELL MOHLER, CHIEF ADMINISTRATIVE OFFICER OF THE MISSOURI FARM BUREAU

Mr. ASHCROFT. Mr. President, in 1794 George Washington said, ''I know

of no other pursuit in which more real and important services can be rendered to any country than improving its agriculture.'' These words mean as much today, over 200 years later, as they did then. Agricultural industries employ nearly 20 percent of all Americans.

Today, I rise to honor a dear friend for 26 years of dedicated service to Missouri agriculture. On September 24, 1996, Lowell Mohler will gather with friends, family, and colleagues to celebrate the achievements of his distinguished career with the Missouri Farm Bureau. Lowell is a native Missourian born in Oregon, MO. Agriculture was always in his blood. Upon receiving his agriculture degree from the University of Missouri, he pursued an active career in agriculture, including assistant director of marketing for the Kansas State Board of Agriculture, marketing director of the Missouri Department of Agriculture and a vital member of the Missouri Farm Bureau.

Lowell began his career with the Missouri Farm Bureau in 1970 and currently serves as the chief administrative officer and corporate secretary. For many years, Lowell has been a driving force meeting Missouri farmers' needs. Over these years, Lowell has been honored by his peers many times over. In April 1988, Gamma Sigma Delta, a national honor society recognizing individuals for scholarship and service in agriculture, honored him with the Distinguished Service to Agriculture Award for his outstanding support of the University of Missouri's College of Agriculture. In September 1990, Lowell was again honored with the Missouri University Alumni Association Distinguished Service Award for his continuing support and efforts in adding to the excellence of the university. In January 1991, he received the Missouri University Citation of Merit Award and the Presidential Citation Award for Extension. In October 1991, he received the State Friend of Extension Award in recognition of outstanding public service and support of the Missouri Cooperative Extension Service and its educational programs. In 1995, he was honored with the Ag Leader of the Year Award presented by the Missouri Ag Industries Council. Lowell's attributes are many as his honors describe.

Lowell was there during the devastating Missouri flood of 1993, helping farmer after farmer cope with their great losses due to rising floodwaters. His own farm, which borders the great Missouri River, also fell victim with huge crop losses due to the floodwaters. But Missouri farmers persevered and overcame with the help of Lowell and the Missouri Farm Bureau.

Lowell's generosity, integrity and foresight have continued over the years to keep Missouri agricultural interests strong for Missouri families and farmers. American farmers set the world agricultural standards by producing the highest quality products at the lowest prices. Missouri's 28 million acres of farmland and production of beef rank second in the Nation. Missouri is also among the top 15 States producing rice, soybeans, milo, hay, corn, and cotton. Agriculture is a critical force in Missouri's economy as well as the Nation's.

On a personal note, my friendship with Lowell has afforded me the opportunity of his wisdom. Lowell was always happy to advise me regarding my farm in Missouri. He unselfishly assisted me in planning and complying with conservation regulations, particularly in the area of soil and water conservation, tree preservation and replanting, pasture rotation, and general farm management. During my tenure as Governor, Lowell served on the transition team in 1985 to 1986; he was also appointed to the business and education partnership commission, which was a task force to study the higher education system in Missouri. Lowell provided me countless hours of advice on agricultural policy important to Missouri farmers and ranchers, which was a result of policy established by the grassroots development process of the Missouri Farm Bureau. His whole family was involved, too. Lowell's wife, JoAnn, served as my executive secretary from 1985 to 1993 during my tenure as Governor of Missouri. Lowell and JoAnn continue to be close friends, whom I respect for advice and guidance.

For these important reasons, I rise today to recognize and salute my friend for not only the 26 years of exemplary service to the Missouri Farm Bureau, but for his lifelong dedication to the Missouri agricultural industry. Lowell Mohler's service and friendship has been an inspiring testimony to me as well as all Missourians.

TRIBUTE TO DONNELL HORN

Mr. REID. Mr. President, I rise today to honor one of Nevada's most dedicated activists, Pastor Donnell Horn. For 25 years, Pastor Horn has tirelessly ministered to others, working to better the lives of everyone he touches.

Serving as Pastor of New Revelation Baptist Church in Las Vegas for the past 16 years, Pastor Horn has not only earned the love and respect of his parishioners, but of the entire community to which he has devoted himself. Striving to uplift and empower the people he assists, Pastor Horn brings new hope to those struggling in hard times. He is a counselor and a minister who reaches out to heal his community. As he works to help those whose need is immediate, Pastor Horn also has a vision for the future and is always thinking of the next generation. His leadership and humanity have indeed made Las Vegas a better place, and, because of his work, our children's future looks brighter.

It is my pleasure to speak today in tribute to Donnell Horn, and congratulate him on his 25 years of service in the ministry. For the excellence and compassion with which he has performed his job, Nevada owes Donnell Horn a debt of gratitude.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting one nomination which was referred to the Committee on Finance.

(The nomination received today is printed at the end of the Senate proceedings.)

REPORT CONCERNING THE CUBAN LIBERTY AND DEMOCRATIC SOLIDARITY (LIBERTAD) ACT OF 1966—MESSAGE FROM THE PRESIDENT—PM 171

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Foreign Relations.

To the Congress of the United States:

This report is submitted pursuant to 1705(e)(6) of the Cuban Democracy Act of 1992, 22 U.S.C. 6004(e)(6) (the ''CDA''), as amended by section 102(g) of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996, Public Law 104–114; 110 Stat. 793 (the ''LIBERTAD Act''), which requires that I report to the Congress on a semiannual basis detailing payments made to Cuba by any United States person as a result of the provision of telecommunications services authorized by this subsection.

The CDA, which provides that telecommunications services are permitted between the United States and Cuba, specifically authorizes me to provide for payments to Cuba by license. The CDA states that licenses may provide for full or partial settlement of telecommunications services with Cuba, but does not require any withdrawal from a blocked account. Following enactment of the CDA on October 23, 1992, a number of U.S. telecommunications companies successfully negotiated agreements to provide telecommunications services between the United States and Cuba consistent with policy guidelines developed by the Department of State and the Federal Communications Commission.

Subsequent to enactment of the CDA, the Department of the Treasury's Office of Foreign Assets Control (OFAC) amended the Cuban Assets Control Regulations, 31 C.F.R. Part 515 (the ''CACR''), to provide for specific licensing on a case-by-case basis for certain transactions incident to the receipt or transmission of telecommunications between the United States and Cuba, 31

C.F.R. 515.542(c), including settlement of charges under traffic agreements.

The OFAC has issued eight licenses authorizing transactions incident to the receipt or transmission of telecommunications between the United States and Cuba since the enactment of the CDA. None of these licenses permits payments to the Government of Cuba from a blocked account. In the period October 23, 1992, to June 30, 1996, OFAC-licensed U.S. carriers reported payments to the Government of Cuba in settlement of charges under telecommunications traffic agreements as follows:

AT&T Corporation (formerly, American Telephone and Telegraph Company)	$39,647,734.42
AT&T de Puerto Rico	524.646.58
Global One (formerly, Sprint Incorporated)	4,870,053.05
IDB WorldCom Services, Inc. (formerly, IDB Communications, Inc.)	3,038,857.00
MCI International, Inc. (formerly, MCI Communications Corporation)	17,453,912.00
Telefonica Larga Distancia de Puerto Rico, Inc.	150,282.40
WilTel, Inc. (formerly, WilTel Underseas Cable, Inc.)	7,792,142.00
WorldCom, Inc. (formerly, LDDS Communications, Inc.)	3,349,967.88
Total	$76,827,595.33

I shall continue to report semiannually on telecommunications payments to the Government of Cuba from United States persons.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *September 20, 1996.*

MESSAGES FROM THE HOUSE

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

AT 10:30 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bills and joint resolution:

S. 1995. An act to authorize construction of the Smithsonian Institution National Air and Space Museum Dulles Center at Washington Dulles International Airport, and for other purposes.

S. 1636. An act to designate the United States Courthouse under construction at 1030 Southwest 3rd Avenue, Portland, Oregon, as the ''Mark O. Hatfield United States Courthouse,'' and for other purposes.

H.R. 1772. An act to authorize the Secretary of the Interior to acquire certain interests in the Waihee Marsh for Inclusion in the Oahu National Wildlife Refuge Complex.

H.R. 2909. An act to amend the Silvio O. Conte National Fish and Wildlife Refuge Act to provide that the Secretary of the Interior may acquire lands for purposes of that Act only by donation or exchange, or otherwise with the consent of the owner of the lands.

H.R. 3675. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1997, and for other purposes.

H.R. 3676. An act to amend title 18, United States Code, to clarify the intent of Congress with respect to the Federal carjacking prohibition.

H.R. 3802. An act to amend section 552 of title 5, United States Code, popularly known as the Freedom of Information Act, to provide for public access to information in an electronic format, and for other purposes.

H.J. Res. 191. Joint resolution to confer honorary citizenship of the United States on Agnes Gonxha Bojaxhiu, also known as Mother Teresa.

A message from the House of Representatives, delivered by one of its reading clerks, announced that the Speaker has signed the following bills:

H.R. 2464. An act to amend Public Law 103–93 to provide additional lands within the State of Utah for the Goshute Indian Reservation, and for other purposes.

H.R. 2512. An act to provide for certain benefits of the Pick-Sloan Missouri River basin program to the Crow Creek Sioux Tribe, and for other purposes.

H.R. 2982. An act to direct the Secretary of the Interior to convey the Carbon Hill National Fish Hatchery to the State of Alabama.

H.R. 3120. An act to amend title 18, United States Code, with respect to witness retaliation, witness tampering and jury tampering.

H.R. 3287. An act to direct the Secretary of the Interior to convey the Crawford National Fish Hatchery to the city of Crawford, Nebraska.

The enrolled bills were signed subsequently by the President pro tempore [Mr. THURMOND].

ENROLLED BILLS SIGNED

The following enrolled bills, previously signed by the Speaker of the House of Representatives, were signed on today, September 20, 1996, by the President pro tempore (Mr. THURMOND):

H.R. 2679. An act to revise the boundary of the North Platte National Wildlife Refuge, to expand the Pettaquamscutt Cove National Wildlife Refuge, and for other purposes.

H.R. 3060. An act to implement the Protocol on Environmental Protection to the Antarctic Treaty.

H.R. 3553. An act to amend the Federal Trade Commission Act to authorize appropriations for the Federal Trade Commission.

H.R. 3816. An act to making appropriations for energy and water development for the fiscal year ending September 30, 1997, and for other purposes.

S. 533. An act to clarify the rules governing removal of cases to Federal court, and for other purposes.

S. 677. An act to repeal a redundant venue provision, and for other purposes.

H.R. 3396. An act to define and protect the institution of marriage.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on September 20, 1996 he had presented to the President of the United States, the following enrolled bills:

S. 533. To clarify the rules governing removal of cases to Federal court, and for other purposes.

S. 677. To repeal a redundant venue provision, and for other purposes.

S. 1636. An act to designate the United States Courthouse under construction at 1030 Southwest 3rd Avenue, Portland, Oregon, as the ''Mark O. Hatfield United States Courthouse,'' and for other purposes.

S. 1995. An act to authorize construction of the Smithsonian Institution National Air and Space Museum Dulles Center at Washington Dulles International Airport, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC 4147. A communication from the Executive Director of the Martin Luther King, Jr. Federal Holiday Commission, transmitting, the annual report for the calendar year 1996; to the Committee on the Judiciary.

EC 4148. A communication from the Assistant Secretary of Labor for OSHA, transmitting, pursuant to law, a rule regarding occupational exposure to asbestos (RIN 1218–AB25) received on September 18, 1996; to the Committee on Labor and Human Resources.

EC 4149. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the National Institute for Occupational Safety and Health (NIOSH) and Center for Disease Control and Prevention (CDC) annual reports for fiscal years 1993 and 1994; to the Committee on Labor and Human Resources.

EC 4150. A communication from the Assistant Attorney General in the Civil Rights Division, Department of Justice, transmitting, pursuant to law, a report with respect to a rule entitled ''Americans with Disabilities Act Accessibility Guidelines; Detectable Warnings,'' (RIN 3014–AA18) received on September 16, 1996; to the Committee on Labor and Human Resources.

EC 4151. A communication from the Secretary of Defense, transmitting, a notice of retirement; to the Committee on Armed Services.

EC 4152. A communication from the Director of Defense Procurement in the Office of the Under Secretary of Defense, transmitting, pursuant to law, thirty rules amending the Defense Federal Acquisition Regulation Supplement (received on September 19, 1996); to the Committee on Armed Services.

EC 4153. A communication from the Fiscal Assistant Secretary, Department of the Treasury, transmitting, pursuant to law, a report relative to a government securities broker; to the Committee on Banking, Housing, and Urban Affairs.

EC 4154. A communication from the Secretary of the Securities and Exchange Commission, transmitting, pursuant to law, a rule concerning eliminating fees (RIN 3235–AG79) received on September 19, 1996; to the Committee on Banking, Housing, and Urban Affairs.

EC 4155. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, fifteen rules including one entitled ''Airworthiness Directives; Boeing Model 757 Series Airplanes; Docket 96–NM–223–AD,'' (RIN 2120–AA64, 2120–AA66) received on September 19, 1996; to the Committee on Commerce, Science, and Transportation.

EC 4156. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, a rule entitled ''Stability and Control of Heavy Vehicles,'' (RIN 2127–AG06) received on September 19, 1996; to the Committee on Commerce, Science, and Transportation.

EC 4157. A communication from the Fiscal Assistant Secretary, Department of the Treasury, transmitting, pursuant to law, the annual report for calendar year 1995; to the Committee on Banking, Housing, and Urban Affairs.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BINGAMAN (for himself and Mr. DOMENICI):

S. 2097. A bill to modify the boundary of Bandelier National Monument in the State of New Mexico, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. DOMENICI:

S. 2098. A bill to amend the Small Business Act to assist the development of small business concerns owned and controlled by women, and for other purposes; to the Committee on Small Business.

By Mr. GRASSLEY (for himself and Mr. GRAHAM):

S. 2099. A bill to amend title XIX of the Social Security Act to provide post-eligibility treatment of certain payments received under a Department of Veterans Affairs pension or compensation program, and for other purposes; to the Committee on Finance.

By Mr. HATCH:

S. 2100. A bill to provide for the extension of certain authority for the Marshal of the Supreme Court and the Supreme Court Police; read the first time.

By Mr. SPECTER (for himself, Mr. HATCH, Mr. KOHL, Mr. GRASSLEY, Mr. KENNEDY, Mr. BIDEN, Mrs. FEINSTEIN, Mr. THURMOND, Mr. LEAHY, Mr. SIMPSON, and Mr. LEVIN):

S. 2101. A bill to provide educational assistance to the dependents of Federal law enforcement officials who are killed or disabled in the performance of their duties; considered and passed.

By Mr. HATFIELD:

S. 2102. A bill to nullify the Supplemental Treaty Between the United States of America and the Confederated Tribes and Bands of Indians of Middle Oregon, concluded on November 15, 1865; read twice.

By Mr. BREAUX (for himself, Mr. FAIRCLOTH, Mr. HEFLIN, Mr. INHOFE, Mr. HELMS, and Mr. MACK):

S. 2103. A bill to amend title 17, United States Code, to protect vessel hull designs against unauthorized duplication, and for other purposes; to the Committee on the Judiciary.

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

S.J. Res. 62. A joint resolution granting the consent of the Congress to amendments made by Maryland, Virginia, and the District of Columbia to the Washington Metropolitan Area Transit Regulation Compact; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

Mr. DOMENICI:

S. 2098. A bill to amend the Small Business Act to assist the development of small business concerns owned and controlled by women, and for other purposes; to the Committee on Small Business.

THE WOMEN'S BUSINESS TRAINING CENTERS ACT OF 1996

Mr. DOMENICI. Mr. President, I am pleased to introduce the Women's Business Training Centers Act of 1996, a companion to H.R. 4071 introduced by Congresswoman Nancy Johnson on September 12.

As many of us recognize, women-owned businesses are one of the fastest growing, highly stable, and job-producing segments of our U.S. economy. At the same time, I am afraid they are also one of the most perceptually under-valued segments of our business sector; there are far too many who have overlooked this extraordinary group of business owners.

Let me cite some phenomenal statistics about women-owned businesses.

Between 1982 and 1987, women-owned firms increased by 57.5 percent, more than twice the rate of all U.S. businesses during that period. In 1987 they numbered approximately 4.1 million. By 1996, women-owned businesses had grown to approximately 8 million businesses and employed 18.5 million people, which is one out of every four U.S. company workers and more than the Fortune 500 companies employed worldwide. They generated an estimated $2.3 trillion in sales and are in every industrial sector.

The National Association of Women Business Owners [NAWBO] reports that the growth of women-owned firms continues to outpace overall business growth by nearly two to one, and that their top growth industries are construction, wholesale trade, transportation/communications, agribusiness, and manufacturing. Women entrepreneurs are taking their firms into the global marketplace at the same rate as all U.S. business owners. Women-owned businesses have sustaining power with 40 percent remaining in business for 12 years or more. As spectacular, women own 30 percent of all businesses and are projected to own 50 percent of all businesses by the year 2000.

These statistics are truly impressive. They also emphasize that women-owned businesses have achieved these monumental feats because of business acumen, as well as self-reliance, ingenuity, common sense, and dogged determination. I say this because there still remain enormous obstacles for women who want to establish businesses; in particular, access to capitol and technical assistance.

One of the most beneficial programs designed to assist women business owners is the Women's Business Training Centers in the Small Business Administration [SBA] to provide training, counseling, and technical assistance. I know personally how very beneficial this demonstration program has been in my State of New Mexico. I have talked with the women clients and toured their businesses, and thanks to the able leadership of the centers' personnel, these businesses are growing financially, employing new personnel, and creating new markets for their goods and services.

The Women's Business Training Centers Program is one of the most needed, best utilized, and tangibly successful activities I have seen. It is also one of the smallest programs in the SBA; the Administration requested only $2 million this year, although I am hopeful Congress will see fit to fully fund it at twice this amount. In my estimation, this program should be expanded so that the SBA can establish the business centers in all of the States, particularly those 22 States that currently have no sites.

The program is slated to end in 1997. I believe this would be a real disservice to America's women business owners. Therefore, this bill will permanently authorize the program, increase the centers' funding cycle from 3 to 5 years, and increase its presently authorized funding level from $4 to $8 million.

I believe the time has come for Congress to recognize how absolutely essential women entrepreneurs are to the American economy. As I stated previously, women business owners have achieved enormous successes because of their independent spirit and skills. We can, however, offer some valuable assistance for a very minimal amount of funding. I believe it fair to say that the return on that investment will far exceed just about any other we may make.

As the National Association of Women Business Owner's fact sheet points out, ''the greatest challenge of business ownership for women is being taken seriously.'' The statistics and proven record of women business owners speaks for itself, and I invite my colleagues to support this effort in their behalf.

This bill, which is going to continue to expand upon the concept of having women business training centers, should become law. I am not sure that will happen this year. But based upon the kind of things happening and the needs out there and the fairness of this approach, I believe it will become law. I am pleased to introduce it at this point.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2098

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Women's Business Training Centers Act of 1996''.

SEC. 2. WOMEN'S BUSINESS TRAINING CENTERS.

Section 29 of the Small Business Act (15 U.S.C. 656) is amended to read as follows:

''SEC. 29. (a) The Administration may provide financial assistance to private organizations to conduct five-year projects for the benefit of small business concerns owned and controlled by women. The projects shall provide—

''(1) financial assistance, including training and counseling in how to apply for and secure business credit and investment capital, preparing and presenting financial statements, and managing cashflow and other financial operations of a business concern;

''(2) management assistance, including training and counseling in how to plan, organize, staff, direct and control each major activity and function of a small business concern; and

''(3) marketing assistance, including training and counseling in identifying and segmenting domestic and international market opportunities, preparing and executing marketing plans, developing pricing strategies, locating contract opportunities, negotiating contracts, and utilizing varying public relations and advertising techniques.

''(b)(1)) As a condition of receiving financial assistance authorized by this section, the recipient organization shall agree to obtain, after its application has been approved and notice of award has been issued, cash contributions from non-Federal sources as follows:

''(A) in the first and second years, 1 non-Federal dollar for each 2 Federal dollars;

''(B) in the third year, 1 non-Federal dollar for each Federal dollar; and

''(C) in the fourth and fifth years, 2 non-Federal dollars for each Federal dollar.

''(2) Up to one-half of the non-Federal sector matching assistance may be in the form of in-kind contributions which are budget line items only, including but not limited to office equipment and office space.

''(3) The financial assistance authorized pursuant to this section may be made by grant, contract, or cooperative agreement and may contain such provision, as necessary, to provide for payments in lump sum or installments, and in advance or by way of reimbursement. The Administration may disburse up to 25 percent of each year's Federal share awarded to a recipient organization after notice of the award has been issued and before the non-Federal sector matching funds are obtained.

''(4) If any recipient of assistance fails to obtain the required non-Federal contribution during any project, it shall not be eligible thereafter for advance disbursements pursuant to paragraph (3) during the remainder of that project, or for any other project for which it is or may be funded. In addition, prior to approving assistance to such organization for any other projects, the Administration shall specifically determine whether the Administration believes that the recipient will be able to obtain the requisite non-Federal funding and enter a written finding setting forth the reasons for making such determination.

''(c) Each applicant organization initially shall submit a five-year plan on proposed fundraising and training activities, and a recipient organization may receive financial assistance under this program for a maximum of five years per site. The Administration shall evaluate and rank applicants in accordance with predetermined selection criteria that shall be stated in terms of relative importance. Such criteria and their relative importance shall be made publicly available and stated in each solicitation for applications made by the Administration. The criteria shall include—

''(1) the experience of the applicant in conducting programs or on-going efforts designed to impart or upgrade the business skills of women business owners or potential owners;

''(2) the present ability of the applicant to commence a project within a minimum amount of time; and

''(3) the ability of the applicant to provide training and services to a representative number of women who are both socially and economically disadvantaged.

''(d) For the purposes of this section, the term small business concern, either 'start-up' or existing, owned and controlled by women includes any small business concern—

''(1) which is at least 51 percent owned by one or more women; and

''(2) the management and daily business operations are controlled by one or more women.

''(e) There are authorized to be appropriated $8,000,000 per year to carry out the projects authorized by this section. Notwithstanding any other provision of law, the Administration may use such expedited acquisition methods as it deems appropriate to achieve the purposes of this section, except that it shall ensure that all eligible sources are provided a reasonable opportunity to submit proposals.

''(f) The Administration shall prepare and transmit a biennial report to the Committees on Small Business of the Senate and House of Representatives on the effectiveness of all projects conducted under the authority of this section. Such report shall provide information concerning—

''(1) the number of individuals receiving assistance;

''(2) the number of start-up business concerns formed;

''(3) the gross receipts of assisted concerns;

''(4) increases or decreases in profits of assisted concerns; and

''(5) the employment increases or decreases of assisted concerns.

''(g) OFFICE OF WOMEN'S BUSINESS OWNERSHIP.—There is hereby established within the Administration an Office of Women's Business Ownership, which shall be responsible for the administration of the Administration's programs for the development of women's business enterprises, as such term is defined in section 408 of the Women's Business Ownership Act of 1988. The Office of Women's Business Ownership shall be administered by an Assistant Administrator, who shall be appointed by the Administrator.''.

By Mr. GRASSLEY (for himself and Mr. GRAHAM):

S. 2099. A bill to amend title XIX of the Social Security Act to provide post-eligibility treatment of certain payments received under a Department of Veterans Affairs pension or compensation program, and for other purposes; to the Committee on Finance.

VETERANS BENEFITS LEGISLATION

Mr. GRASSLEY. Mr. President, on behalf of myself and Senator GRAHAM, I am introducing today legislation which, when enacted, will modify the treatment of certain veterans benefits received by veterans who reside in State veterans homes and whose care and treatment is paid for by the Medicaid Program.

Veterans residing in State veterans homes, who are eligible for aid and attendance [AA] and unusual medical expense [UME] benefits, veterans benefits provided under Title 38 of the United States Code, who are also eligible for Medicaid, are the only veterans in nursing homes who receive, and who are able to keep, the entire AA and UME benefit amounts. This can be as much as $1,000 per month.

Other veterans, who reside in other types of nursing homes are receiving Medicaid, and who are also eligible for AA/UME can receive only $90 per month from the VA.

Yet other veterans, who reside in State veterans homes but who are not eligible for the AA/UME benefits must contribute all but $90 of their income to the cost of their care.

So, even though veterans residing in State veterans homes who are eligible for AA and UME benefits and who qualify for Medicaid have all of their treatment and living expenses paid by the State Medicaid Program, they nevertheless may keep as much as $1,000 per month of the AA and UME benefits.

It might be useful for me to review how this state of affairs came to be.

In 1990, legislation was enacted (PL 101–508, November 5, 1990) which modified title 38, the veterans benefits title of the United States Code, to stipulate that veterans with no dependents, on title XIX, residing in nursing homes, and eligible for aid and attendance and unusual medical expenses, could receive only a $90 per month personal expense allowance from the VA, rather than the full UME and AA amounts.

State veterans homes were subsequently exempted from the definition of nursing homes which had been contained in those earlier provisions of PL 101–508 by legislation enacted in 1991—PL 102–40, May 7, 1991.

The result was that veterans on title XIX and residing in State veterans homes continued to receive UME and AA. Until recently, the State veterans homes followed a policy of requiring that all but $90 per month of these allowances be used to defray the cost of care in the home.

Then, a series of Federal Court decisions held that neither UME nor AA could be considered income. The court decisions appeared to focus on the definition of income used in pre- and post-eligibility income determinations for Medicaid. The court decisions essentially held that UME and AA payments to veterans did not constitute income for the purposes of post-eligibility income determinations. The reasoning was that, since these monies typically were used by veterans to defray the cost of certain services they were receiving, the payments constituted a ''wash'' for purposes of income gain by the veterans.

However, the frame of reference for the courts' decisions was not a nursing home environment in which a veteran receiving Medicaid benefits might find himself or herself. In other words, the UME and AA payment received by a veteran on Medicaid are provided to a veteran for services for which the State is already paying through the Medicaid program. The veteran is not paying for these services with their own income. So, as a consequence of the court decisions, these payments to the veteran in State Veterans Homes represent a net gain in income to the veteran; they are not paid out by the veteran to defray the cost of services the veteran is receiving.

As I mentioned earlier, VA does not pay AA or UME to veterans who are also on title XIX and residing in non-State Veterans Home nursing homes. Those veterans get only a $90 per month personal allowance.

And non-Medicaid eligible veterans who reside in State Veterans Homes

must pay for services with their own funds. If they get UME and AA payments, the State Veterans Home will take all but $90 of those sums to help defray the cost of the nursing home care.

Although the written record does not document this, I believe that the purpose for exempting State Veterans Homes was to allow the Homes to continue to collect all but $90 of the UME and AA paid to the eligible veteran so as to enable State Veterans Homes to provide service to more veterans than they otherwise would be able to provide.

In any case, it seems highly unlikely that the purpose of exempting State Veterans Homes would have been to allow these veterans, and only these among similarly situated veterans, to retain the entire UME and A&A amounts.

The legislation I am introducing today modifies Section 1902 (r)(1) of the Social Security Act to stipulate that, for purposes of the post-eligibility treatment of income of individuals who are institutionalized—and on Title 19—the payments received under a Department of Veterans Affairs pension or compensation program, including Aid and Attendance and Unusual Medical Expense payments, may be taken into account.

By Mr. HATCH:

S. 2100. A bill to provide for the extension of certain authority for the Marshal of the Supreme Court and the Supreme Court Police; read the first time.

MARSHALL OF THE SUPREME COURT LEGISLATION

Mr. HATCH. Mr. President, I am pleased to introduce legislation that is needed before the end of this legislative session. This simple bill would extend the authority of the Marshal of the Supreme Court and the Supreme Court Police to provide security to Justices, Court employees, and official visitors beyond the Court's buildings and grounds. The bill is straightforward and should not be controversial.

The authority for the Marshal of the Supreme Court and the Supreme Court Police to provide security beyond Court grounds appears at 40 U.S.C. 13n(a)(2), and was first established by Congress in 1982. Congress has periodically extended that authority, which is now slated to expire on December 29, 1996. See 40 U.S.C. 13n(c).

In the past 14 years, there has not been an interruption of the Supreme Court Police's authority to provide such protection. Congress originally provided that the authority would terminate in December 1985, and extensions have been provided ever since. In 1985, authority was extended through December 26, 1986; in 1986, it was extended through December 29, 1990; in 1990, it was extended through December 29, 1993; and in 1993, it was extended through December 29, 1996.

Chief Justice Rehnquist has written to me requesting that Congress extend this authority permanently. The Chief Justice correctly pointed out to me in his letter, ''As security concerns have not diminished, it is essential that the off-grounds authority of the Supreme Court Police be continued without interruption.'' The Supreme Court informs me that threats of violence against the Justices and the Court have increased since 1982, as has violence in the Washington metropolitan area. Accordingly, I support a permanent extension of this authority to provide for the safety of the Justices, court employees, and official visitors.

Given the late date in the Congress, however, and the fact that we must pass an extension before December 29, 1996, I am introducing legislation that would provide for a 4-year extension, until December 29, 2000. I encourage Congress at some point to extend the authority on a permanent basis, but I am suggesting a 4-year extension so that we can get this done on short order.

I note for my colleagues that this provision is without significant cost, but provides great benefits to those on the highest court in the land and those working with them. According to the Supreme Court, from 1993 through 1995, there were only 25 requests for Supreme Court Police protection beyond the Washington, DC metropolitan area, at a total cost of $2,997. I am also informed that off-grounds protection of the Justices within the DC area is provided without substantial additional cost, since it is part of the officers' regularly scheduled duties along with tasks on Court grounds.

I encourage my colleagues to support this much-needed extension so that we can pass this bill before we adjourn.

By Mr. HATFIELD:

S. 2102. A bill to nullify the Supplemental Treaty Between the United States of America and the Confederated Tribes and Bands of Indians of Middle Oregon, concluded on November 15, 1865; read twice and ordered placed on the calendar.

TREATY NULLIFICATION LEGISLATION

Mr. HATFIELD. Now, Mr. President, this is probably the last act of legislation that I will perform in my long tenure in the Senate. I want to offer today, and I am very hopeful that even though this is in the closing hours that this will rise above any other kind of considerations because it offers an opportunity for all of us to correct a historic wrong. One hundred and forty-one years ago, at the request of the U.S. Government, the Tribes of Middle Oregon gathered near The Dalles on the Columbia River to negotiate and sign a treaty that would forever change the lives of their people. On June 25, 1855, after many days of extended discussions and negotiations with Joel Palmer, Superintendent of Indian Affairs for the Oregon Territory, the treaty between the Tribes of Middle Oregon and the United States was signed. It was ratified by the U.S. Senate March 8, 1859 and has served since that time as the primary agreement between the Warm Springs Tribes and the U.S. Government.

The 1855 treaty established a reservation—referred to as the Warm Springs Reservation—some 50 miles to the south of the Columbia River, on the Deschutes River. The 1855 treaty also provided that the members of the signatory tribes settle on the newly created reservation and cede the balance of their territory to the United States. In signing the 1855 treaty, the tribes insisted upon retaining their right to hunt, fish, graze, and gather roots and berries at their usual and accustomed stations and on unclaimed lands outside the reservation. These reserved treaty rights were essential for the Tribes' life and culture.

While the tribes settled on the reservation soon after the treaty signing, they maintained their accustomed practice of traveling regularly to the Columbia River to harvest its magnificent runs of salmon. The continued presence of Indian people fishing along the Columbia, however, irritated the non-Indian settlers and prompted the then-Superintendent of Indian Affairs for Oregon, J.W. Perit Huntington, to pursue efforts to keep the Tribes away from the settlers.

To that end, Superintendent Huntington drew up a supplemental treaty and, on November 15, 1865, convinced the tribes of the Warm Springs Reservation to sign it. This treaty, called the Treaty with the Middle Oregon Tribes of November 15, 1865, was ratified by the U.S. Senate on March 2, 1867. According to its terms, the treaty prohibits the Indians from leaving the Warm Springs Reservation without the written permission of the Government and relinquishes all of the off-reservation rights so carefully negotiated by the tribes as part of the 1855 treaty.

The Indians of the Warm Springs Reservation have never complied with the 1865 treaty and the United States has never tried to enforce it. The historical record explains why this is so. The 1865 treaty was obtained by fraud—plain and simple. The Indians, who did not speak, read, or write English, were told by the Government agent that the treaty only required them to notify the Government agent when they left the reservation to fish on the Columbia. They were never told that the treaty abrogated their cherished right to fish at Celilo Falls and other traditional places outside the reservation. How do we know this? Historical documents. Historical documents, including subsequent U.S. Justice Department affidavits taken from Warm Springs Indians present at both the 1855 and 1865 treaty signings, show that the Indian signatories understood the agreement as providing a pass system identifying Indians leaving the reservation to exercise off-reservation rights. They understood this pass system as a means of distinguishing the friendly treaty tribes

from the hostile Indians who were raiding in the area. It was never understood or explained that the treaty relinquished all off-reservation rights, or that Indians could not leave the reservation without the Superintendent's written consent.

According to the affidavits, Huntington secured the signatures of members of the tribes during a stay on the reservation that lasted less than 24 hours. It is difficult to conceive that the tribes, in less than 1 day, would agree to imprison themselves on their reservation and relinquish the off-reservation rights that they exhaustively negotiated in 1855, cutting themselves off from their principle source of food. As the affidavit of Albert Kuck-up states:

> I am sure that the Indians would have positively refused to sign any paper, for Huntington or anyone else, that would have taken from them their fishing rights or fishery. Fish is to us what bread is to the white man.

Affidavits and other historic documents show that Huntington then departed for Klamath, OR, never to return. He even took with him the two wagons and teams he had promised to leave with the Indians of the Warm Springs Reservation.

Almost immediately following the signing of the 1865 treaty, the Indians from the Warm Springs Reservation continued to travel to the Columbia River to fish from their historic fishing sites. Warm Springs Agency agent John Smith wrote in his June 26, 1867, report to Superintendent Huntington that ''as early as the 16th of May, 1866, the Indians began to visit the salmon fisheries in large numbers.'' Reports by Agent Smith in subsequent years further document continued fishing on a substantial scale, and in a July 1, 1869, letter from Agent Smith to Superintendent A.B. Meacham—who replaced Huntington on May 15, 1869—Smith noted ''the Indians said they did not understand the terms of the [1865] treaty'', that ''they claim that it was not properly interpreted to them'', and that ''they were led to believe the right of taking fish, hunting game, etc., would still be given them because salmon was such an essential part of their subsistence.'' That same year, in a September 18, 1869 report regarding the Warm Springs Reservation to Superintendent Meacham, U.S. Army Captain W.M. Mitchell wrote,

> I also have to report, for the consideration of the proper authorities, that the Indians unanimously disclaim any knowledge whatever of having sold their right to the fishery at The Dalles of the Columbia, as stated in the amended treaty of 1865, and express a desire to have a small delegation of their head men visit their Great White Father in Washington, and to him present their cause of complaint.

Official U.S. Government reports in subsequent years continue to note the Warm Springs Reservation Indian's strong objection to the 1865 treaty, their continued and uninterrupted reliance on their fisheries on the Columbia River, and the fraudulent nature of the 1865 treaty signing. In the annual report, dated August 15, 1884, Warm Springs Agent Alonzo Gesner finds:

> on record what purports to be a supplementary treaty . . . which is beyond a doubt a forgery on the part of the Government in so far as it relates to the Indians ever relinquishing their right to the fisheries on the Columbia River; and as a matter of justice to the Indians, as well as to the Government, the matter should be made right and satisfactory to the Indians as soon as possible. . . . All the Indians say emphatically that when the treaty was read to them no mention was made of their giving up the right to fish. All that was said was that they were to agree not to leave the reservation without getting passes, . . . The fact is they were wilfully and wickedly deceived.

In 1886, Warm Springs Agent Jason Wheeler reported to the Commissioner of the Indian Affairs in Washington, DC, regarding the 1865 treaty that ''if ever a fraud was villainously perpetrated on any set of people, red or white, this was, in my opinion, certainly one of the most glaring.'' In 1887, Commissioner of Indian Affairs J.D.C. Atkins, in his annual report to the Secretary of the Interior, cited a recent War Department report by Gen. John Gibbons that:

> called attention to the oft-repeated, and I may say very generally credited, story of fraud in the treaty of 1865, whereby the Warm Springs Indians were, it is claimed, cheated out of their fishery by the Huntington treaty. Salmon,

he wrote:

> is material and of grave importance to them. It is their principal source of subsistence, and they never intended to part with it, but were cheated and swindled out of it by a cunning and unprincipled U.S. official. I would recommend your early attention to the matter upon the convening of Congress.

Mr. President, those are the words of representatives of the American Government assessing this kind of a fraud perpetrated upon the Warm Spring Indians in the 1870's and 1880's.

Mr. President, that report, along with the many others, along with appeals made by the tribes, apparently fell on deaf ears. But while the 1865 treaty remains on the books, the United States has never enforced it and the Tribes of the Warm Springs Reservation have continued the uninterrupted exercise of their 1855 off-reservation fishing, hunting, gathering, and grazing rights. The 1865 treaty has been effectually rendered null, disregarded by the tribes and the United States as a fraud from virtually the time it was signed. It is doubtful that the 1865 treaty has any legal validity. Moreover, in the intervening years, the Federal courts and the U.S. Congress have repeatedly recognized the Warm Springs Tribes' rights secured under the 1855 Treaty.

Mr. President, the legislation I introduce today declares the fraudulent 1865 treaty to be null and void. At the request of the Warm Springs Tribes, my bill will at long last correct this historical travesty. I wish to note that, other than formally nullifying what for many years has been a nullity in practice, this legislation will not alter the recognized 1855 rights of the Confederated Tribes of the Warm Springs Reservation. This legislation is more of a housekeeping measure—albeit housekeeping that will help the honor of the United States and dignity of a long-wronged people.

It is my understanding that both the chairman and ranking member of the Indian Affairs Committee are supportive of this proposal. The same is true for the administration. On that basis, I hope this matter can be addressed in an expeditious manner.

By Mr. BREAUX (for himself, Mr. FAIRCLOTH, Mr. HEFLIN, Mr. INHOFE, Mr. HELMS, and Mr. MACK):

S. 2103. A bill to amend title 17, United States Code, to protect vessel hull designs against unauthorized duplication, and for other purposes; to the Committee on the Judiciary.

THE BOAT PROTECTION ACT OF 1996

• Mr. BREAUX. Mr. President, today I am introducing a bill, entitled the Boat Protection Act of 1996. The bill will attempt to stop an increasingly common problem facing America's marine manufacturers—the unauthorized copying of boat hull designs. Such piracy threatens the integrity of the U.S. marine manufacturing industry and the safety of American boaters.

A boat manufacturer invests significant resources in creating a safe, structurally sound, high performance boat hull design from which a line of vessels can be manufactured. Standard practice calls for manufacturing engineers to create a hull model, or plug, from which they cast a mold. This mold is then used for mass production of boat hulls. Unfortunately, those intent on pirating such a design can simply use a finished boat hull to develop their own mold. This copied mold can then be used to manufacture boat hulls identical in appearance to the original line, and at a cost well below that incurred by the original designer.

This so-called hull splashing is a significant problem for consumers, manufacturers, and boat design firms. American consumers are defrauded in the sense that they do not benefit from the many aspects of the original hull design that contribute to its structural integrity and safety, and they are not aware that the boat they have purchased has been copied from an existing design. Moreover, if original manufacturers are undersold by these copies, they may no longer be willing to invest in new, innovative boat designs—boat designs that could provide safer, less expensive, quality watercraft for consumers.

A number of States have enacted anti-boat-hull-copying, or plug mold, statutes to address this problem of hull splashing. These States include my State of Louisiana, as well as Alabama, California, Florida, Indiana, Kansas, Maryland, Mississippi, Missouri, Tennessee, and Wisconsin. However, a decision by the U.S. Supreme Court in Bonito Boats versus Thundercraft Boats,

Inc., invalidated these State statutes on the basis of Federal patent laws preemption. The legislation I am introducing today would address the concerns of hull splashing without attempting to amend the patent are copyright laws.

Such nonintrusive initiatives are not new to Congress. In 1984, Congress acted to protect the unique nature of design work when it passed the Semiconductor Chip Protection Act. This act was designed to protect the mask works of semiconductor chips, which are essentially the molds form which the chips are made, against unauthorized duplication. I believe that the approach Congress took in that legislation would also be sufficient to protect boat hull designs.

The Boat Protection Act of 1996 would work in concert with current Federal law to protect American marine manufacturers from harmful and unfair competition. I am introducing this bill today as a demonstration of my commitment to the immediate resolution of this problem, and since enactment of this legislation during the remaining days of the 104th Congress is unlikely, I intend to pursue this issue as priority in the 105th Congress.

I urge my colleagues to support the Boat Protection Act of 1996 and to join in this effort to protect the American public and the marine manufacturing community from the assault on American ingenuity caused by hull splashing.●

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

S.J. Res. 62. A joint resolution granting the consent of the Congress to amendments made by Maryland, Virginia, and the District of Columbia to the Washington Metropolitan Area Transit Regulation Compact; to the Committee on the Judiciary.

THE WASHINGTON METROPOLITAN AREA TRANSIT REGULATION COMPACT AMENDMENTS ACT OF 1996

● Mr. WARNER. Mr. President, I am introducing legislation today which would grant the consent of Congress to amendments made by the Commonwealth of Virginia, the State of Maryland, and the District of Columbia to the Washington Metropolitan Area Transit Regulation Compact. The compact amendments that are being proposed today govern how the Washington Metropolitan Area Transit Authority (WMATA), better known as ''Metro'', conducts its daily operations as a transit provider.

The Washington Metropolitan Area Transit Authority was established in 1967 by Congress when it consented to an Interstate Compact created by Virginia, Maryland, and the District of Columbia. The authority was established to plan, finance, construct and operate a comprehensive public transit system for the Metropolitan Washington area. Today, Metro operates 1,439 buses and 764 rail cars serving the entire national capital region. The Metrorail System, sometimes called ''America's Subway'' has 89 miles and 74 stations currently in service. Over the next several years, Metro will construct another 13.5 miles of the rail system, with the planned 103-mile rail system being completed in 2001.

The Washington Metropolitan Area Transit Authority Compact has been amended five times since its inception. The amendments that are before the Committee are a sixth set of amendments that will enable the transit agency to perform its functions more efficiently and cost effectively.

The proposed amendments primarily, and most importantly, modify the Authority's procurement practices to conform with recently enacted federal procurement reforms. Currently, the Authority must use a sealed bid process in purchasing capital items. As you can imagine, the Authority conducts extensive procurement in constructing the rail system. The proposed amendments will enable Metro to engage in competitive negotiations on capital contracts, as an alternative to the sealed bid process. This amendment is particularly important as a means for the Authority to reduce its costs.

The transit agency will be better able to define selection criteria and eliminate costly items from bid proposals. If a prospective contractor recommends a change in a bid specification, under the proposed amendment that Authority will be able to take advantage of this cost savings.

The proposed amendments will also allow the Authority to raise its simplified purchasing ceiling from $10,000 to the federal level. The Federal Transit Administration, part of the U.S. Department of Transportation, has encouraged states and localities to raise the dollar threshold for small purchases to $100,000 to come into conformity with Federal procedures. The Authority and the jurisdictions it serves strongly endorse this proposed amendment, allowing the Authority to conduct its business in an efficient, business-like manner, rather than being required to publish voluminous bid specifications, even on small purchases. Under this revision, WMATA will be able to publish a simplified bid specification and accept price quotations, thus streamlining its procurement procedures. Given inflation rates over the past several years, this amendment provides a much better definition of ''small purchase'' for a government agency.

Finally, there are several administrative matters addressed in the proposed compact amendments that are certainly of a housekeeping nature. These amendments are largely codifications and clarifications of current practices. They relate to, for example, the primacy of D.C. Superior Court in cases involving WMATA, and the definition of a quorum at WMATA Board meetings.

This joint resolution is of the utmost importance to the Washington Metropolitan Area Transit Authority. It goes straight to the heart of how the Transit Authority does business.●

ADDITIONAL COSPONSORS

S. 968

At the request of Mr. MCCONNELL, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 968, a bill to require the Secretary of the Interior to prohibit the import, export, sale, purchase, and possession of bear viscera or products that contain or claim to contain bear viscera, and for other purposes.

S. 1832

At the request of Ms. MIKULSKI, the name of the Senator from Maryland [Mr. SARBANES] was added as a cosponsor of S. 1832, a bill to amend title II of the Social Security Act to provide that a monthly insurance benefit thereunder shall be paid for the month in which the recipient dies, subject to a reduction of 50 percent if the recipient dies during the first 15 days of such month, and for other purposes.

S. 2000

At the request of Mr. THOMAS, his name was added as a cosponsor of S. 2000, a bill to make certain laws applicable to the Executive Office of the President, and for other purposes.

At the request of Mr. COATS, the names of the Senator from South Carolina [Mr. THURMOND], the Senator from Connecticut [Mr. LIEBERMAN], and the Senator from Alaska [Mr. MURKOWSKI] were added as cosponsors of S. 2000, supra.

S. 2030

At the request of Mr. LOTT, the name of the Senator from New Hampshire [Mr. SMITH] was added as a cosponsor of S. 2030, a bill to establish nationally uniform requirements regarding the titling and registration of salvage, nonrepairable, and rebuilt vehicles, and for other purposes.

S. 2075

At the request of Mr. CHAFEE, the name of the Senator from Tennessee [Mr. FRIST] was added as a cosponsor of S. 2075, a bill to amend title XVIII of the Social Security Act to provide additional consumer protections for Medicare supplemental insurance.

SENATE CONCURRENT RESOLUTION 71

At the request of Mr. NICKLES, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of Senate Concurrent Resolution 71, a concurrent resolution expressing the sense of the Senate with respect to the persecution of Christians worldwide.

AMENDMENTS SUBMITTED

THE MARITIME SECURITY ACT OF 1996

GRASSLEY AMENDMENTS NOS. 5393–5395

Mr. GRASSLEY proposed three amendments to the bill (H.R. 1350) to amend the Merchant Marine Act, 1936

to revitalize the U.S.-flag merchant marine, and for other purposes; as follows:

AMENDMENT NO. 5393

On page 23, after line 25, insert the following:

''(7) FAIR AND REASONABLE COMPENSATION.—The term 'fair and reasonable compensation' means that charges for transportation provided by a vessel under section 653 do not exceed by more than 6 percent the lowest charges for the transportation of similar volumes of containerized or break bulk cargoes for private persons.

At the end of the bill, insert the following:

SEC. 18. MERCHANT MARINE ACT, 1936.

Section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241(b)) is amended by adding at the end the following new paragraph:

''(3) For the purposes of this subsection, the Secretary of Transportation shall consider the rates of privately owned United States-flag commercial vessels that are available to an agency to transport cargo pursuant to paragraph (1) not to be fair and reasonable if, at the time the agency arranges for the transportation of the cargo, the lowest acceptable rate offered for the transportation by a privately owned United States-flag commercial vessel exceeds the lowest acceptable rate offered for the transportation by a foreign-flag commercial vessel by more than 6 percent.''.

SEC. 19. MILITARY SUPPLIES.

(a) IN GENERAL.—Section 2631 of title 10, United States Code, is amended—

(1) is subsection (a)—

(A) in the second sentence, by striking ''is excessive or otherwise unreasonable'' and inserting ''is not fair and reasonable''; and

(B) in the third sentence, by striking ''by those vessels may not be higher than the charges made for transporting like goods for private persons'' and inserting ''by those vessels as containerized or break bulk cargoes may not be higher than the charges made for transporting similar volumes of containerized or break bulk cargoes for private persons''. (2) in subsection (b)—

(A) by redesignating paragraph (3) as paragraph (4); and

(B) by inserting after paragraph (2) the following new paragraph:

''(3) For purposes of this section, the President shall consider the rates charged by a vessel referred to in this section not to be fair and reasonable if, at the time the arrangement is made for the transportation by sea of supplies referred to in subsection (a), the lowest acceptable freight offered for the transportation by any such vessel exceeds by more than 6 percent the lowest acceptable freight charged by a foreign-flag commercial vessel for transporting similar volumes of containerized or break bulk cargoes between the same geographic trade areas of origin and destination.''.

(b) MOTOR VEHICLES FOR MEMBER ON CHARGE OF PERMANENT STATION.—Section 2634 of title 10, United States Code, is amended—

(1) in subsection (a)(3), by inserting ''or if the freight charged by a vessel, referred to in clause (1) or (2) is not fair and reasonable'' after ''available''; and

(2) by adding at the end of subsection (b) the following new clause:

''(3) The term 'fair and reasonable' means with respect to the transportation of a motor vehicle by a vessel referred to in clause (1) or (2) of subsection (a) that the freight charged for such transportation does not exceed, by more than 6 percent, the lowest freight charged for such transportation by a vessel referred to in clause (3).''.

AMENDMENT NO. 5394

On page 16, between lines 23 and 24, insert the following:

''(q) PROHIBITION ON THE USE OF FUNDS FOR LOBBYING OR PUBLIC EDUCATION.—

''(1) IN GENERAL.—An operating agreement under this subtitle shall provide that no payment received by an owner or operator under the operating agreement may be used for the purpose of lobbying or public education.

''(2) DEFINITIONS.—For purposes of this subsection, the terms 'lobbying' and 'public education' shall have the meanings provided those terms by the Secretary of Transportation.''

On page 18, between lines 21 and 22, insert the following:

''(4) PROHIBITION ON THE USE OF FUNDS FOR LOBBYING OR PUBLIC EDUCATION.—

''(A) IN GENERAL.—An Emergency Preparedness Agreement under this section shall provide that no payment received by a contractor under this section may be used for the purpose of lobbying or public education.

''(B) DEFINITIONS.—For purposes of this paragraph, the terms 'lobbying' and 'public education' shall have the meanings provided those terms by the Secretary of Transportation.''

On page 26, between lines 17 and 18, insert the following new subsection:

''(c) PROHIBITION OF THE USE OF FUNDS FOR LOBBYING OR PUBLIC EDUCATION.—Section 603 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1173) is amended by adding at the end the following new subsection:

'''(g) PROHIBITION ON THE USE OF FUNDS FOR LOBBYING OR PUBLIC EDUCATION.—

'''(1) IN GENERAL.—No subsidy received by a contractor under a contract under this section may be used for the purpose of lobbying or public education.

'''(2) DEFINITIONS.—For purposes of this subsection, the terms, ''lobbying'' and ''public education'' shall have the meanings provided those terms by the Secretary of Transportation'.''

On page 16, between lines 23 and 24, insert the following:

''(q) PROHIBITION ON THE USE OF FUNDS TO INFLUENCE AN ELECTION.—An operating agreement under this subtitle shall provide that no payment received by an owner or operator under the operating agreement may be used for the purpose of influencing an election.''.

On page 18, between lines 21 and 22, insert the following:

''(4) PROHIBITION ON THE USE OF FUNDS TO INFLUENCE AN ELECTION.—An Emergency Preparedness Agreement under this section shall provide that no payment received by a contractor under this section may be used for the purpose of influencing an election.''.

On page 26, between lines 17 and 18, insert the following:

''(c) PROHIBITION ON THE USE OF FUNDS TO INFLUENCE AN ELECTION.—Section 603 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1173) is amended by adding at the end the following:

'''(g) PROHIBITION ON THE USE OF FUNDS TO INFLUENCE AN ELECTION.—No subsidy received by a contractor under a contract under this section may be used for the purpose of influencing an election.''.

AMENDMENT NO. 5395

At the appropriate place, insert the following new section:

SEC . IMPLEMENTATION OF VOLUNTARY INTERMODAL SEALIFT AGREEMENT.

(a) IN GENERAL.—In any national emergency covered under the Voluntary Intermodal Sealift Agreement described in the notice issued by the Maritime Administration on October 19, 1995, at 60 Fed. Reg. 54144, the Secretary of Transportation shall ensure that, to the maximum extend practicable, United States-flag vessels are called into service to satisfy Department of Defense contingency sealift requirements under a Stage III activation of the Agreement (as described in the notice) before foreign flag vessels are used to satisfy any such requirements.

(b) LEVEL OF PARTICIPATION.—

(1) IN GENERAL.—Notwithstanding any other provision of law, United States-flag vessels that are the subject to a payment or subsidy under title VI of the Merchant Marine Act, 1936, as amended by section 2 of this Act, shall be required to participate under the Voluntary Intermodal Sealift Agreement in accordance with this section.

(2) STAGE III LEVEL OF PARTICIPANTS.—In a Stage III activation of the Voluntary Intermodal Sealift Agreement, a carrier shall make available for satisfying Department of Defense contingency sealift requirements 100 percent of the carrier's United States-flag vessels that are subject to a payment or subsidy referred to in paragraph (1).

(3) STAGE I OR II LEVEL OF PARTICIPATION.—In a Stage I or II activation of the Voluntary Intermodal Sealift Agreement, a carrier shall make available for satisfying Department of Defense contingency sealift requirements the maximum percentage practicable for the carrier's United States-flag vessels that are subject to a payment or subsidy referred to in paragraph (1).

(c) REQUIREMENT FOR CERTAIN STAGE III PARTICIPANTS.—

(1) REQUIREMENT.—Notwithstanding any other provision of law, in the provision of sealift services in accordance with a Stage III activation of the Voluntary Intermodal Sealift Agreement, a United States-flag vessel referred to in subsection (b) shall be operated by a crew composed entirely of United States citizens—

(A) whenever the vessel is in a combat zone; and

(B) during any other activity under Stage III of such agreement.

(2) PROHIBITION.—A carrier may not use any vessel other than a United States-flag vessel operated by a crew composed entirely of citizens of the United States to provide any part of sealift services that the carrier is obligated to provide under a Stage III activation of the Voluntary Intermodal Sealift Agreement.

(d) CONSULTATION.—The Administrator of the Maritime Administration, in consultation with the Secretary of Defense, shall establish procedures to ensure that the requirements of this section are met.

(e) DEFINITIONS.—For purposes of this subsection, the following definitions shall apply:

(1) COMBAT ZONE.—The term ''combat zone'' shall have the meaning provided that term in section 112(c)(2) of the Internal Revenue Code of 1986.

(2) NATIONAL EMERGENCY.—The term ''national emergency'' means a general declaration of emergency with respect to the national defense made by the President or by the Congress.

HARKIN AMENDMENT NO. 5396

Mr. INOUYE (for Mr. HARKIN) proposed an amendment to amendment No. 5393 proposed by Mr. GRASSLEY to the bill, H.R. 1350, supra; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SEC. . OCEAN FREIGHT CHARGES.

(a) IN GENERAL.—Notwithstanding any other provision of law, the Secretary of Transportation shall finance any ocean

freight charges for food or export assistance provided by the Federal Government for any fiscal year, to the extent that such charges are greater than would otherwise be the case because of the application of a requirement that agricultural commodities be transported in United States-flag vessels.

(b) APPLICATION OF OTHER ACTS.—Subsections (c), (d), and (e) of section 901d of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241h) shall apply to reimbursements required under subsection (a).

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

(1) AGRICULTURAL COMMODITY.—Ther term ''agricultural commodity'' has the same meaning given to such term by section 402 of the Agricultural Trade Development and Assistance Act of 1954.

(2) FOOD ASSISTANCE.—The term ''food assistance'' means any export activity described in section 901b(b) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241f(b)).

THE HEALTH CENTERS CONSOLIDATION ACT OF 1996

KASSABAUM AMENDMENT NO. 5397

Mr. LOTT (for Mrs. KASSEBAUM) proposed an amendment to the bill (S. 1044) to amend title III of the Public Health Service Act to consolidate and reauthorize provisions relating to health centers, and for other purposes; as follows:

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Health Centers Consolidation Act of 1996''.

SEC. 2. CONSOLIDATION AND REAUTHORIZATION OF PROVISIONS.

Subpart I of part D of title III of the Public Health Service Act (42 U.S.C. 254b et seq.) is amended to read as follows:

''Subpart I—Health Centers

''SEC. 330. HEALTH CENTERS.

''(a) DEFINITION OF HEALTH CENTER.—

''(1) IN GENERAL.—For purposes of this section, the term 'health center' means an entity that serves a population that is medically underserved, or a special medically underserved population comprised of migratory and seasonal agricultural workers, the homeless, and residents of public housing, by providing, either through the staff and supporting resources of the center or through contracts or cooperative arrangements—

''(A) required primary health services (as defined in subsection (b)(1)); and

''(B) as may be appropriate for particular centers, additional health services (as defined in subsection (b)(2)) necessary for the adequate support of the primary health services required under subparagraph (A);

for all residents of the area served by the center (hereafter referred to in this section as the 'catchment area').

''(2) LIMITATION.—The requirement in paragraph (1) to provide services for all residents within a catchment area shall not apply in the case of a health center receiving a grant only under subsection (g), (h), or (i).

''(b) DEFINITIONS.—For purposes of this section:

''(1) REQUIRED PRIMARY HEALTH SERVICES.—

''(A) IN GENERAL.—The term 'required primary health services' means—

''(i) basic health services which, for purposes of this section, shall consist of—

''(I) health services related to family medicine, internal medicine, pediatrics, obstetrics, or gynecology that are furnished by physicians and where appropriate, physician assistants, nurse practitioners, and nurse midwives;

''(II) diagnostic laboratory and radiologic services;

''(III) preventive health services, including—

''(aa) prenatal and perinatal services;

''(bb) screening for breast and cervical cancer;

''(cc) well-child services;

''(dd) immunizations against vaccine-preventable diseases;

''(ee) screenings for elevated blood lead levels, communicable diseases, and cholesterol;

''(ff) pediatric eye, ear, and dental screenings to determine the need for vision and hearing correction and dental care;

''(gg) voluntary family planning services; and

''(hh) preventive dental services;

''(IV) emergency medical services; and

''(V) pharmaceutical services as may be appropriate for particular centers;

''(ii) referrals to providers of medical services and other health-related services (including substance abuse and mental health services);

''(iii) patient case management services (including counseling, referral, and follow-up services) and other services designed to assist health center patients in establishing eligibility for and gaining access to Federal, State, and local programs that provide or financially support the provision of medical, social, educational, or other related services;

''(iv) services that enable individuals to use the services of the health center (including outreach and transportation services and, if a substantial number of the individuals in the population served by a center are of limited English-speaking ability, the services of appropriate personnel fluent in the language spoken by a predominant number of such individuals); and

''(v) education of patients and the general population served by the health center regarding the availability and proper use of health services.

''(B) EXCEPTION.—With respect to a health center that receives a grant only under subsection (g), the Secretary, upon a showing of good cause, shall—

''(i) waive the requirement that the center provide all required primary health services under this paragraph; and

''(ii) approve, as appropriate, the provision of certain required primary health services only during certain periods of the year.

''(2) ADDITIONAL HEALTH SERVICES.—The term 'additional health services' means services that are not included as required primary health services and that are appropriate to meet the health needs of the population served by the health center involved. Such term may include—

''(A) environmental health services, including—

''(i) the detection and alleviation of unhealthful conditions associated with water supply;

''(ii) sewage treatment;

''(iii) solid waste disposal;

''(iv) rodent and parasitic infestation;

''(v) field sanitation;

''(vi) housing; and

''(vii) other environmental factors related to health; and

''(B) in the case of health centers receiving grants under subsection (g), special occupation-related health services for migratory and seasonal agricultural workers, including—

''(i) screening for and control of infectious diseases, including parasitic diseases; and

''(ii) injury prevention programs, including prevention of exposure to unsafe levels of agricultural chemicals including pesticides.

''(3) MEDICALLY UNDERSERVED POPULATIONS.—

''(A) IN GENERAL.—The term 'medically underserved population' means the population of an urban or rural area designated by the Secretary as an area with a shortage of personal health services or a population group designated by the Secretary as having a shortage of such services.

''(B) CRITERIA.—In carrying out subparagraph (A), the Secretary shall prescribe criteria for determining the specific shortages of personal health services of an area or population group. Such criteria shall—

''(i) take into account comments received by the Secretary from the chief executive officer of a State and local officials in a State; and

''(ii) include factors indicative of the health status of a population group or residents of an area, the ability of the residents of an area or of a population group to pay for health services and their accessibility to them, and the availability of health professionals to residents of an area or to a population group.

''(C) LIMITATION.—The Secretary may not designate a medically underserved population in a State or terminate the designation of such a population unless, prior to such designation or termination, the Secretary provides reasonable notice and opportunity for comment and consults with—

''(i) the chief executive officer of such State;

''(ii) local officials in such State; and

''(iii) the organization, if any, which represents a majority of health centers in such State.

''(D) PERMISSIBLE DESIGNATION.—The Secretary may designate a medically underserved population that does not meet the criteria established under subparagraph (B) if the chief executive officer of the State in which such population is located and local officials of such State recommend the designation of such population based on unusual local conditions which are a barrier to access to or the availability of personal health services.

''(c) PLANNING GRANTS.—

''(1) IN GENERAL.—

''(A) CENTERS.—The Secretary may make grants to public and nonprofit private entities for projects to plan and develop health centers which will serve medically underserved populations. A project for which a grant may be made under this subsection may include the cost of the acquisition and lease of buildings and equipment (including the costs of amortizing the principal of, and paying the interest on, loans) and shall include—

''(i) an assessment of the need that the population proposed to be served by the health center for which the project is undertaken has for required primary health services and additional health services;

''(ii) the design of a health center program for such population based on such assessment;

''(iii) efforts to secure, within the proposed catchment area of such center, financial and professional assistance and support for the project;

''(iv) initiation and encouragement of continuing community involvement in the development and operation of the project; and

''(v) proposed linkages between the center and other appropriate provider entities, such as health departments, local hospitals, and rural health clinics, to provide better coordinated, higher quality, and more cost-effective health care services.

''(B) COMPREHENSIVE SERVICE DELIVERY NETWORKS AND PLANS.—The Secretary may make grants to health centers that receive assistance under this section to enable the centers to plan and develop a network or plan for the provision of health services, which may include the provision of health services on a prepaid basis or through another managed care arrangement, to some or to all of the individuals which the centers serve. Such a grant may only be made for such a center if—

''(i) the center has received grants under subsection (e)(1)(A) for at least 2 consecutive years preceding the year of the grant under this subparagraph or has otherwise demonstrated, as required by the Secretary, that such center has been providing primary care services for at least the 2 consecutive years immediately preceding such year; and

''(ii) the center provides assurances satisfactory to the Secretary that the provision of such services on a prepaid basis, or under another managed care arrangement, will not result in the diminution of the level or quality of health services provided to the medically underserved population served prior to the grant under this subparagraph.

Any such grant may include the acquisition and lease of buildings and equipment which may include data and information systems (including the costs of amortizing the principal of, and paying the interest on, loans), and providing training and technical assistance related to the provision of health services on a prepaid basis or under another managed care arrangement, and for other purposes that promote the development of managed care networks and plans.

''(2) LIMITATION.—Not more than two grants may be made under this subsection for the same project, except that upon a showing of good cause, the Secretary may make additional grant awards.

''(d) MANAGED CARE LOAN GUARANTEE PROGRAM.—

''(1) ESTABLISHMENT.—

''(A) IN GENERAL.—The Secretary shall establish a program under which the Secretary may, in accordance with this subsection and to the extent that appropriations are provided in advance for such program, guarantee the principal and interest on loans made by non-Federal lenders to health centers funded under this section for the costs of developing and operating managed care networks or plans.

''(B) USE OF FUNDS.—Loan funds guaranteed under this subsection may be used—

''(i) to establish reserves for the furnishing of services on a pre-paid basis; or

''(ii) for costs incurred by the center or centers, otherwise permitted under this section, as the Secretary determines are necessary to enable a center or centers to develop, operate, and own the network or plan.

''(C) PUBLICATION OF GUIDANCE.—Prior to considering an application submitted under this subsection, the Secretary shall publish guidelines to provide guidance on the implementation of this section. The Secretary shall make such guidelines available to the universe of parties affected under this subsection, distribute such guidelines to such parties upon the request of such parties, and provide a copy of such guidelines to the appropriate committees of Congress.

''(2) PROTECTION OF FINANCIAL INTERESTS.—

''(A) IN GENERAL.—The Secretary may not approve a loan guarantee for a project under this subsection unless the Secretary determines that—

''(i) the terms, conditions, security (if any), and schedule and amount of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable, including a determination that the rate of interest does not exceed such percent per annum on the principal obligation outstanding as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States, except that the Secretary may not require as security any center asset that is, or may be, needed by the center or centers involved to provide health services;

''(ii) the loan would not be available on reasonable terms and conditions without the guarantee under this subsection; and

''(iii) amounts appropriated for the program under this subsection are sufficient to provide loan guarantees under this subsection.

''(B) RECOVERY OF PAYMENTS.—

''(i) IN GENERAL.—The United States shall be entitled to recover from the applicant for a loan guarantee under this subsection the amount of any payment made pursuant to such guarantee, unless the Secretary for good cause waives such right of recovery (subject to appropriations remaining available to permit such a waiver) and, upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made. Amounts recovered under this clause shall be credited as reimbursements to the financing account of the program.

''(ii) MODIFICATION OF TERMS AND CONDITIONS.—To the extent permitted by clause (iii) and subject to the requirements of section 504(e) of the Credit Reform Act of 1990 (2 U.S.C. 661c(e)), any terms and conditions applicable to a loan guarantee under this subsection (including terms and conditions imposed under clause (iv)) may be modified or waived by the Secretary to the extent the Secretary determines it to be consistent with the financial interest of the United States.

''(iii) INCONTESTABILITY.—Any loan guarantee made by the Secretary under this subsection shall be incontestable—

''(I) in the hands of an applicant on whose behalf such guarantee is made unless the applicant engaged in fraud or misrepresentation in securing such guarantee; and

''(II) as to any person (or successor in interest) who makes or contracts to make a loan to such applicant in reliance thereon unless such person (or successor in interest) engaged in fraud or misrepresentation in making or contracting to make such loan.

''(iv) FURTHER TERMS AND CONDITIONS.—Guarantees of loans under this subsection shall be subject to such further terms and conditions as the Secretary determines to be necessary to assure that the purposes of this section will be achieved.

''(3) LOAN ORIGINATION FEES.—

''(A) IN GENERAL.—The Secretary shall collect a loan origination fee with respect to loans to be guaranteed under this subsection, except as provided in subparagraph (C).

''(B) AMOUNT.—The amount of a loan origination fee collected by the Secretary under subparagraph (A) shall be equal to the estimated long term cost of the loan guarantees involved to the Federal Government (excluding administrative costs), calculated on a net present value basis, after taking into account any appropriations that may be made for the purpose of offsetting such costs, and in accordance with the criteria used to award loan guarantees under this subsection.

''(C) WAIVER.—The Secretary may waive the loan origination fee for a health center applicant who demonstrates to the Secretary that the applicant will be unable to meet the conditions of the loan if the applicant incurs the additional cost of the fee.

''(4) DEFAULTS.—

''(A) IN GENERAL.—Subject to the requirements of the Credit Reform Act of 1990 (2 U.S.C. 661 et seq.), the Secretary may take such action as may be necessary to prevent a default on a loan guaranteed under this subsection, including the waiver of regulatory conditions, deferral of loan payments, renegotiation of loans, and the expenditure of funds for technical and consultative assistance, for the temporary payment of the interest and principal on such a loan, and for other purposes. Any such expenditure made under the preceding sentence on behalf of a health center or centers shall be made under such terms and conditions as the Secretary shall prescribe, including the implementation of such organizational, operational, and financial reforms as the Secretary determines are appropriate and the disclosure of such financial or other information as the Secretary may require to determine the extent of the implementation of such reforms.

''(B) FORECLOSURE.—The Secretary may take such action, consistent with State law respecting foreclosure procedures and, with respect to reserves required for furnishing services on a prepaid basis, subject to the consent of the affected States, as the Secretary determines appropriate to protect the interest of the United States in the event of a default on a loan guaranteed under this subsection, except that the Secretary may only foreclose on assets offered as security (if any) in accordance with paragraph (2)(A)(i).

''(5) LIMITATION.—Not more than one loan guarantee may be made under this subsection for the same network or plan, except that upon a showing of good cause the Secretary may make additional loan guarantees.

''(6) ANNUAL REPORT.—Not later than April 1, 1998, and each April 1 thereafter, the Secretary shall prepare and submit to the appropriate committees of Congress a report concerning loan guarantees provided under this subsection. Such report shall include—

''(A) a description of the number, amount, and use of funds received under each loan guarantee provided under this subsection;

''(B) a description of any defaults with respect to such loans and an analysis of the reasons for such defaults, if any; and

''(C) a description of the steps that may have been taken by the Secretary to assist an entity in avoiding such a default.

''(7) PROGRAM EVALUATION.—Not later than June 30, 1999, the Secretary shall prepare and submit to the appropriate committees of Congress a report containing an evaluation of the program authorized under this subsection. Such evaluation shall include a recommendation with respect to whether or not the loan guarantee program under this subsection should be continued and, if so, any modifications that should be made to such program.

''(8) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection such sums as may be necessary.

''(e) OPERATING GRANTS.—

''(1) AUTHORITY.—

''(A) IN GENERAL.—The Secretary may make grants for the costs of the operation of public and nonprofit private health centers that provide health services to medically underserved populations.

''(B) ENTITIES THAT FAIL TO MEET CERTAIN REQUIREMENTS.—The Secretary may make grants, for a period of not to exceed 2-years, for the costs of the operation of public and nonprofit private entities which provide health services to medically underserved populations but with respect to which the Secretary is unable to make each of the determinations required by subsection (j)(3).

''(2) USE OF FUNDS.—The costs for which a grant may be made under subparagraph (A) or (B) of paragraph (1) may include the costs of acquiring and leasing buildings and equipment (including the costs of amortizing the principal of, and paying interest on, loans), and the costs of providing training related to the provision of required primary health services and additional health services and to the management of health center programs.

''(3) CONSTRUCTION.—The Secretary may award grants which may be used to pay the costs associated with expanding and modernizing existing buildings or constructing new buildings (including the costs of amortizing the principal of, and paying the interest on, loans) for projects approved prior to October 1, 1996.

''(4) LIMITATION.—Not more than two grants may be made under subparagraph (B) of paragraph (1) for the same entity.

''(5) AMOUNT.—

''(A) IN GENERAL.—The amount of any grant made in any fiscal year under paragraph (1) to a health center shall be determined by the Secretary, but may not exceed the amount by which the costs of operation of the center in such fiscal year exceed the total of—

''(i) State, local, and other operational funding provided to the center; and

''(ii) the fees, premiums, and third-party reimbursements, which the center may reasonably be expected to receive for its operations in such fiscal year.

''(B) PAYMENTS.—Payments under grants under subparagraph (A) or (B) of paragraph (1) shall be made in advance or by way of reimbursement and in such installments as the Secretary finds necessary and adjustments may be made for overpayments or underpayments.

''(C) USE OF NONGRANT FUNDS.—Nongrant funds described in clauses (i) and (ii) of subparagraph (A), including any such funds in excess of those originally expected, shall be used as permitted under this section, and may be used for such other purposes as are not specifically prohibited under this section if such use furthers the objectives of the project.

''(f) INFANT MORTALITY GRANTS.—

''(1) IN GENERAL.—The Secretary may make grants to health centers for the purpose of assisting such centers in—

''(A) providing comprehensive health care and support services for the reduction of—

''(i) the incidence of infant mortality; and

''(ii) morbidity among children who are less than 3 years of age; and

''(B) developing and coordinating service and referral arrangements between health centers and other entities for the health management of pregnant women and children described in subparagraph (A).

''(2) PRIORITY.—In making grants under this subsection the Secretary shall give priority to health centers providing services to any medically underserved population among which there is a substantial incidence of infant mortality or among which there is a significant increase in the incidence of infant mortality.

''(3) REQUIREMENTS.—The Secretary may make a grant under this subsection only if the health center involved agrees that—

''(A) the center will coordinate the provision of services under the grant to each of the recipients of the services;

''(B) such services will be continuous for each such recipient;

''(C) the center will provide follow-up services for individuals who are referred by the center for services described in paragraph (1);

''(D) the grant will be expended to supplement, and not supplant, the expenditures of the center for primary health services (including prenatal care) with respect to the purpose described in this subsection; and

''(E) the center will coordinate the provision of services with other maternal and child health providers operating in the catchment area.

''(g) MIGRATORY AND SEASONAL AGRICULTURAL WORKERS.—

''(1) IN GENERAL.—The Secretary may award grants for the purposes described in subsections (c), (e), and (f) for the planning and delivery of services to a special medically underserved population comprised of—

''(A) migratory agricultural workers, seasonal agricultural workers, and members of the families of such migratory and seasonal agricultural workers who are within a designated catchment area; and

''(B) individuals who have previously been migratory agricultural workers but who no longer meet the requirements of subparagraph (A) of paragraph (3) because of age or disability and members of the families of such individuals who are within such catchment area.

''(2) ENVIRONMENTAL CONCERNS.—The Secretary may enter into grants or contracts under this subsection with public and private entities to—

''(A) assist the States in the implementation and enforcement of acceptable environmental health standards, including enforcement of standards for sanitation in migratory agricultural worker labor camps, and applicable Federal and State pesticide control standards; and

''(B) conduct projects and studies to assist the several States and entities which have received grants or contracts under this section in the assessment of problems related to camp and field sanitation, exposure to unsafe levels of agricultural chemicals including pesticides, and other environmental health hazards to which migratory agricultural workers and members of their families are exposed.

''(3) DEFINITIONS.—For purposes of this subsection:

''(A) MIGRATORY AGRICULTURAL WORKER.—The term 'migratory agricultural worker' means an individual whose principal employment is in agriculture on a seasonal basis, who has been so employed within the last 24 months, and who establishes for the purposes of such employment a temporary abode.

''(B) SEASONAL AGRICULTURAL WORKER.—The term 'seasonal agricultural worker' means an individual whose principal employment is in agriculture on a seasonal basis and who is not a migratory agricultural worker.

''(C) AGRICULTURE.—The term 'agriculture' means farming in all its branches, including—

''(i) cultivation and tillage of the soil;

''(ii) the production, cultivation, growing, and harvesting of any commodity grown on, in, or as an adjunct to or part of a commodity grown in or on, the land; and

''(iii) any practice (including preparation and processing for market and delivery to storage or to market or to carriers for transportation to market) performed by a farmer or on a farm incident to or in conjunction with an activity described in clause (ii).

''(h) HOMELESS POPULATION.—

''(1) IN GENERAL.—The Secretary may award grants for the purposes described in subsections (c), (e), and (f) for the planning and delivery of services to a special medically underserved population comprised of homeless individuals, including grants for innovative programs that provide outreach and comprehensive primary health services to homeless children and children at risk of homelessness.

''(2) REQUIRED SERVICES.—In addition to required primary health services (as defined in subsection (b)(1)), an entity that receives a grant under this subsection shall be required to provide substance abuse services as a condition of such grant.

''(3) SUPPLEMENT NOT SUPPLANT REQUIREMENT.—A grant awarded under this subsection shall be expended to supplement, and not supplant, the expenditures of the health center and the value of in kind contributions for the delivery of services to the population described in paragraph (1).

''(4) DEFINITIONS.—For purposes of this section:

''(A) HOMELESS INDIVIDUAL.—The term 'homeless individual' means an individual who lacks housing (without regard to whether the individual is a member of a family), including an individual whose primary residence during the night is a supervised public or private facility that provides temporary living accommodations and an individual who is a resident in transitional housing.

''(B) SUBSTANCE ABUSE.—The term 'substance abuse' has the same meaning given such term in section 534(4).

''(C) SUBSTANCE ABUSE SERVICES.—The term 'substance abuse services' includes detoxification and residential treatment for substance abuse provided in settings other than hospitals.

''(i) RESIDENTS OF PUBLIC HOUSING.—

''(1) IN GENERAL.—The Secretary may award grants for the purposes described in subsections (c), (e), and (f) for the planning and delivery of services to a special medically underserved population comprised of residents of public housing (such term, for purposes of this subsection, shall have the same meaning given such term in section 3(b)(1) of the United States Housing Act of 1937) and individuals living in areas immediately accessible to such public housing.

''(2) SUPPLEMENT NOT SUPPLANT.—A grant awarded under this subsection shall be expended to supplement, and not supplant, the expenditures of the health center and the value of in kind contributions for the delivery of services to the population described in paragraph (1).

''(3) CONSULTATION WITH RESIDENTS.—The Secretary may not make a grant under paragraph (1) unless, with respect to the residents of the public housing involved, the applicant for the grant—

''(A) has consulted with the residents in the preparation of the application for the grant; and

''(B) agrees to provide for ongoing consultation with the residents regarding the planning and administration of the program carried out with the grant.

''(j) APPLICATIONS.—

''(1) SUBMISSION.—No grant may be made under this section unless an application therefore is submitted to, and approved by, the Secretary. Such an application shall be submitted in such form and manner and shall contain such information as the Secretary shall prescribe.

''(2) DESCRIPTION OF NEED.—An application for a grant under subparagraph (A) or (B) of subsection (e)(1) for a health center shall include—

''(A) a description of the need for health services in the catchment area of the center;

''(B) a demonstration by the applicant that the area or the population group to be served by the applicant has a shortage of personal health services; and

''(C) a demonstration that the center will be located so that it will provide services to the greatest number of individuals residing in the catchment area or included in such population group.

Such a demonstration shall be made on the basis of the criteria prescribed by the Secretary under subsection (b)(3) or on any other criteria which the Secretary may prescribe to determine if the area or population group to be served by the applicant has a shortage of personal health services. In considering an application for a grant under subparagraph (A) or (B) of subsection (e)(1), the Secretary may require as a condition to the approval of such application an assurance that the applicant will provide any health service defined under paragraphs (1) and (2) of subsection (b) that the Secretary finds is needed to meet specific health needs of the area to be served by the applicant. Such a finding shall be made in writing and a copy shall be provided to the applicant.

''(3) REQUIREMENTS.—Except as provided in subsection (e)(1)(B), the Secretary may not approve an application for a grant under subparagraph (A) or (B) of subsection (e)(1) unless the Secretary determines that the entity for which the application is submitted is a health center (within the meaning of subsection (a)) and that—

''(A) the required primary health services of the center will be available and accessible in the catchment area of the center promptly, as appropriate, and in a manner which assures continuity;

''(B) the center has made and will continue to make every reasonable effort to establish and maintain collaborative relationships with other health care providers in the catchment area of the center;

''(C) the center will have an ongoing quality improvement system that includes clinical services and management, and that maintains the confidentiality of patient records;

''(D) the center will demonstrate its financial responsibility by the use of such accounting procedures and other requirements as may be prescribed by the Secretary;

''(E) the center—

''(i) has or will have a contractual or other arrangement with the agency of the State, in which it provides services, which administers or supervises the administration of a State plan approved under title XIX of the Social Security Act for the payment of all or a part of the center's costs in providing health services to persons who are eligible for medical assistance under such a State plan; or

''(ii) has made or will make every reasonable effort to enter into such an arrangement;

''(F) the center has made or will make and will continue to make every reasonable effort to collect appropriate reimbursement for its costs in providing health services to persons who are entitled to insurance benefits under title XVIII of the Social Security Act, to medical assistance under a State plan approved under title XIX of such Act, or to assistance for medical expenses under any other public assistance program or private health insurance program;

''(G) the center—

''(i) has prepared a schedule of fees or payments for the provision of its services consistent with locally prevailing rates or charges and designed to cover its reasonable costs of operation and has prepared a corresponding schedule of discounts to be applied to the payment of such fees or payments, which discounts are adjusted on the basis of the patient's ability to pay;

''(ii) has made and will continue to make every reasonable effort—

''(I) to secure from patients payment for services in accordance with such schedules; and

''(II) to collect reimbursement for health services to persons described in subparagraph (F) on the basis of the full amount of fees and payments for such services without application of any discount; and

''(iii) has submitted to the Secretary such reports as the Secretary may require to determine compliance with this subparagraph;

''(H) the center has established a governing board which except in the case of an entity operated by an Indian tribe or tribal or Indian organization under the Indian Self-Determination Act or an urban Indian organization under the Indian Health Care Improvement Act (25 U.S.C. 1651 et seq.)—

''(i) is composed of individuals, a majority of whom are being served by the center and who, as a group, represent the individuals being served by the center;

''(ii) meets at least once a month, selects the services to be provided by the center, schedules the hours during which such services will be provided, approves the center's annual budget, approves the selection of a director for the center, and, except in the case of a governing board of a public center (as defined in the second sentence of this paragraph), establishes general policies for the center; and

''(iii) in the case of an application for a second or subsequent grant for a public center, has approved the application or if the governing body has not approved the application, the failure of the governing body to approve the application was unreasonable;

except that, upon a showing of good cause the Secretary shall waive, for the length of the project period, all or part of the requirements of this subparagraph in the case of a health center that receives a grant pursuant to subsection (g), (h), (i), or (p);

''(I) the center has developed—

''(i) an overall plan and budget that meets the requirements of the Secretary; and

''(ii) an effective procedure for compiling and reporting to the Secretary such statistics and other information as the Secretary may require relating to—

''(I) the costs of its operations;

''(II) the patterns of use of its services;

''(III) the availability, accessibility, and acceptability of its services; and

''(IV) such other matters relating to operations of the applicant as the Secretary may require;

''(J) the center will review periodically its catchment area to—

''(i) ensure that the size of such area is such that the services to be provided through the center (including any satellite) are available and accessible to the residents of the area promptly and as appropriate;

''(ii) ensure that the boundaries of such area conform, to the extent practicable, to relevant boundaries of political subdivisions, school districts, and Federal and State health and social service programs; and

''(iii) ensure that the boundaries of such area eliminate, to the extent possible, barriers to access to the services of the center, including barriers resulting from the area's physical characteristics, its residential patterns, its economic and social grouping, and available transportation;

''(K) in the case of a center which serves a population including a substantial proportion of individuals of limited English-speaking ability, the center has—

''(i) developed a plan and made arrangements responsive to the needs of such population for providing services to the extent practicable in the language and cultural context most appropriate to such individuals; and

''(ii) identified an individual on its staff who is fluent in both that language and in English and whose responsibilities shall include providing guidance to such individuals and to appropriate staff members with respect to cultural sensitivities and bridging linguistic and cultural differences; and

''(L) the center, has developed an ongoing referral relationship with one or more hospitals.

For purposes of subparagraph (H), the term 'public center' means a health center funded (or to be funded) through a grant under this section to a public agency.

''(4) APPROVAL OF NEW OR EXPANDED SERVICE APPLICATIONS.—The Secretary shall approve applications for grants under subparagraph (A) or (B) of subsection (e)(1) for health centers which—

''(A) have not received a previous grant under such subsection; or

''(B) have applied for such a grant to expand their services;

in such a manner that the ratio of the medically underserved populations in rural areas which may be expected to use the services provided by such centers to the medically underserved populations in urban areas which may be expected to use the services provided by such centers is not less than two to three or greater than three to two.

''(k) TECHNICAL AND OTHER ASSISTANCE.—The Secretary may provide (either through the Department of Health and Human Services or by grant or contract) all necessary technical and other nonfinancial assistance (including fiscal and program management assistance and training in such management) to any public or private nonprofit entity to assist entities in developing plans for, or operating as, health centers, and in meeting the requirements of subsection (j)(2).

''(l) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—For the purpose of carrying out this section, in addition to the amounts authorized to be appropriated under subsection (d), there are authorized to be appropriated $802,124,000 for fiscal year 1997, and such sums as may be necessary for each of the fiscal years 1998 through 2001.

''(2) SPECIAL PROVISIONS.—

''(A) PUBLIC CENTERS.—The Secretary may not expend in any fiscal year, for grants under this section to public centers (as defined in the second sentence of subsection (j)(3)) the governing boards of which (as described in subsection (j)(3)(G)(ii)) do not establish general policies for such centers, an amount which exceeds 5 percent of the amounts appropriated under this section for that fiscal year. For purposes of applying the preceding sentence, the term 'public centers' shall not include health centers that receive grants pursuant to subsection (h) or (i).

''(B) DISTRIBUTION OF GRANTS.—

''(i) FISCAL YEAR 1997.—For fiscal year 1997, the Secretary, in awarding grants under this section shall ensure that the amounts made available under each of subsections (g), (h), and (i) in such fiscal year bears the same relationship to the total amount appropriated for such fiscal year under paragraph (1) as the amounts appropriated for fiscal year 1996 under each of sections 329, 340, and 340A (as such sections existed one day prior to the date of enactment of this section) bears to the total amount appropriated under sections 329, 330, 340, and 340A (as such sections existed one day prior to the date of enactment of this section) for such fiscal year.

''(ii) FISCAL YEARS 1998 AND 1999.—For each of the fiscal years 1998 and 1999, the Secretary, in awarding grants under this section shall ensure that the proportion of the amounts made available under each of subsections (g), (h), and (i) is equal to the proportion of amounts made available under each such subsection for the previous fiscal year, as such amounts relate to the total amounts appropriated for the previous fiscal year involved, increased or decreased by not more than 10 percent.

''(3) FUNDING REPORT.—The Secretary shall annually prepare and submit to the appropriate committees of Congress a report concerning the distribution of funds under this section that are provided to meet the health care needs of medically underserved populations, including the homeless, residents of public housing, and migratory and seasonal agricultural workers, and the appropriateness of the delivery systems involved in responding to the needs of the particular populations. Such report shall include an assessment of the relative health care access needs of the targeted populations and the rationale for any substantial changes in the distribution of funds.

''(m) MEMORANDUM OF AGREEMENT.—In carrying out this section, the Secretary may enter into a memorandum of agreement with a State. Such memorandum may include, where appropriate, provisions permitting such State to—

''(1) analyze the need for primary health services for medically underserved populations within such State;

''(2) assist in the planning and development of new health centers;

''(3) review and comment upon annual program plans and budgets of health centers, including comments upon allocations of health care resources in the State;

''(4) assist health centers in the development of clinical practices and fiscal and administrative systems through a technical assistance plan which is responsive to the requests of health centers; and

''(5) share information and data relevant to the operation of new and existing health centers.

''(n) RECORDS.—

''(1) IN GENERAL.—Each entity which receives a grant under subsection (e) shall establish and maintain such records as the Secretary shall require.

''(2) AVAILABILITY.—Each entity which is required to establish and maintain records under this subsection shall make such books, documents, papers, and records available to the Secretary or the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying or mechanical reproduction on or off the premises of such entity upon a reasonable request therefore. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have the authority to conduct such examination, copying, and reproduction.

''(o) DELEGATION OF AUTHORITY.—The Secretary may delegate the authority to administer the programs authorized by this section to any office, except that the authority to enter into, modify, or issue approvals with respect to grants or contracts may be delegated only within the central office of the Health Resources and Services Administration.

''(p) SPECIAL CONSIDERATION.—In making grants under this section, the Secretary shall give special consideration to the unique needs of sparsely populated rural areas, including giving priority in the awarding of grants for new health centers under subsections (c) and (e), and the granting of waivers as appropriate and permitted under subsections (b)(1)(B)(i) and (j)(3)(G).

''(q) AUDITS.—

''(1) IN GENERAL.—Each entity which receives a grant under this section shall provide for an independent annual financial audit of any books, accounts, financial records, files, and other papers and property which relate to the disposition or use of the funds received under such grant and such other funds received by or allocated to the project for which such grant was made. For purposes of assuring accurate, current, and complete disclosure of the disposition or use of the funds received, each such audit shall be conducted in accordance with generally accepted accounting principles. Each audit shall evaluate—

''(A) the entity's implementation of the guidelines established by the Secretary respecting cost accounting,

''(B) the processes used by the entity to meet the financial and program reporting requirements of the Secretary, and

''(C) the billing and collection procedures of the entity and the relation of the procedures to its fee schedule and schedule of discounts and to the availability of health insurance and public programs to pay for the health services it provides.

A report of each such audit shall be filed with the Secretary at such time and in such manner as the Secretary may require.

''(2) RECORDS.—Each entity which receives a grant under this section shall establish and maintain such records as the Secretary shall by regulation require to facilitate the audit required by paragraph (1). The Secretary may specify by regulation the form and manner in which such records shall be established and maintained.

''(3) AVAILABILITY OF RECORDS.—Each entity which is required to establish and maintain records or to provide for and audit under this subsection shall make such books, documents, papers, and records available to the Secretary or the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying or mechanical reproduction on or off the premises of such entity upon a reasonable request therefore. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have the authority to conduct such examination, copying, and reproduction.

''(4) WAIVER.—The Secretary may, under appropriate circumstances, waive the application of all or part of the requirements of this subsection with respect to an entity.''.

SEC. 3. RURAL HEALTH OUTREACH, NETWORK DEVELOPMENT, AND TELEMEDICINE GRANT PROGRAM.

(a) IN GENERAL.—Subpart I of part D of title III of the Public Health Service Act (42 U.S.C. 254b et seq.) (as amended by section 2) is further amended by adding at the end thereof the following new section:

''SEC. 330A. RURAL HEALTH OUTREACH, NETWORK DEVELOPMENT, AND TELEMEDICINE GRANT PROGRAM.

''(a) ADMINISTRATION.—The rural health services outreach demonstration grant program established under section 301 shall be administered by the Office of Rural Health Policy (of the Health Resources and Services Administration), in consultation with State rural health offices or other appropriate State governmental entities.

''(b) GRANTS.—Under the program referred to in subsection (a), the Secretary, acting through the Director of the Office of Rural Health Policy, may award grants to expand access to, coordinate, restrain the cost of, and improve the quality of essential health care services, including preventive and emergency services, through the development of integrated health care delivery systems or networks in rural areas and regions.

''(c) ELIGIBLE NETWORKS.—

''(1) OUTREACH NETWORKS.—To be eligible to receive a grant under this section, an entity shall—

''(A) be a rural public or nonprofit private entity that is or represents a network or potential network that includes three or more health care providers or other entities that provide or support the delivery of health care services; and

''(B) in consultation with the State office of rural health or other appropriate State entity, prepare and submit to the Secretary an application, at such time, in such manner, and containing such information as the Secretary may require, including—

''(i) a description of the activities which the applicant intends to carry out using amounts provided under the grant;

''(ii) a plan for continuing the project after Federal support is ended;

''(iii) a description of the manner in which the activities funded under the grant will meet health care needs of underserved rural populations within the State; and

''(iv) a description of how the local community or region to be served by the network or proposed network will be involved in the development and ongoing operations of the network.

''(2) FOR-PROFIT ENTITIES.—An eligible network may include for-profit entities so long as the network grantee is a nonprofit entity.

''(3) TELEMEDICINE NETWORKS.—

''(A) IN GENERAL.—An entity that is a health care provider and a member of an existing or proposed telemedicine network, or an entity that is a consortium of health care providers that are members of an existing or proposed telemedicine network shall be eligible for a grant under this section.

''(B) REQUIREMENT.—A telemedicine network referred to in subparagraph (A) shall, at a minimum, be composed of—

''(i) a multispecialty entity that is located in an urban or rural area, which can provide 24-hour a day access to a range of specialty care; and

''(ii) at least two rural health care facilities, which may include rural hospitals, rural physician offices, rural health clinics, rural community health clinics, and rural nursing homes.

''(d) PREFERENCE.—In awarding grants under this section, the Secretary shall give preference to applicant networks that include—

''(1) a majority of the health care providers serving in the area or region to be served by the network;

''(2) any federally qualified health centers, rural health clinics, and local public health departments serving in the area or region;

''(3) outpatient mental health providers serving in the area or region; or

''(4) appropriate social service providers, such as agencies on aging, school systems, and providers under the women, infants, and children program, to improve access to and coordination of health care services.

''(e) USE OF FUNDS.—

''(1) IN GENERAL.—Amounts provided under grants awarded under this section shall be used—

''(A) for the planning and development of integrated self-sustaining health care networks; and

''(B) for the initial provision of services.

''(2) EXPENDITURES IN RURAL AREAS.—

''(A) IN GENERAL.—In awarding a grant under this section, the Secretary shall ensure that not less than 50 percent of the grant award is expended in a rural area or to provide services to residents of rural areas.

''(B) TELEMEDICINE NETWORKS.—An entity described in subsection (c)(3) may not use in excess of—

''(i) 40 percent of the amounts provided under a grant under this section to carry out activities under paragraph (3)(A)(iii); and

''(ii) 20 percent of the amounts provided under a grant under this section to pay for the indirect costs associated with carrying out the purposes of such grant.

''(3) TELEMEDICINE NETWORKS.—

''(A) IN GENERAL.—An entity described in subsection (c)(3), may use amounts provided under a grant under this section to—

''(i) demonstrate the use of telemedicine in facilitating the development of rural health care networks and for improving access to health care services for rural citizens;

''(ii) provide a baseline of information for a systematic evaluation of telemedicine systems serving rural areas;

''(iii) purchase or lease and install equipment; and

''(iv) operate the telemedicine system and evaluate the telemedicine system.

''(B) LIMITATIONS.—An entity described in subsection (c)(3), may not use amounts provided under a grant under this section—

''(i) to build or acquire real property;

''(ii) purchase or install transmission equipment (such as laying cable or telephone lines, microwave towers, satellite dishes, amplifiers, and digital switching equipment); or

''(iii) for construction, except that such funds may be expended for minor renovations relating to the installation of equipment;

''(f) TERM OF GRANTS.—Funding may not be provided to a network under this section for in excess of a 3-year period.

''(g) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section there are authorized to be appropriated $36,000,000 for fiscal year 1997, and such sums as may be necessary for each of the fiscal years 1998 through 2001.''.

(b) TRANSITION.—The Secretary of Health and Human Services shall ensure the continued funding of grants made, or contracts or cooperative agreements entered into, under subpart I of part D of title III of the Public Health Service Act (42 U.S.C. 254b et seq.) (as such subpart existed on the day prior to the date of enactment of this Act), until the expiration of the grant period or the term of the contract or cooperative agreement. Such funding shall be continued under the same terms and conditions as were in effect on the date on which the grant, contract or cooperative agreement was awarded, subject to the availability of appropriations.

SEC. 4. TECHNICAL AND CONFORMING AMENDMENTS.

(a) IN GENERAL.—The Public Health Service Act is amended—

(1) in section 224(g)(4) (42 U.S.C. 233(g)(4)), by striking ''under'' and all that follows through the end thereof and inserting ''under section 330.'';

(2) in section 340C(a)(2) (42 U.S.C. 256c) by striking ''under'' and all that follows through the end thereof and inserting ''with assistance provided under section 330.''; and

(3) by repealing subparts V and VI of part D of title III (42 U.S.C. 256 et seq.).

(b) SOCIAL SECURITY ACT.—The Social Security Act is amended—

(1) in clauses (i) and (ii)(I) of section 1861(aa)(4)(A) (42 U.S.C. 1395x(aa)(4)(A)(i) and (ii)(I)) by striking ''section 329, 330, or 340'' and inserting ''section 330 (other than subsection (h))''; and

(2) in clauses (i) and (ii)(II) of section 1905(l)(2)(B) (42 U.S.C. 1396d(l)(2)(B)(i) and (ii)(II)) by striking ''section 329, 330, 340, or 340A'' and inserting ''section 330''.

(c) REFERENCES.—Whenever any reference is made in any provision of law, regulation, rule, record, or document to a community health center, migrant health center, public housing health center, or homeless health center, such reference shall be considered a reference to a health center.

(d) FTCA CLARIFICATION.—For purposes of section 224(k)(3) of the Public Health Service Act (42 U.S.C. 233(k)(3)), transfers from the fund described in such section for fiscal year 1996 shall be deemed to have occurred prior to December 31, 1995.

(e) ADDITIONAL AMENDMENTS.—After consultation with the appropriate committees of the Congress, the Secretary of Health and Human Services shall prepare and submit to the Congress a legislative proposal in the form of an implementing bill containing technical and conforming amendments to reflect the changes made by this Act.

SEC. 5. EFFECTIVE DATE.

This Act and the amendments made by this Act shall become effective on October 1, 1997.

ADDITIONAL STATEMENTS

NICHOLS RESEARCH CORP.

• Mr. SHELBY. Mr. President, I rise today to recognize Nichols Research Corp. of Huntsville, AL, which is celebrating its 20th year of technological leadership. For the past two decades, Nichols Research Corp. has made significant technological contributions to our Nation, and in so doing has shown itself to be a model example of the energy and dynamism of America's small businesses.

In 1976, Roy Nichols and Chris Horgen's small company consisted of a single office in Huntsville, AL, and a handful of employees. Since that time, Nichols Research Corp. has achieved remarkable growth, now employing 1,900 hard-working men and women in 27 offices nationwide. The astonishing rise to prominence of this once tiny firm is vivid proof that in America, great ideas, professional excellence, and perseverance can lead to unlimited success.

Since its humble beginnings, Nichols Research Corp.'s prosperity has been driven by its leadership in technological innovation and its ability to put its breakthrough ideas and professional know-how to work for all of us. For much of its history, Nichols Research Corp. has concentrated on developing technologies for America's defense. In recent years, Nichols Research Corp. has begun using its vast expertise to expand into the field of information technology, a rapidly progressing area which represents the vibrant future of the American economy. The skills and techniques which Nichols Research Corp. has gained are now being used to develop solutions for Government agencies as well as health care, transportation, and insurance businesses in the private sector.

Not surprisingly, Nichols Research Corp.'s innovativeness and leadership have drawn well-deserved praise and recognition. In 1993, Forbes magazine selected Nichols Research Corp. as 1 of only 13 firms for its ''Best of the Best'' list of small companies in America. In 1995, Nichols Research Corp. was named by the Department of Defense to its ''Top 100'' company list for research development testing and evaluation as well as other services and supplies. Today, I would like to recognize this small business success story for 20 years of growth and innovation, and congratulate Roy Nichols, Chris Horgen, and all of Nichols Research Corp.'s employees for their outstanding accomplishments. I am certain that Nichols Research Corp. will continue to make valuable contributions to America's defense and economic prosperity for many years to come.•

WEST VIRGINIA'S TRIBUTE TO JOHN HENRY

• Mr. ROCKEFELLER. Mr. President, on July 12–14, 1996, a 6-foot replica of a stamp honoring legendary railroad worker John Henry was the centerpiece of a weekend of festivities in the small town of Talcott in Summers County, WV. This stamp was part of a set of four folk hero stamps recently issued by the U.S. Postal Service also honoring Paul Bunyan, Pecos Bill, and the Mighty Casey. The Postal Service had initially only planned to announce the stamp in Pittsburgh and issue it in Anaheim, CA, at an annual show. However, I am proud to have been part of an effort launched by my colleague, Congressman NICK RAHALL, and the residents of Talcott to ensure that this folk legend and this great town which gave him birth were honored with a personalized unveiling and stamp cancellation ceremony.

In the latter part of 1995, the townspeople of Talcott were disappointed to learn that the U.S. Postal Service announced in Pittsburgh, PA, instead of West Virginia, the design of a 1996 stamp honoring John Henry. I asked for the rationale behind this decision and was advised by the Postal Service that this site was selected because of the city's linkage to railroad yards. While I could easily understand such a ''thematic'' or ''geographical'' approach—a Steel-Driving Man being recognized in the ''Steel City''—virtually all of the residents of my State strongly believed that John Henry's legend is based on the classic tale of his competition against the mechanical steam drill at Big Bend Mountain in Talcott. So it only would make sense for West Virginians to be able to celebrate the legend of John Henry and the issuance of his stamp with an appropriate ceremony of their own.

I asked the Postmaster General to plan a special ceremony in West Virginia for the John Henry stamp. I also urged him to organize a specific event in Talcott related to the 1996 John Henry stamp as the home of this folk legend.

The fact that West Virginia is the true home of the John Henry legend made it a natural choice for a special recognition ceremony to celebrate the emergence of this new stamp. John Henry's fame has fascinated millions of people throughout the world and continues to interest new generations to this day. He is a symbol of the importance of human determination and skill, which is increasingly meaningful given the rise of technology in today's culture. His significance in representing human labor and a tireless work ethic also play a compelling role in West Virginia's history.

But overall, to emphasize why this issue is so important, it is necessary to understand the legend and his link to West Virginia. Let me share with you a little of the history.

The details of the John Henry folklore sprang from the construction of the Big Bend Tunnel on the Chesapeake and Ohio railroad in Talcott in 1873. Various stories led to the legend of John Henry; but, unfortunately, no documentation exists because earlier C&O Railroad records were destroyed in a fire in 1880. Local historians do know that from 1870 to 1872, a gang of hand-drillers working from the railroad actually carved out rock from the Big Bend Mountain for the railroad. This tunnel stands as proof today that the legend of John Henry has roots in reality, and a statue of this folk hero tops this tunnel.

John Henry was assumed to be an African-American slave who worked on the team of Big Bend Tunnel drillers. Famed Appalachia folklore historian Dr. James Gay Jones of Glenville, WV, noted in his 1979 book, ''Haunted Valley, and More Folk Tales of Appalachia,'' that of all the railroad workers in the area of the time, a man known as John Henry was held in the highest esteem because of his prowess, immense size, brute strength, and great labor ethic. John Henry ''became known as a driver of steel,'' that is, he used these great sledgehammers to drive steel rods deep into red shale rock walls. The rods were then removed, explosives were placed in them, and portions of the wall were removed blast by blast.

When a new steam power drill, the Burleigh, was brought to the Big Bend Tunnel for testing purposes, legend has it that John Henry agreed to a wager to see if he could drive more steel and clear more tunnel than the machine. A contest was held, and the legend is that John Henry drove a deeper hole than the machine. It is the contest in the mountains of West Virginia that created the legend and made the point that man can triumph in the competition against machine.

There is some controversy over how and when John Henry died. Some claim that he died because of the contest when a blood vessel burst in his head. Others say he was killed in a rock fall in the Big Bend Tunnel. Regardless of the circumstance, his legend was born and nurtured by West Virginia to share with the world, and it lives on today. It is a bit of West Virginia's contribution to basic folklore which has enriched our Nation's culture and heritage, and West Virginians like me are very proud to take an active part in recognizing and preserving this heritage.●

NATIONAL POW/MIA RECOGNITION DAY

● Mr. SMITH. Mr. President, today in our Nation's Capital, the officially recognized black and white POW/MIA flag is flying over the U.S. Capitol Building, the White House, the State Department, the Department of Veterans Affairs, the Vietnam Veterans Memorial, the Korean War Veterans Memorial, and at national cemeteries across the country. Throughout the State of New Hampshire, concerned citizens have been gathering in Manchester, Derry, Meredith, and several other communities to renew our commitment to the fullest possible accounting of prisoners of war and missing in action personnel. Likewise, there are services being held across the country.

For 12 years in Congress, I have been proud to be a leader on the POW/MIA issue on behalf of their families, our Nation's veterans, and concerned Americans. This is an honorable cause that we have embarked on, and we must not stop until we know the truth, and until we can ensure that this national tragedy can never be allowed to happen again; 2,146 American servicemen are still unaccounted for from the Vietnam War, and over 8,100 are unaccounted for from the Korean War. There are over 100 American servicemen who were lost during cold war incidents, and we also cannot forget the 78,000 Americans who died during World War II, even though we were not able to recover their remains.

As many of my colleagues and my constituents know, I have worked hard to find answers for the POW/MIA families. I have traveled to Russia, North Korea, Vietnam, Laos, and Cambodia trying to convince these nations to be more forthcoming with information. I authored the legislation which created the Senate Select Committee on POW/MIA Affairs in 1991, and I did my very best as vice chairman to open the books on POW/MIA information which had previously been kept secret. I have also worked to pass legislation to declassify Government records on POW's and MIA's. Simply put, I have never let up on my commitment to the POW/MIA issue, and as long as I serve in Congress, I never will.

Mr. President, I feel strongly that all of us have a solemn, moral obligation to continue thoroughly investigating this national tragedy on behalf of the families who still wait for answers on the fate of their loved ones. Today, on National POW/MIA Recognition Day, I urge our Government leaders to renew our Nation's commitment to the fullest possible accounting of POW's and MIA's.●

BUMPERS AMENDMENT TO H.R. 3662

● Mr. WYDEN. Mr. President, I would like to enter some remarks for the record regarding the Bumpers grazing fee amendment to H.R. 3662, the Interior appropriations bill.

In my view, if Federal policies are enacted that drive the small, independent family rancher off the land, there will be many adverse consequences for our country. I appreciate Senator BUMPER's responsiveness to my concerns about small, family ranches that led to a 5,000 AUM cap instead of the original cap of 2,000 AUM.

This change, a 150-percent increase in AUM's over his initial proposed cap, resulted in an exemption from the fee increase for approximately 300 Oregon ranchers. Further, the amendment would not impact most of the 2,100 permittees in Oregon.

There are, however, some small family ranchers who I remain concerned about. A significant number of Oregon ranchers are small and independent but they operate through one permittee, an incorporated family ranch. They are the folks I am concerned about. They include families with multiple households who live on, work on, and derive their livelihood from the ranch. They are working together to provide for their families, they provide generations worth of knowledge, and they are active in associations and restoration work. It is those family ranches who hold permits to graze more than 5,000 AUM that will have to pay the increased fee.

To address this problem, each legitimate, separate household on a family ranch should be recognized as an independent permittee or lessee for the purposes of determining the grazing fee increase.

This should be done for a simple, yet very important reason. Multigenerational ranchers are the backbone of our land stewardship program. They provide a unique knowledge of the land, are critical to maintaining our national food supply, and are helping to ensure the long-term protection of our rangeland resources. We need to assure that we consider their needs as we look to the future of grazing on public lands.●

WHY AFRICA MATTERS: INTERNATIONAL CRIME, TERRORISM, AND NARCOTICS

● Mrs. KASSEBAUM. Mr. President, I rise to continue a series of speeches about why Africa matters to the United States. I have already spoken about our vulnerability to infectious diseases coming out of Africa, and have addressed the many ways in which environmental crisis in Africa can touch Americans right here at home.

Today, I want to speak about a topic that many people believe will be the primary security threat in the years ahead—international crime and terrorism. American corporations are spending increasing amounts of money to protect themselves from international criminal networks. Our children are still threatened by a thriving drug trade that links this country to narcotics centers around the globe. And after the World Trade Center bombings and the tragic loss of the passengers and crew of TWA flight 800, the threat of international terrorism has created a sense of insecurity in the American public such as we have never felt before.

WEAK STATE INSTITUTIONS

As the rise of criminal networks in the former Soviet Union has shown, weak state institutions and judiciaries create a climate for crime to flourish—and Africa is no exception. West Africa is noted as a hub for passport forgery; counterfeit money is produced in various African urban centers, and criminal networks smuggle diamonds and ivory across the continent's porous borders and overseas.

In some parts of the continent, soldiers and political officials use their formal occupations as an entry point to high-stakes criminal activity, taking control of resources to finance crime and appropriating entire localities to serve as a base of operations. Diamonds, drugs, and arms are flowing to and from these individual fiefdoms, because no strong, capable financial or legal institutions exist to differentiate the legitimate from the illegitimate. Let me give a few examples:

Warlords in Liberia use diamonds stolen from Sierra Leone to finance their contribution to Liberia's bloody conflict.

Not long ago, Angolan rebels were selling poached elephant ivory and smuggled diamonds on international markets to raise funds for their cause.

The rise of mercenary movements on the continent is a testament to this trend—mercenaries are often paid by allowing them access to resource-rich territories, further turning Africa into a free-for-all for criminals seeking profit, while legitimate governments and businesses are increasingly marginalized.

Criminal networks in Nigeria defraud American citizens of millions of dollars each year. Yet, the Nigerian military government—itself infected with corruption—does little to stop these acts.

And even in Africa's most developed economy—South Africa—the lack of effective and legitimate law enforcement has led to the growth of crime and narcotics trafficking. Nearly 500 criminal networks are thought to operate in Johannesburg, dealing in cocaine, heroin, Mandrax, diamonds, and ivory.

NARCOTICS FLOWS

Not only does such activity threaten to destabilize one of the most inspiring success stories of this century, but it also threatens Americans right here at home. Only one-tenth of the contraband in South Africa is for local consumption—the rest finds its way to Europe and the United States. In fact, approximately 30 to 40 percent of all hard narcotics that enter the United States come via African drug cartels. The drug world is becoming increasingly cosmopolitan: South American drug lords are buying African banks to launder their illegal profits.

For years, the United States has thrown money at supply-side solutions in South America that simply do not work. In Africa, we should apply the lessons learned from that experience and address the institutional weaknesses that permit the drug trade to flourish. Stronger and more transparent political and judicial systems must be developed to stop the flow of narcotics from Africa.

TERRORISM ALSO A THREAT

Mr. President, international terrorists are no strangers to Africa. Sudanese nationals were at the heart of the New York City bomb plots. The Libyan Government still refuses to extradite the men believed to be responsible for the bombing of PanAm flight 103. In 1995, a fraud scheme uncovered in South Africa revealed an international crime network with close links to the Irish Republican Army.

In this era of instantaneous communications and world travel, all nations must join in the battle against international terrorism. Even one rogue state presents a threat to American interests both here and abroad.

CONCLUSION

Mr. President, these images are bleak, but writing off Africa in frustration is an unacceptable solution. International crime rings, drug lords, and terrorist groups have not forgotten about Africa, and neither can we. In the interest of global stability and our national security, the United States must keep Africa on the foreign policy agenda, and work with the African people to strengthen the institutions that bring shadowy international crimes to light.●

S. 1880, THE STOP TAX-EXEMPT ARENA DEBT ISSUANCE ACT

● Mr. MOYNIHAN. Mr. President, a decade ago, I was much involved in the drafting of the Tax Reform Act of 1986. A major objective of that legislation was to simplify the Tax Code by eliminating a large number of loopholes that had come to be viewed as unfair because they primarily benefitted small groups of taxpayers. One of the loopholes we sought to close in 1986 was one that permitted builders of professional sports facilities to use tax-exempt bonds. We had nothing against new stadium construction, but we made the judgment that scarce Federal resources could surely be used in ways that would better serve the general public good.

The 1986 Act accordingly prohibited the use of private activity bonds—that is, bonds for non-governmental purposes—for professional sports facilities. Yet, despite Congress' action, sports team owners, with help from clever tax counsel, soon found a way around the new law: they persuaded local governments to issue tax-exempt public bonds to finance new stadiums. As the columnist Neal R. Pierce wrote recently, team owners ''were soon exhibiting the gall to ask mayors to finance their stadiums with general purpose bonds.'' We did not anticipate this. It was—and still is—perfectly legal.

The result has been a boom unlike anything we have ever seen in construction of new tax-subsidized professional sports stadiums. In the last 6 years alone, over $4 billion has been spent to build 30 new professional sports stadiums. According to Prof. Robert Baade, an economist at Lake Forest College in Illinois and an expert in stadium financing, that amount could ''completely refurbish the physical plants of the Nation's public elementary and secondary schools.'' An additional $7 billion of stadiums are in the planning stages, and there is no end in sight. This is why I recently introduced S. 1880—the Stop Tax-exempt Arena Debt Issuance Act—or STADIA for short—to end the Federal tax subsidy for these stadium deals. Only the team owners and players profit, while taxpayers and fans pick up the tab.

I introduced S. 1880 with an immediate effective date of June 14, 1996 for a number of reasons, which I have previously explained for the RECORD. However, I also recognized, and requested comment on, ''the need for equitable relief for stadiums already in the planning stages.'' On June 27, 1996, based upon initial comments I had received, I made a statement on the floor that projects that had binding contracts or final bond resolutions in place on the date the bill was introduced would not be affected by the bill. Since that time, several other localities with stadiums already in the planning stages have requested equitable relief.

Given the Senate's imminent adjournment, it is now certain —as I predicted earlier—that S. 1880 will not be enacted into law this year. Accordingly, in order to provide needed certainty to those remaining localities that have expended significant time and funds in planning and financing professional sports facilities, I wish to indicate that when I reintroduce this legislation in the 105th Congress, its effective date will be the date of the first committee action. As practitioners in this field know, the date of first committee action is a common effective date for this type of legislation. In addition, I will include the transition relief provision contained in my June 27 floor statement.

This, I believe, strikes the proper balance between closing the loophole in present law—a loophole that benefits only team owners and their players—and addressing the concerns of those localities that have been planning new stadiums.

Mr. President, I ask that four recent articles regarding this legislation be printed in the RECORD.

The articles follow:

[From the National Journal, July 20, 1996]

CALLING TIME ON SPORTS TAX BREAKS

(By Neal R. Peirce)

WASHINGTON.—Sen. Daniel Patrick Moynihan. D-N.Y., stirred up a virtual hornet's nest last month with a bill to forbid use of federal tax-exempt bonds to finance sports stadiums for private teams.

It turns out that from Nashville to Cleveland, Seattle to Denver, New Orleans to New York and multiple points in between, mayors and councils are readying bond issues to finance close to $7 billion worth of baseball, basketball, football and hockey facilities.

The first deal imperiled was a $60 million bond sale by the city of Nashville, just one part of the tax-free bonding package that the city is assembling to pay for a $292 million state-of-the-art stadium to lure the Oilers football team from Houston.

So when Moynihan suggested barring tax-free financing for such deals, retroactive to June 14, the day he introduced his legislation, the buzz of angry protest was almost instant.

Moynihan's proposal was ''abrupt,'' it ''jeopardized' local planning, city leaders said. It was a ''dangerous precedent,'' the Public Securities Association asserted.

The political signals, for the Republican-controlled Congress, seemed all wrong. ''No bill will go through the House in terms of NFL [National Football League] that doesn't include the Oilers being in Nashville,'' said House Speaker Newt Gingrich, R-Ga. A spokesman for Senate Majority Whip Don Nickles of Oklahoma said the Moynihan bill was not even ''on the radar screen'' of the Republican leadership.

Within a few days Moynihan beat a tactical retreat, saying that he would consider ''the need for equitable relief for stadiums already in the planning stages.''

But Moynihan, the ranking Democrat on the Finance Committee, is not backing away from his bill. And rather than being pilloried, he should be hailed as a hero of the times—an invaluable whistle-blower and friend to all U.S. taxpayers.

Let's get it straight. Unless current federal law is changed, interest payments from the billions of dollars of forthcoming stadium bonds will be totally tax-free to the affluent investors who buy them. These are general-purpose bonds—which Congress intended for financing such truly public purposes as roads, sewers, schools, libraries and other public buildings.

And who will benefit from this largesse? Joe Six-Pack, who often can't afford the seats in these opulent new stadiums and who'll surely never darken the door of one of their ritzy skyboxes? Of course not.

The real winners are the owners and professional sports teams, who are utterly proficient in blackmailing local officials: ''Buy me my stadium, rent it to me for a pittance or nothing, channel the ticket and concession revenue to me, and if you don't like my deal, I'll skip town and leave you, Mr. Mayor, with egg all over your face for having lost a team.''

Moynihan, to his credit, has been at this struggle for years. In the mid-1980s, many stadiums were financed by low-interest, tax-exempt private revenue bonds. Owners paid off the cost over 30 or 40 years. But the federal taxpayer was clipped, because no taxes were collected. Moynihan's answer was to write conditions into the 1986 tax reform law that virtually choked off such revenue bonds.

The owners were checkmated—but not for long. They were soon exhibiting the gall to ask mayors to finance their stadiums with general-purpose bonds.

And what a deal this was for them! At concessionary prices, they rent (but are not ultimately responsible for) their stadiums. And they are relieved of repaying the bonds: The local taxpayers get to take care of that for them.

As for the tax-free interest payments—well, Uncle Sam can take it on the chin as lost revenue. Moynihan notes that one result is ''forcing the taxpayers in the team's current hometown to pay for the team's new stadium in a new city.''

But mayors found it tough to say no. Federal and state aid was shrinking. If not another city, nearby rapacious suburbs would bid for their sports teams. So many said yes. They'd keep (or sometimes gain) a team. But at a price—adding municipal indebtedness, a possible threat to the city's credit standing and thus higher borrowing costs for schools, colleges, and other public investments, even while stadium investors escaped taxes.

This is the cavernous tax loophole Moynihan wants to close. In time, he's likely to win. As the federal budget vise tightens—forcing program after program to constrict—mega-subsidies to fat-cat sports owners will become even more reprehensible.

The sooner Congress acts, the better for us all. And the quicker cities wise up and resist the team owners' threats and demands, the better.

Without question, the cost of sports subsidies have begun to reach stratospheric levels. The Congressional Research Service (CRS), in a May report, calculated that Baltimore's football stadium subsidies to attract the former Cleveland Browns will be $127,000 for each job created—almost 21 times more than the $6,250 it cost to create jobs through Maryland's economic development fund.

Does the national economy benefit? No. CRS reported: ''Almost all stadium spending is spending that would have been made on other activities within the United States.'' Net benefits, therefore, are ''near zero.''

A hero on this score, maybe a pioneer, is Houston Mayor Bob Lanier, who has focused city funds on bolstering police, rebuilding neighborhoods, cleaning out sewers and sprucing up parks.

When Oilers owner Bud Adams applied pressure for incentives to stay in Houston, Lanier just said no. All that Nashville will get for a total incentive pool of $650 million, Lanier noted, is 10 home games a year. The same cash, he told a reporter, would almost finish the job of cleaning up Houston's depressed neighborhoods.

If a few more mayors got their priorities as straight as Lanier's, the team owners would have fewer cities to prey on.

[From the U.S.A. Today, June 28, 1996]

SOCKED FOR STADIUMS

Hey, sports fans, here's some good news, at least if you're a federal taxpayer, too:

Nashville, Tenn., has put a $60 million stadium bond sale on hold for a couple of weeks. The reason: Sen. Daniel Patrick Moynihan, D.-N.Y., introduced legislation this month that would take away federal tax exemptions on bonds used to build sports facilities.

The tax break has helped fund a bidding war for sports teams, leading teams such as the Oilers to leave Houston for Nashville and the Browns to move from Cleveland to Baltimore and become the Ravens.

And for no legitimate national purpose.

Wealthy owners get almost all the stadium revenues while local, state and federal taxpayers pick up the bill.

Local jobs? The nonpartisan Congressional Research Service (CRS) last month reported that Baltimore's football stadium subsidies will cost $127,000 for each job created. That's 21 times more than the $6,250 it costs to create jobs through Maryland's economic development fund.

And the nation's economy? The CRS report notes: ''Almost all stadium spending is spending that would have been made on other activities within the United States.'' Thus, benefits are ''near zero.''

If that. Communities that spend their own money on stadiums often need federal aid for other programs. So federal taxpayers get hit twice: first with tax exemptions that reduce federal revenues, then with aid that increases spending. Bad all around.

Moynihan's right. Get rid of the exemption. And then, cut other federal aid, too. If local communities want to waste their own money, that's up to them. But federal taxpayers should be taken out of the arena.

[From the New York Post, Aug. 29, 1996]

LET THE OWNERS PAY

(By Irwin M. Stelzer)

Whether Pat Moynihan was right in opposing the welfare-reform bill that his party's President finally signed, only time will tell. But that he is right in introducing a bill that would stop cities from using tax-exempt bonds to finance new arenas and stadiums for millionaire sports moguls, there is no question.

If George Steinbrenner or some other team owner wants a new stadium, and decides to finance it by selling bonds to private investors, the interest he pays those lenders is subject to federal income tax. But if a city sells bonds and uses the proceeds to build a stadium for the Yankees, the bond buyers—generally the most affluent members of society—receive interest that is exempt from federal taxes.

Naturally, the city has to pay borrowers a lower interest rate than would Steinbrenner or any other team owner. Experts estimate that the cost of new facilities would rise by 15–20 percent if teams were denied tax-exempt financing. This would add $30–40 million to the cost of a typical football stadium—enough to make several now on the drawing boards unfeasible.

When a city does finance a stadium, it raises, the money and then leases the facility to a team at some nominal rent—leaving the owner free to rake in revenues from ticket sales, television rights, parking, hot dogs and beer and, most important, luxury boxes.

With Nashville, Cleveland, Denver, Seattle, New Orleans and New York among the cities now in various stages of considering such deals, Wall Street's bond machine is preparing to issue about $7 billion in these bonds in the next five to seven years, according to Fitch Investor Services.

Of course, the federal treasury will have to make up the lost revenue—something it can do only by collecting more in taxes from ordinary citizens. Unfortunately, ordinary citizens are no match for the huge lobbying effort that has been launched against Moynihan's bill, and so Washington insiders are giving it little chance of passing, either this year or next.

But Moynihan, the ranking Democrat on the Senate Finance Committee, is a persistent cuss—as his success in wringing money out of the feds for the refurbishment of Penn Station shows—and he is right. So right that the usually bland National Journal says ''he should be hailed as a hero of the times—an invaluable whistleblower and friend of all U.S. taxpayers.''

The nation's mayors don't think so. They say it's none of the feds' business which local projects they choose to finance with their tax-exempt bonds. And they argue that the construction of stadiums created jobs.

Finally, they speak of civic pride, of that certain *je ne sais quoi* that goes out of a city when it loses a team to a rival, and the boost it gets when it lures a new team or retains an old one by offering its owner a cornucopia of goodies.

They're wrong—on all three counts. Since tax-exempt city bonds deprive the federal government of revenue, a U.S. senator has every right to try to stop this practice.

As for jobs, a study by the Congressional Research Service shows that the cost per job created by Baltimore's new subsidized football stadium came to $127,000—compared with $6,250 for jobs created by the state's economic development fund.

Which brings us to civic pride, the toughest of all the arguments to appraise. There

can be no doubt that sports fans like having a home team to root for. And that merchants in the area of the stadium benefit from its presence.

But there is no free lunch—at least not for people unlucky enough not to own a franchise in the NBA, NFL or Major League Baseball. Tax money that the federal government does not collect is not available for other things—education, health care or tax cuts.

When a city gives a team the gift of rent below market rates, or a special property tax deal, it deprives itself of revenues it would otherwise have to repair its streets, hire more cops, or spruce up its parks.

Which would boost New Yorkers' morale more: a stadium athwart the West Side railroad tracks or streets that don't break car axles and school buildings that don't leak?

Not an easy question, but one to which Houston mayor Bob Lanier thinks he has the answer. When the Oilers tried to roll his city for a new stadium he turned them down, telling the press that with the money it would cost him to keep the Oilers he could just about get the job of cleaning up Houston's slum neighborhoods done.

Steinbrenner does have a real problem. Until lately, the Yankees had been having a spectacular season, thanks in part to The Boss' willingness to engage in the Daryl Strawberry and Dwight Gooden rehabilitation projects.

But attendance has not responded proportionately: The number of fans going to the Stadium is not as high as the Yankees' won-lost record would warrant, according to a quick comparison I have made with the league-wide relationship between success on the field and success at the box office.

So Steinbrenner, who should not be expected to keep his team in a place in which he cannot maximize his profits, has every reason to shop around for a new site to which to take his athletes when his lease is up in The Bronx. Just as the Mets have every right to want a new field on which to display their somewhat more problematic wares.

Moynihan has no objection to new sports emporia. ''Building new professional sports facilities is fine with me,'' he says. ''But, please, do not ask the American taxpayers to pay for them.''

Whether or not the Senator gets his bill passed over the kicking and screaming objections of the nation's politically potent mayors, its bond-issuing investment bankers and its itinerant team-owners, Mayor Giuliani would do well to take Moynihan's advice.

Perhaps Donald Trump and Steinbrenner can strike a deal for a privately financed stadium. Or perhaps New York has enough reasons to be proud of its national and international position to follow Houston's lead, and wave goodbye to its sports mogul and his millionaire athletes.

[From the Buffalo News, Aug. 11, 1996]

CLOSE LOOPHOLE THAT HAS THE PUBLIC SUBSIDIZING EVER GLITZIER STADIUMS

If the public really is fed up with subsidizing wealthy team owners and athletes, it will cheer a proposal to eliminate the tax exemptions routinely granted bonds sold for stadium projects.

The proposal comes from Sen. Daniel Patrick Moynihan, D–N.Y. It should be especially cheered in places like Western New York, whose sports teams will be constant targets for raids by other cities as long as those cities lure them with facilities built with the help of tax exempts.

Take away these indirect subsidies, and those cities will not be able to dangle such enticing packages before team owners.

In fact, take away the public subsidy and force teams to build their own facilities, and maybe they won't be able to spend a zillion dollars on second-string players. Instead, the money now going into exorbitant salaries would have to be used to build or fix up stadiums.

That could start a downward spiral—or at least a leveling off—in player salaries that might even have a spillover effect on ticket prices before they become totally out of reach of the average family.

Moynihan's bill is not without its critics. County Executive Gorski worries that eliminating the tax-exemption on stadium bonds will make it harder for Erie County to finance the $2.1 million needed to upgrade Rich Stadium. The improvements are aimed at enticing the Buffalo Bills to sign a new lease and stay in Western New York.

Gorski's view is understandable for a public official interested only in the current negotiations.

But leases can be broken, as the former Cleveland Browns illustrated. That team moved to Baltimore after being offered a $200 million new stadium and financial enticements ranging from free rent to all luxury-box, parking and stadium-ad revenue.

Could Erie County really compete with that kind of civic insanity—and does it really want it—if another community eyes the Bills in a few years?

Eliminating the tax exemption for stadium bonds will make it that much harder for another city to make that kind of offer.

Granted, it might mean Erie County would pay a little more for its bonds now. But it also would help assure the long-term presence of sports teams in small markets like Buffalo.

And from a broader perspective, the measure would mean taxpayers would no longer subsidize private sports enterprises by funding what one congressional critic calls ''a public-housing program for millionaires.

A Congressional Research Service study estimates the public is losing nearly $100 million a year on sports facilities now under construction. During one five-year period in the '80s, those tax breaks cost taxpayers $18.2 billion.

Moynihan says that was never meant to be. The 1986 Tax Reform Bill eliminated industrial development bonds, the original vehicle for tax-exempt bond financing for stadiums. But he says Congress didn't prohibit using governmental bonds for stadiums because the ''possibility was too remote to have occurred to us.''

But that loophole wasn't too remote for wide-eyed local officials and profiteering team owners to uncover. Moynihan's bill would close the loophole, saving taxpayers millions.

Those savings could be put to far better uses than helping wealthy team owners play one city against another in the stadium sweepstakes.●

NATIONAL POW/MIA RECOGNITION DAY

● Mr. CRAIG. Mr. President, today is National POW/MIA Recognition Day and I rise to honor those brave Americans whose fate remains uncertain. As we reflect not only on those courageous servicemembers who so valiantly went off in defense of their country, we should also pause and remember the families and loved ones of those who never returned. The family who received definite notice that a loved one was positively killed in action could mourn and grieve and learn to cope with life alone; but those American families whose loved ones were missing, prisoners, or unaccounted for, bear an additional burden—the burden of uncertainty. They cannot bury their loved ones and work through the grief that comes with loss. They live with doubt, denial, and hope that somehow their son, husband, brother, or father will some day come home.

There are 90,769 American servicemembers unaccounted for from wars in the 20th century; 1,648 from World War I, 78,794 from World War II, 8,177 from Korea, and 2,150 from Southeast Asia. We have made extensive efforts to gain full accounting for all these servicemembers. We aggressively continue our talks with the Governments of Vietnam, Cambodia, and Laos to gain information about the servicemen who went there but did not return. Those efforts continue and have resulted in information about a few of our unaccounted-for servicemen and the recovery of 20 sets of remains between October 1995 and March 1996. Recent efforts with North Korea have also provided long overdue information about missing Americans. Additionally, we recovered the remains of a World War II hero this year, allowing his family finally to say their last farewells. However, we must not allow these small successes to make us complacent. We must continue our efforts and view the successes of today not as an end, but as a beginning in our efforts to gain more information in the upcoming years.

Today, as we stop to look at the POW/MIA flag which flies not only in the rotunda of our Nation's Capitol but all around this great country, I hope all Americans will pause and remember with pride, sadness, and hope for the future, the valiant efforts of these brave soldiers, sailors, airmen, and marines who answered the call.●

CONCERNING A HOLD ON S. 555, A BILL TO AMEND THE PUBLIC HEALTH SERVICE ACT

● Mr. WYDEN. Mr. President, I want to inform the Senate that I have put a hold on S. 555 so that I may have time to negotiate my request that the Senate take up S. 697, the Domestic Violence Identification and Referral Act, in conjunction with S. 555. I believe that if we take up a bill dealing with the education of health professionals, we should insure that doctors, nurses and other health professionals are trained to identify, refer, and treat victims of domestic violence. Domestic violence is the leading cause of injury to women between 15 and 44. It seems to me that if the Federal Government is going to invest money in educating medical students, they should at least be trained in how to identify and refer cases of domestic violence. This is why I have requested that the Senate and the Committee on Labor and Human Resources consider my and Senator BOXER's legislation in conjunction with S. 555.●

HEALTH INSURANCE REGULATION: VARYING STATE REQUIREMENTS AFFECT COST OF INSURANCE

● Mr. JEFFORDS. Mr. President, with the recent passage of the Health Insurance Portability and Accountability Act of 1996, and the possible enactment of several health benefit provisions, I'd like to draw my colleagues' attention to a recently completed GAO report that surveys similar State health insurance regulations and their impact on the cost of health insurance.

I asked the GAO to examine the added costs associated with: First, premium taxes and other assessments; second, mandated health benefits; third, finanancial solvency standards; and fourth, State health insurance reforms affecting small employers. The report examines the impact of these requirements on the cost of insured health plans compared with the cost of self-funded health plans subject to the Employee Retirement Income Security Act of 1974 [ERISA].

Although States regulate health insurance, the study indicates that State regulation does not directly affect 4 out of 10 people. ERISA preempts States from directly regulating employer provision of health plans, but it permits States to regulate health insurers. Of the 114 million Americans with health coverage offered through a private employer in 1993, about 60 percent participated in insured health plans that are subject to State insurance regulation. However, for plans covering the remaining 40 percent, about 44 million people in 1993, the employer chose to self-fund and retain some financial risk for its health plan.

Because self-funded health plans may not be deemed to be insurance, ERISA preempts them from State insurance regulation and premium taxation. Although ERISA includes fiduciary standards to protect employee benefit plan participants and beneficiaries from plan mismanagement, in other areas, such as solvency standards, no Federal requirements comparable to State requirements for health insurers exist for self-funded health plans.

Most States mandate that insurance policies include certain benefits, such as mammography screening and mental health services, which raises claims costs to the extent that the benefits would not otherwise have been provided. In general, the report indicates that the costs are higher in States with more mandated benefits and in States that mandate more costly benefits.

State financial solvency standards have limited potential effect on costs because many insurers already exceed the State minimum requirements. In addition, due to their recent enactment, the cost implications of small employer health insurance reforms, such as guaranteed issue, portability and rate restrictions, remain unclear.

Mr. President, I feel this report provides useful information regarding the benefits associated with State health insurance regulation and their impact on the cost of health insurance. Further, it points out the lack of similar requirements for self-insured plans and that more and more small employers are self-funding their health plans. As we continue our efforts to ensure that all Americans have access to health care services, this report will help us better understand the experiences of the States and build upon them.

I ask that the executive summary of the report be printed in the RECORD.

The summary follows:

HEALTH INSURANCE REGULATION: VARYING STATE REQUIREMENTS AFFECT COST OF INSURANCE

RESULTS IN BRIEF

State health insurance regulation imposes requirements on health plans offered by insurers that employers' self-funded health plans do not have. These requirements benefit consumers; they also add costs to insured health plans. The extent to which these requirements increase insured health plans' costs compared with self-funded health plans' costs varies by state. The cost impact depends on the nature and scope of each state's regulations and on health plans' typical operating practices.

State premium taxes and other assessments are the most direct and easily quantifiable cost that insured health plans face. Premium taxes increase costs to commercial health insurers by about 2 percent in most states. Other assessments not only tend to be smaller than the premium tax but can often be deducted from premium taxes. These include assessments for guaranty funds that pay the claims of insolvent plans and high-risk pools that provide coverage for individuals unable to get private coverage because of preexisting conditions.

Most states mandate that insurance policies cover certain benefits and types of providers, such as mammography screening, mental health services, and chiropractors, which raises claims costs to the extent that such benefits would not otherwise have been covered. The cost effect varies due to differences in state laws and employer practices. For example, Virginia's mandated benefits accounted for about 12 percent of claims costs, according to a recent study. Earlier studies estimated that mandated benefits represented 22 percent of claims in Maryland and 5 percent in Iowa. In general, such cost estimates are higher in states with more mandated benefits and in states that mandate more costly benefits, such as mental health services and substance abuse treatment. These cost estimates represent the potential costs of mandated benefits to a health plan that does not voluntarily offer these benefits. Because most self-funded plans offer many of the mandated benefits, their additional claims cost—were they required to comply—would not be as high as the studies' estimates. If required to comply with state mandates, however, self-funded plans would lose flexibility in choosing what benefits to offer and in offering a single, uniform health plan across states.

State financial solvency standards have limited potential effect on costs because many insurers exceed the state minimum requirements and typically perform tasks like those associated with the state financial reporting requirements. Most insurers maintain higher levels of capital and surplus than the minimum state requirements, indicating that the effect of the capital and surplus requirements on health insurance costs is generally minimal. Although states require financial information and actuarial reports that in some cases differ from the insurers' general business practices, insurance executives indicated that the added administrative cost of preparing these documents was marginal and that the additional information was also valuable to the insurer.

The cost implications of small employer health insurance reforms, such as limits on preexisting condition exclusions recently adopted in many states, remain unclear. The cost information to date is mostly anecdotal and provides an incomplete view of these reforms' effects. Moreover, the rapid changes in health care markets, such as the continued growth and evolution of managed care, make it difficult to isolate the independent effect of the reforms.

SONS OF ITALY FOUNDATION EIGHTH ANNUAL NATIONAL EDUCATION AND LEADERSHIP AWARDS GALA

● Mr. LAUTENBERG. Mr. President, I want to congratulate the Sons of Italy Foundation [SIF] for its eighth annual National Education and Leadership Awards [NELA] gala, which was held May 2, 1996, at the Andrew W. Mellon Auditorium, in Washington, DC. I had the opportunity of attending this worthy and inspirational event, and I have had the honor of serving as chairman of the NELA gala in the past. This worthy and inspirational annual event has gained wide recognition during the past few years in Congress, the corporate community, educational institutions, and others in the philanthropic community throughout the Nation for its promotion of educational excellence and professional achievement. I commend the SIF for the encouragement it provides to some of our Nation's most outstanding young scholars and future leaders.

At this year's event, the SIF presented scholarships to the winners of the 1996 National Leadership Grant Competition, an annual merit-based national scholarship competition. In addition, the SIF presented the 1996 NELA's to Northwest Airlines Corp. Cochairman Alfred Checchi and Pennsylvania State University football coach Joseph V. Paterno. In selecting Messrs. Checchi and Paterno for this honor and in awarding a merit-based academic scholarship in each of their names, the SIF has recognized two of the most outstanding role models in the Italian-American community.

The lives of these two men of enormous achievement and strong character serve as reminders of why our forebears traveled to this country and why today's immigrants are so eager to make their homes in our great country, where opportunity abounds for those willing to learn and work hard. The achievements of these two men speak highly of the importance of strong family support, educational achievement, and professional integrity. These are values on which all of us agree, regardless of our racial, ethnic, or religious backgrounds. These common values, aptly expressed through the NELA gala, are what bind us as Americans. Most appropriately, the scholarships that the SIF awarded

in the names of Mr. Checchi and Mr. Paterno will support the dreams and aspirations of outstanding young students. There is no more important work for us to perform, no greater gift we can give than to support our youth.

The long and distinguished record of generous support for education earned by the SIF and its parent organization, the Order Sons of Italy in America, should be recognized and praised. These generous contributions in support of the future of our Nation are made largely by the modest and heartfelt donations of the hundreds of thousands of OSIA members throughout our United States. During the past three decades, OSIA and the SIF have distributed more than $21 million in academic scholarships. The leaders and members of OSIA and the SIF have set an excellent example for other nonprofit and fraternal organizations in their unselfish support of the young people of our Nation.

I commend Mr. Paul S. Polo, national president of OSIA and chairman of the SIF; Mr. Valentino Ciullo, president of the SIF; Ms. Jo-Anne Gauger, chairwoman of OSIA's National Education Committee; Mr. Joseph E. Antonini, 1996 NELA gala chairman; and Dr. Philip R. Piccigallo, national executive director of the OSIA and the SIF, for their leadership roles in the 1996 NELA gala and the National Leadership Grant Competition.

Listed below are the names of the 12 winners of the 1996 National Leadership Grant Competition. These young men and women represent our Nation's highest level of academic achievement and leadership potential. I offer congratulations and heartfelt wishes for future success to: Mr. Michael Sollazzo, Henry Salvatori Scholarship; Mr. Andrea Mazzariello, Alfred Checchi Scholarship; Mr. Brian Iammartino, Joseph V. Paterno Scholarship; Ms. Jillian Catalanotti, Dr. Vincenzo Sellaro Scholarship; Mr. Todd Builione, Carlone Family/Peter B. Gay Scholarship; Mr. Ben Jamieson, Hon. Frank J. Montemuro Jr. Scholarship; Mr. Anthony Draye, Joseph E. Antonini Scholarship; Ms. Stephanie Di Vito, Hon. Silvio O. Conte Scholarship; Ms. Anastasia Ferrante, Lou Carnesecca Scholarship; Mr. Federico Rossi, Dr. Anthony S. Fauci Scholarship; Mr. Corey Ciocchetti, Pearl Tubiolo Scholarship; and Mr. William Karazsia, OSIA-John Cabot University Scholarship and the Pietro Secchia Scholarship.●

TRIBUTE TO SENATOR DAVID PRYOR

● Mr. PRESSLER. Mr. President, DAVID PRYOR is a good friend of mine. Over the years, I have had the privilege of getting to know David and his wife Barbara quite well. I have attended several events he has sponsored in Texarkana, AR, to raise needed funds for charitable organizations. I even have traveled to Little Rock to speak at colleges.

Mr. President, DAVID PRYOR is a legendary figure in this body and I have followed his career with great interest and admiration. I recall that he first began his public service in Washington as a Congressional page. Some time later he returned to Washington when he was elected to serve as a United States Congressman. In fact, for a while we served together in the House of Representatives. Aside from this association, I also have had the privilege of working closely with him on the Senate Finance Committee and the Senate Committee on Aging.

As many of my colleagues know, DAVID PRYOR is one of the President's best and closest friends. This friendship has enabled him to go directly to the President on critical matters confronting the Senate. That is an unusual and serious responsibility for a Senator to have, and DAVID PRYOR has acted commendably.

Mr. President, I personally will miss DAVID PRYOR's friendship. But, I also will miss his intelligence and counsel tremendously. ●

SALUTE TO TENNESSEE OLYMPIAN JENNIFER AZZI

● Mr. FRIST. Mr. President, I rise today to commend a young Tennessean, Miss Jennifer Azzi, of Oak Ridge, on her performance with the gold-medal winning U.S. Olympic women's basketball team, also known as the Real Dream Team.

Jennifer has been active in the sport of basketball for the past decade, first, at Oak Ridge High School, then at Stanford University, and now the Olympics. Jennifer's commitment not only to the sport, but to continuing to improve her skills and play is the type of determination that makes our atheletes excel and bring home the gold, time and time again.

She reminds us all that with determination, commitment and a little help, we can all be winners. At a recent party in her honor, Jennifer Azzi said that ''With success, comes responsibility.'' Modestly, she tells us that many people have helped her get to where she is and now she wants to help others do the same. Following the Olympics, she began teaching at a basketball camp where she is helping today's youth build their skills and sportsmanship.

Jennifer's triumph on the court is remarkable, but more important is the virtue of her skills and determination off the court. She is a true Olympian, competing for honor for herself and her country. The Olympics in Atlanta this year were a success for all Americans. But Jennifer's victory was a bright, shining moment in a bright, shining basketball career for this young woman from east Tennessee. Looking at her record, I believe she has an even brighter future ahead.

Mr. President, Jennifer's victory reminds us of what the Olympics can be for each of us—a competition between countries without casualties, only peace; a contest of perseverance and love and the heart to win it all. Jennifer Azzi has all these qualities, and she has our repsect and admiration too.●

TRIBUTE TO GUY YOUNG, A NEW HAMPSHIRE HERO

● Mr. SMITH. Mr. President, I rise today to pay tribute to Guy A. Young, a New Hampshire letter carrier, for his selfless and heroic acts performed while attempting to rescue a nine-month-old baby from a life threatening traffic accident. On September 25, 1996, Guy Young of Allenstown, NH, will be presented with the National Association of Letter Carriers' Regional Hero of the Year Award for his courageous act.

Unfortunately, when faced with danger, many people turn the other way or, even worse, watch the accident, merely becoming bystanders. Guy Young is not one of those people. Guy is a letter carrier for the U.S. Postal Service and serves the residents of Allenstown, NH. He was on his usual route one morning recently when he noticed a major traffic accident had occurred at the intersection in front of him. Without thinking twice, Guy rushed to the scene, where he encountered the driver, a frantic mother, screaming because her baby was still in the overturned van. Guy immediately climbed over shards of glass, through a broken window, and searched for the infant. Not until he heard the baby's horrific scream did he look up and see the baby dangling upside down, still strapped into his car seat. Realizing that the van could burst into flames at any second, Guy desperately struggled with the baby's seat belt until he finally forced it free. He then passed the 9-month-old infant out the window to the safety of his mother's arms. Once the emergency vehicles arrived and assumed control of the situation, Guy returned to his postal truck and continued delivering mail to the residents of Allenstown.

Guy is an example of a truly honorable New Hampshire citizen. Not only did he risk personal injury to help a baby boy in danger, but he acted promptly and courageously. He is indeed a hero.

The National Association of Letter Carriers [NALC] honors a national hero, three regional heroes, a national humanitarian, and a branch service awardee each year. Those awards are presented to individuals who risk their lives for others, or who make personal contributions for a worthy cause. The awards also give the NALC an opportunity to express its gratitude and appreciation to those letter carriers whose meritorious service has earned theirselves honor. Guy undoubtedly deserves this special recognition for his heroic act.

Mr. President, people who respond, as Guy did, in dangerous and life threatening situations are indeed brave and

unselfish. Without Guy's immediate reaction, a 9-month-old infant may not have survived. I am proud to call Guy Young one of New Hampshire's special citizens. He has truly made us all very proud of him. Congratulations Guy, on a job well done!●

ORDER OF PROCEDURE

Mr. DORGAN. Mr. President, I understand the majority leader will be here to make unanimous-consent requests. While waiting for the majority leader to come to the floor, I would like to make a couple of comments.

THE 104TH CONGRESS

Mr. DORGAN. Mr. President, today, as is the case on most days when the Senate is in session, we have seen in morning business a block of time offered to those who come to the floor to describe what is wrong with the Senate, what is wrong with the President, and why the revolution that was offered at the start of the 104th Congress has failed to achieve its goals. In fact, today one of the speakers said, well, the reason the Senate is still in session is because the people on this side of the aisle —the Democrats—are keeping the Senate in session for political purposes, apparently, not letting those who want to go home to go home.

I listened to that. I thought to myself, this is a very curious statement from someone who is a Member of the Senate. Anyone who is a Member of the Senate would probably know that we have not done our work. We are supposed to pass appropriations bills. That is what funds the functions of Government. The fact is, the largest appropriations bill that we passed in the year has not been completed. Four appropriations bills will likely now be rolled into a continuing resolution—I guess five appropriations bills rolled into a continuing resolution—and not adopted by this Congress at all. The requirement is that is supposed to be done by September 30. It will not be done. The Congress will not have done its work. The Congress will not have followed the requirements in law.

So we will pass what is called a continuing resolution, which is defined as a legislative failure because the Congress didn't do the job it was supposed to do. We are still here because the Congress has not completed its work. That is not rocket science. If the Congress does not get its job done, it ought not go home.

Well, this has been a remarkable Congress by any measurement. I understand why some want to go home. In fact, the very people who want to go home quickly now are the people who couldn't wait to get here at the start of the Congress to begin the revolution—a rather curious, unusual revolution that said we want to serve in Government because we do not like Government; what we would like to do is provide a very large tax cut. Much of that will go to upper-income Americans and pay for it by cutting the Medicare Program, most of which helps lower-income Americans.

And they said we have a new economic plan for America as well. Let me describe it to you—not in my words, but in the words of a former Republican, a columnist who described it this way. He said:

> Their economic plan proposed that you take the 20 percent of the people with the lowest incomes, and say to those people, ''You are now going to bear the burden of 80 percent of the spending cuts that we propose in Government.''

The same economic plan would say to those who have 20 percent of the highest incomes in America, you should smile because you are going to receive 80 percent of the benefit of our tax cuts.

A curious economic program, one that when the American people got onto it they did not like very much. And so the 104th Congress which started with almost a coronation is now kind of limping to a conclusion with the folks who were so anxious to get here now wanting to leave.

I was reading last evening again a book that was written by a colleague of ours, Senator BYRD from West Virginia, a book that is compilations of some presentations he has made in this Chamber. And in part of the book he is discussing the old Roman Senate and a lot of historical references in the book that are quite interesting, one of them about Hannibal which I mentioned to our caucus the other day, Hannibal crossing the Alps. All of us studied in school about Hannibal. What a remarkable achievement. This man took, I believe, 36 elephants and crossed the Alps with these elephants, and, of course, that is what we read about in our history books—Hannibal crossed the Alps with his elephants. Quite remarkable.

Hannibal, in fact, was quite a masterful tactician and strategist and had quite an interesting record as a commander, military strategist. But what you do not remember and what Senator BYRD described in his book is the end stage of Hannibal. Hannibal lost an eye. All but one of his elephants died, of course. There was one remaining emaciated elephant, and the last vision as I read last evening in the book is of this one-eyed Carthaginian soldier named Hannibal riding the last of his emaciated elephants across the plains of Italy. I thought to myself, you know, that reminds me a little bit of the way the 104th Congress is ending up—the last emaciated elephant being ridden across the plains of Italy.

We have a responsibility in Congress to do what the people expect us to do on behalf of this country, and I think this Congress has done some things that are commendable but we have not nearly scratched the surface on the menu of things that most people would want us to deal with.

Education. How do we move our country in a direction that assures us we are going to have the best education system in the world? That ought to be our country's goal. In every corner of America it ought to be our goal to build our education system that is the finest in the world.

Jobs. Our goal ought to be to find a way to provide more economic growth, an expanded economy, a trade balance that is not in deep deficit but one that is in reasonable balance with jobs staying here, not moving overseas.

Crime. Dealing with the epidemic of crime in America in a thoughtful way, a manner in which maybe both parties would agree dealing with the epidemic of violent crime is in the interest of all Americans.

And the environment. In 20 years we have doubled the use of energy in America, and at the end of 20 years doubling the use of energy we have cleaner air and cleaner water. No one 20 years ago would have predicted that possible. Improving on that record as well.

Mr. President, I see my colleague from Mississippi, the majority leader, Senator LOTT, is here to make unanimous-consent requests. Let me not delay him and the Senate further. I would be happy to yield the floor for the unanimous-consent request.

The PRESIDING OFFICER. The majority leader is recognized.

UNANIMOUS-CONSENT REQUEST

Mr. LOTT. I thank the Senator from North Dakota.

I know he is going to be staying so we can go through these consent requests that we have. I would like to begin, Mr. President, by asking unanimous consent that when the Senate receives from the House a joint resolution making continuing appropriations for fiscal year 1997, the joint resolution be placed on the calendar and the Senate proceed to consider the joint resolution on Tuesday, September 24, or any day thereafter after consultation with the Democratic leader and it be considered under the following agreement: 1 hour equally divided on the joint resolution, third reading and adoption of the joint resolution occurring no later than 9 p.m. Wednesday, September 25.

The PRESIDING OFFICER. Without objection——

Mr. DORGAN. Reserving the right to object—Mr. President, reserving the right to object——

The PRESIDING OFFICER. Is there objection?

Mr. DORGAN. Reserving the right to object——

Mr. LOTT. I thought the Chair did a very good job.

Mr. DORGAN.—And I shall object, I would observe this is one of the fastest Presiding Officers I have seen in some while in the Senate.

Mr. LOTT. I was just commending him.

Mr. DORGAN. As I understand the Senator from Mississippi, he suggests we agree to a piece of legislation not

yet written, agree to offer no amendments to a bill, the provisions of which we are not yet sure might or might not need amending, and agree to it at a time not yet certain. Is that the sum and substance of the proposal?

Mr. LOTT. Mr. President, if I could comment on that, I would like to begin by reminding my colleagues that one week from Monday, this coming Monday, is the end of the fiscal year. We have a job to do. We are working with the administration and with the appropriators on both sides of the aisle to get agreement on numbers and on language that would go in a bill that would be necessary to keep all of the various departments working, assuming we cannot get all the appropriations bills completed in advance of that date. And it appears we will not, although work is still being done on some of them.

I believe the VA–HUD appropriations bill, for instance, will be ready. Everybody understands and expects that Labor-HHS and Education, Commerce-Justice-State Department, and Interior and probably Treasury-Postal, at least those four would be in a continuing resolution.

Having said that, with that deadline, the end of the fiscal year is one week from Monday. This coming Monday is a Jewish holiday. That leaves Tuesday, Wednesday, Thursday, Friday, Saturday, Sunday, Monday, and the fiscal year is over.

We can stand around and wait for chaos and we will create it. We need a safety net under our military men and women and for our people that have had fires and disasters and for our children and our schools. We need to make sure that safety net is there and in place through a continuing resolution. In order to get that done, we have to get started.

I have offered to the leadership in the Senate, Senator DASCHLE in particular, the Democratic leader, and have communicated these various ideas to a number of Senators, the appropriations chairmen, ranking Members in the House, a number of options how we could do this. Senator DASCHLE and I have spent a lot of time talking it through. I think he wants us to find a way to do it, but the problem is we have to do it. We have to find a way to do it. So I suggested that we would call the CR up and we will have available on Tuesday the basis of the CR that we could go forward with. The committees are coming to closure now. CJS—Commerce, Justice, State—I think they are about ready. Interior is making good progress. We are going to have it by Tuesday.

So I said to Senator DASCHLE, why don't we call this up on Tuesday and let us get an agreement that we will have 6 amendments in order on each side, a total of 12 amendments, but that we would complete the debate on amendments and pass it by Wednesday night.

He had some concerns about that. He said, I don't know about trying to limit it to six. Of course, we would all have to try to find some way of agreeing on our side and your side what the six would be, and that would probably befall your lot to try to help your side.

He was not comfortable with that. I said how about plan B. Let's begin Tuesday. Let's not have any limit on amendments, any limit on time. Let's get started. We offer an amendment; you offer an amendment, second degrees, sort of a jungle route, no limitations. Let's get started. Let's finish our work. But we would finish it Wednesday night at 9 o'clock.

I think Senator DASCHLE would like to do that but apparently there was an objection on that side. I do not quite understand why.

Another option is that we bring this over attached to the Department of Defense appropriations bill. To be perfectly honest, there are some potential problems with that.

But, I mean, remember now, we are proceeding on the assumption that we are going to be basically in agreement. Basically, on numbers and language, we are coming together, and we think we are going to get an agreement. The problem is, how do we, mechanically, get it done?

What is magic about 9 o'clock Wednesday night? Once we do our work here in the Senate on that, on the CR, and get it done Wednesday night, then it has to go to conference. It will take, I am sure—no matter what happens, there is going to be a little difference between the House and the Senate. That has to go to conference. Should we not give them at least a day, Thursday, maybe until Friday morning, to get the conference agreement?

Then we would have to take the conference agreement up Friday afternoon or Saturday or Sunday. In order to get our work done, we would have to complete it, I presume, sometime Friday night or Saturday so it could go to the President and he could sign it, and, you know, everything would be under control.

If we do not get started Tuesday, if we do not complete it Wednesday, when does it go to conference? Does it go to conference Thursday? Are they going to take all day Friday? Are they going to be in conference over the weekend? Are we going to, then, go home 3 days before the end of the fiscal year and see our constituents while we are on the verge of running out of time on the fiscal year? I am not sure that is smart.

So here is what I am trying to say. I am flexible. I will work with you. Give me an idea. But I want to make it abundantly clear that, as majority leader, I am committed to getting this work done and that I am offering multiple avenues to get there to the Democratic leadership. But at some point we are going to have to get an agreement.

So, I just wanted to go through that. If this is not an acceptable arrangement, we need some kind of an agreement. I thought this was a good one to get started, that there be some time, equally divided time; we have amendments that could be offered. But there is going to be objection. We are going to get started on Tuesday morning—Tuesday—on this issue. We will just go forward. If we cannot get it done Wednesday, maybe we will get it done Thursday. But I want to make it clear to the American people that I am worried about making sure we have a safety net under our people so that we do not get into this game at the end of trying to squeeze one last drop of additional spending out of the Federal Government and have a potential problem next Monday at the end of the fiscal year.

So, I am agreeable to work with the Democratic leadership, but this is a way to get it started, and that is why I made the request.

Mr. DORGAN. Mr. President, continuing the reservation to object, and I shall object here, the Senator from Mississippi, of course, knew that there is not an agreement here and that we are constrained to object at this moment. I might say that the House of Representatives indicates to our appropriations staff that they intend to be going to the Rules Committee on Thursday and taking up the bill on Friday. And you are proposing a unanimous-consent request that we bring up a House product that apparently is not going to be done until Friday on the floor of the Senate on Tuesday.

Mr. LOTT. Will the Senator yield on that point?

Mr. DORGAN. I will be happy to yield.

Mr. LOTT. I just double checked on that. They will have a document ready on Tuesday, and my information is they will be done with this by Wednesday. Maybe just physically it may be later, but there is nothing rare about the Senate going ahead and getting started, provided we do not complete it before they do their work. But we can do a lot of work while they are working and complete it after they finish.

Mr. DORGAN. I understand. But my point is, we do not have any intention of delaying. By the same token, a unanimous-consent request that says, ''By the way, let us take something that is not yet created and agree to bring it up on Tuesday at a point when it won't be done,'' suggests that none of us will be able to offer any amendments to what likely will be an enormously bloated product, not necessarily with things that will get vetoed, but with things that those in a position to stick them in do stick into this particular piece of legislation.

So we want to work with the majority leader. I think Senator DASCHLE and you have talked a great deal on this. We have no interest in delaying the business of the Senate. By the same token, we have no interest in agreeing to a process that will not allow an opportunity to amend circumstances in this piece of legislation that may well cry out for amendment.

So I am constrained to object to the unanimous-consent request the Senator is now offering.

The PRESIDING OFFICER. Objection is heard.

MEASURE READ THE FIRST TIME—S. 2100

Mr. LOTT. Mr. President, I understand that S. 2100, introduced today by Senator HATCH, is at the desk. I ask for its first reading.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2100) to provide for the extension of certain authority for the Marshal of the Supreme Court and the Supreme Court police.

Mr. LOTT. I now ask for a second reading and would object to my own request on behalf of Senators on the Democratic side of the aisle.

The PRESIDING OFFICER. Objection is heard.

HEALTH CENTERS CONSOLIDATION ACT OF 1995

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 279, S. 1044.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1044) to amend title III of the Public Health Service Act to consolidate and reauthorize provisions relating to health centers, and for other purposes.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Human Resources, 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 italic.)

S. 1044

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Health Centers Consolidation Act of 1995''.

SEC. 2. CONSOLIDATION AND REAUTHORIZATION OF PROVISIONS.

Subpart I of part D of title III of the Public Health Service Act (42 U.S.C. 254b et seq.) is amended to read as follows:

''Subpart I—Health Centers

''SEC. 330. HEALTH CENTERS.

''(a) DEFINITION OF HEALTH CENTER.—

''(1) IN GENERAL.—For purposes of this section, the term 'health center' means an entity that serves a population that is medically underserved, or a special medically underserved population comprised of migratory and seasonal agricultural workers, the homeless, and residents of public housing, by providing, either through the staff and supporting resources of the center or through contracts or cooperative arrangements—

''(A) required primary health services (as defined in subsection (b)(1)); and

''(B) as may be appropriate for particular centers, additional health services (as defined in subsection (b)(2)) necessary for the adequate support of the primary health services required under subparagraph (A);

for all residents of the area served by the center (hereafter referred to in this section as the 'catchment area').

''(2) LIMITATION.—The requirement in paragraph (1) to provide services for all residents within a catchment area shall not apply in the case of a health center receiving a grant only under subsection (f), (g), or (h).

''(b) DEFINITIONS.—For purposes of this section:

''(1) REQUIRED PRIMARY HEALTH SERVICES.—

''(A) IN GENERAL.—The term 'required primary health services' means—

''(i) basic health services which, for purposes of this section, shall consist of—

''(I) health services related to family medicine, internal medicine, pediatrics, obstetrics, or gynecology that are furnished by physicians and where appropriate, physician assistants, nurse practitioners, and nurse midwives;

''(II) diagnostic laboratory and radiologic services;

''(III) preventive health services, including—

''(aa) prenatal and perinatal services;

''(bb) screening for breast and cervical cancer;

''(cc) well-child services;

''(dd) immunizations against vaccine-preventable diseases;

''(ee) screenings for elevated blood lead levels, communicable diseases, and cholesterol;

''(ff) pediatric eye, ear, and dental screenings to determine the need for vision and hearing correction and dental care;

''(gg) voluntary family planning services; and

''(hh) preventive dental services;

''(IV) emergency medical services; and

''(V) pharmaceutical services as may be appropriate for particular centers;

''(ii) referrals to providers of medical services and other health-related services (including substance abuse and mental health services);

''(iii) patient case management services (including counseling, referral, and follow-up services) and other services designed to assist health center patients in establishing eligibility for and gaining access to Federal, State, and local programs that provide or financially support the provision of medical, social, educational, or other related services;

''(iv) services that enable individuals to use the services of the health center (including outreach and transportation services and, if a substantial number of the individuals in the population served by a center are of limited English-speaking ability, the services of appropriate personnel fluent in the language spoken by a predominant number of such individuals); and

''(v) education of patients and the general population served by the health center regarding the availability and proper use of health services.

''(B) EXCEPTION.—With respect to a health center that receives a grant only under subsection (f), the Secretary, upon a showing of good cause, shall—

''(i) waive the requirement that the center provide all required primary health services under this paragraph; and

''(ii) approve, as appropriate, the provision of certain required primary health services only during certain periods of the year.

''(2) ADDITIONAL HEALTH SERVICES.—The term 'additional health services' means services that are not included as required primary health services and that are appropriate to meet the health needs of the population served by the health center involved. Such term may include—

''(A) environmental health services, including—

''(i) the detection and alleviation of unhealthful conditions associated with water supply;

''(ii) sewage treatment;

''(iii) solid waste disposal;

''(iv) rodent and parasitic infestation;

''(v) field sanitation;

''(vi) housing; and

''(vii) other environmental factors related to health; and

''(B) in the case of health centers receiving grants under subsection (f), special occupation-related health services for migratory and seasonal agricultural workers, including—

''(i) screening for and control of infectious diseases, including parasitic diseases; and

''(ii) injury prevention programs, including prevention of exposure to unsafe levels of agricultural chemicals including pesticides.

''(3) MEDICALLY UNDERSERVED POPULATIONS.—

''(A) IN GENERAL.—The term 'medically underserved population' means the population of an urban or rural area designated by the Secretary as an area with a shortage of personal health services or a population group designated by the Secretary as having a shortage of such services.

''(B) CRITERIA.—In carrying out subparagraph (A), the Secretary shall prescribe criteria for determining the specific shortages of personal health services of an area or population group. Such criteria shall—

''(i) take into account comments received by the Secretary from the chief executive officer of a State and local officials in a State; and

''(ii) include factors indicative of the health status of a population group or residents of an area, the ability of the residents of an area or of a population group to pay for health services and their accessibility to them, and the availability of health professionals to residents of an area or to a population group.

''(C) LIMITATION.—The Secretary may not designate a medically underserved population in a State or terminate the designation of such a population unless, prior to such designation or termination, the Secretary provides reasonable notice and opportunity for comment and consults with—

''(i) the chief executive officer of such State;

''(ii) local officials in such State; and

''(iii) the organization, if any, which represents a majority of health centers in such State.

''(D) PERMISSIBLE DESIGNATION.—The Secretary may designate a medically underserved population that does not meet the criteria established under subparagraph (B) if the chief executive officer of the State in which such population is located and local officials of such State recommend the designation of such population based on unusual local conditions which are a barrier to access to or the availability of personal health services.

''(c) PLANNING GRANTS.—

''(1) IN GENERAL.—

''(A) CENTERS.—The Secretary may make grants to public and nonprofit private entities for projects to plan and develop health centers which will serve medically underserved populations. A project for which a grant may be made under this subsection

may include the cost of the acquisition, expansion, and modernization of existing buildings and construction of new buildings (including the costs of amortizing the principal of, and paying the interest on, loans) and shall include—

''(i) an assessment of the need that the population proposed to be served by the health center for which the project is undertaken has for required primary health services and additional health services;

''(ii) the design of a health center program for such population based on such assessment;

''(iii) efforts to secure, within the proposed catchment area of such center, financial and professional assistance and support for the project;

''(iv) initiation and encouragement of continuing community involvement in the development and operation of the project; and

''(v) proposed linkages between the center and other appropriate provider entities, such as health departments, local hospitals, and rural health clinics, to provide better coordinated, higher quality, and more cost-effective health care services.

''(B) COMPREHENSIVE SERVICE DELIVERY NETWORKS AND PLANS.—The Secretary may make grants to health centers that receive assistance under this section to enable the centers to plan and develop a network or plan for the provision of health services, which may include the provision of health services on a prepaid basis or through another managed care arrangement, to some or to all of the individuals which the centers serve. Such a grant may only be made for such a center if—

''(i) the center has received grants under subsection (d)(1)(A) for at least 2 consecutive years preceding the year of the grant under this subparagraph or has otherwise demonstrated, as required by the Secretary, that such center has been providing primary care services for at least the 2 consecutive years immediately preceding such year; and

''(ii) the center provides assurances satisfactory to the Secretary that the provision of such services on a prepaid basis, or under another managed care arrangement, will not result in the diminution of the level or quality of health services provided to the medically underserved population served prior to the grant under this subparagraph.

Any such grant may include the acquisition and lease, expansion, and modernization of existing buildings, construction of new buildings, acquisition or lease of equipment which may include data and information systems, and providing training and technical assistance related to the provision of health services on a prepaid basis or under another managed care arrangement, and for other purposes that promote the development of managed care networks and plans.

''(2) LIMITATION.—Not more than two grants may be made under this subsection for the same project, except that upon a showing of good cause, the Secretary may make additional grant awards.

''(d) OPERATING GRANTS.—

''(1) AUTHORITY.—

''(A) IN GENERAL.—The Secretary may make grants for the costs of the operation of public and nonprofit private health centers that provide health services to medically underserved populations.

''(B) ENTITIES THAT FAIL TO MEET CERTAIN REQUIREMENTS.—The Secretary may make grants, for a period of not to exceed 2-years, for the costs of the operation of public and nonprofit private entities which provide health services to medically underserved populations but with respect to which the Secretary is unable to make each of the determinations required by subsection **[**(j)**]***(i)*(3).

''(2) USE OF FUNDS.—The costs for which a grant may be made under subparagraph (A) or (B) of paragraph (1) may include the costs of acquiring, expanding, and modernizing existing buildings and constructing new buildings (including the costs of amortizing the principal of, and paying interest on, loans), the costs of repaying loans for buildings, and the costs of providing training related to the provision of required primary health services and additional health services and to the management of health center programs.

''(3) LIMITATION.—Not more than two grants may be made under subparagraph (B) of paragraph (1) for the same entity.

''(4) AMOUNT.—

''(A) IN GENERAL.—The amount of any grant made in any fiscal year under paragraph (1) to a health center shall be determined by the Secretary, but may not exceed the amount by which the costs of operation of the center in such fiscal year exceed the total of—

''(i) State, local, and other operational funding provided to the center; and

''(ii) the fees, premiums, and third-party reimbursements, which the center may reasonably be expected to receive for its operations in such fiscal year.

''(B) PAYMENTS.—Payments under grants under subparagraph (A) or (B) of paragraph (1) shall be made in advance or by way of reimbursement and in such installments as the Secretary finds necessary and adjustments may be made for overpayments or underpayments.

''(C) USE OF NONGRANT FUNDS.—Nongrant funds described in clauses (i) and (ii) of subparagraph (A), including any such funds in excess of those originally expected, shall be used as permitted under this section, and may be used for such other purposes as are not specifically prohibited under this section if such use furthers the objectives of the project.

''(e) INFANT MORTALITY GRANTS.—

''(1) IN GENERAL.—The Secretary may make grants to health centers for the purpose of assisting such centers in—

''(A) providing comprehensive health care and support services for the reduction of—

''(i) the incidence of infant mortality; and

''(ii) morbidity among children who are less than 3 years of age; and

''(B) developing and coordinating service and referral arrangements between health centers and other entities for the health management of pregnant women and children described in subparagraph (A).

''(2) PRIORITY.—In making grants under this subsection the Secretary shall give priority to health centers providing services to any medically underserved population among which there is a substantial incidence of infant mortality or among which there is a significant increase in the incidence of infant mortality.

''(3) REQUIREMENTS.—The Secretary may make a grant under this subsection only if the health center involved agrees that—

''(A) the center will coordinate the provision of services under the grant to each of the recipients of the services;

''(B) such services will be continuous for each such recipient;

''(C) the center will provide follow-up services for individuals who are referred by the center for services described in paragraph (1);

''(D) the grant will be expended to supplement, and not supplant, the expenditures of the center for primary health services (including prenatal care) with respect to the purpose described in this subsection; and

''(E) the center will coordinate the provision of services with other maternal and child health providers operating in the catchment area.

''(f) MIGRATORY AND SEASONAL AGRICULTURAL WORKERS.—

''(1) IN GENERAL.—The Secretary may award grants for the purposes described in subsections (c), (d), and (e) for the planning and delivery of services to a special medically underserved population comprised of—

''(A) migratory agricultural workers, seasonal agricultural workers, and members of the families of such migratory and seasonal agricultural workers who are within a designated catchment area; and

''(B) individuals who have previously been migratory agricultural workers but who no longer meet the requirements of subparagraph (A) of paragraph (4) because of age or disability and members of the families of such individuals who are within such catchment area.

''(2) ENVIRONMENTAL CONCERNS.—The Secretary may enter into grants or contracts under this subsection with public and private entities to—

''(A) assist the States in the implementation and enforcement of acceptable environmental health standards, including enforcement of standards for sanitation in migratory agricultural worker labor camps, and applicable Federal and State pesticide control standards; and

''(B) conduct projects and studies to assist the several States and entities which have received grants or contracts under this section in the assessment of problems related to camp and field sanitation, exposure to unsafe levels of agricultural chemicals including pesticides, and other environmental health hazards to which migratory agricultural workers and members of their families are exposed.

''(3) DEFINITIONS.—For purposes of this subsection:

''(A) MIGRATORY AGRICULTURAL WORKER.—The term 'migratory agricultural worker' means an individual whose principal employment is in agriculture on a seasonal basis, who has been so employed within the last 24 months, and who establishes for the purposes of such employment a temporary abode.

''(B) SEASONAL AGRICULTURAL WORKER.—The term 'seasonal agricultural worker' means an individual whose principal employment is in agriculture on a seasonal basis and who is not a migratory agricultural worker.

''(C) AGRICULTURE.—The term 'agriculture' means farming in all its branches, including—

''(i) cultivation and tillage of the soil;

''(ii) the production, cultivation, growing, and harvesting of any commodity grown on, in, or as an adjunct to or part of a commodity grown in or on, the land; and

''(iii) any practice (including preparation and processing for market and delivery to storage or to market or to carriers for transportation to market) performed by a farmer or on a farm incident to or in conjunction with an activity described in clause (ii).

''(g) HOMELESS POPULATION.—

''(1) IN GENERAL.—The Secretary may award grants for the purposes described in subsections (c), (d), and (e) for the planning and delivery of services to a special medically underserved population comprised of homeless individuals, including grants for innovative programs that provide outreach and comprehensive primary health services to homeless children and children at risk of homelessness.

''(2) REQUIRED SERVICES.—In addition to required primary health services (as defined in subsection (b)(1)), an entity that receives a grant under this subsection shall be required to provide substance abuse services as a condition of such grant.

''(3) SUPPLEMENT NOT SUPPLANT REQUIREMENT.—A grant awarded under this subsection shall be expended to supplement, and not supplant, the expenditures of the health center and the value of in kind contributions for the delivery of services to the population described in paragraph (1).

''(4) DEFINITIONS.—For purposes of this section:

''(A) HOMELESS INDIVIDUAL.—The term 'homeless individual' means an individual who lacks housing (without regard to whether the individual is a member of a family), including an individual whose primary residence during the night is a supervised public or private facility that provides temporary living accommodations and an individual who is a resident in transitional housing.

''(B) SUBSTANCE ABUSE.—The term 'substance abuse' has the same meaning given such term in section 534(4).

''(C) SUBSTANCE ABUSE SERVICES.—The term 'substance abuse services' includes detoxification and residential treatment for substance abuse provided in settings other than hospitals.

''(h) RESIDENTS OF PUBLIC HOUSING.—

''(1) IN GENERAL.—The Secretary may award grants for the purposes described in subsections (c), (d), and (e) for the planning and delivery of services to a special medically underserved population comprised of residents of public housing (such term, for purposes of this subsection, shall have the same meaning given such term in section 3(b)(1) of the United States Housing Act of 1937) and individuals living in areas immediately accessible to such public housing.

''(2) SUPPLEMENT NOT SUPPLANT.—A grant awarded under this subsection shall be expended to supplement, and not supplant, the expenditures of the health center and the value of in kind contributions for the delivery of services to the population described in paragraph (1).

''(3) CONSULTATION WITH RESIDENTS.—The Secretary may not make a grant under paragraph (1) unless, with respect to the residents of the public housing involved, the applicant for the grant—

''(A) has consulted with the residents in the preparation of the application for the grant; and

''(B) agrees to provide for ongoing consultation with the residents regarding the planning and administration of the program carried out with the grant.

''(i) APPLICATIONS.—

''(1) SUBMISSION.—No grant may be made under this section unless an application therefore is submitted to, and approved by, the Secretary. Such an application shall be submitted in such form and manner and shall contain such information as the Secretary shall prescribe.

''(2) DESCRIPTION OF NEED.—An application for a grant under subparagraph (A) or (B) of subsection (d)(1) for a health center shall include—

''(A) a description of the need for health services in the catchment area of the center;

''(B) a demonstration by the applicant that the area or the population group to be served by the applicant has a shortage of personal health services; and

''(C) a demonstration that the center will be located so that it will provide services to the greatest number of individuals residing in the catchment area or included in such population group.

Such a demonstration shall be made on the basis of the criteria prescribed by the Secretary under subsection (b)(3) or on any other criteria which the Secretary may prescribe to determine if the area or population group to be served by the applicant has a shortage of personal health services. In considering an application for a grant under subparagraph (A) or (B) of subsection (d)(1), the Secretary may require as a condition to the approval of such application an assurance that the applicant will provide any health service defined under paragraphs (1) and (2) of subsection (b) that the Secretary finds is needed to meet specific health needs of the area to be served by the applicant. Such a finding shall be made in writing and a copy shall be provided to the applicant.

''(3) REQUIREMENTS.—Except as provided in subsection (d)(1)(B), the Secretary may not approve an application for a grant under subparagraph (A) or (B) of subsection (d)(1) unless the Secretary determines that the entity for which the application is submitted is a health center (within the meaning of subsection (a)) and that—

''(A) the required primary health services of the center will be available and accessible in the catchment area of the center promptly, as appropriate, and in a manner which assures continuity;

''(B) the center will have an ongoing quality improvement system that includes clinical services and management, and that maintains the confidentiality of patient records;

''(C) the center will demonstrate its financial responsibility by the use of such accounting procedures and other requirements as may be prescribed by the Secretary;

''(D) the center—

''(i) has or will have a contractual or other arrangement with the agency of the State, in which it provides services, which administers or supervises the administration of a State plan approved under title XIX of the Social Security Act for the payment of all or a part of the center's costs in providing health services to persons who are eligible for medical assistance under such a State plan; or

''(ii) has made or will make every reasonable effort to enter into such an arrangement;

''(E) the center has made or will make and will continue to make every reasonable effort to collect appropriate reimbursement for its costs in providing health services to persons who are entitled to insurance benefits under title XVIII of the Social Security Act, to medical assistance under a State plan approved under title XIX of such Act, or to assistance for medical expenses under any other public assistance program or private health insurance program;

''(F) the center—

''(i) has prepared a schedule of fees or payments for the provision of its services consistent with locally prevailing rates or charges and designed to cover its reasonable costs of operation and has prepared a corresponding schedule of discounts to be applied to the payment of such fees or payments, which discounts are adjusted on the basis of the patient's ability to pay;

''(ii) has made and will continue to make every reasonable effort—

''(I) to secure from patients payment for services in accordance with such schedules; and

''(II) to collect reimbursement for health services to persons described in subparagraph (E) on the basis of the full amount of fees and payments for such services without application of any discount; and

''(iii) has submitted to the Secretary such reports as the Secretary may require to determine compliance with this subparagraph;

''(G) the center has established a governing board which except in the case of an entity operated by an Indian tribe or tribal or Indian organization under the Indian Self-Determination Act—

''(i) is composed of individuals, a majority of whom are being served by the center and who, as a group, represent the individuals being served by the center;

''(ii) meets at least once a month, selects the services to be provided by the center, schedules the hours during which such services will be provided, approves the center's annual budget, approves the selection of a director for the center, and, except in the case of a governing board of a public center (as defined in the second sentence of this paragraph), establishes general policies for the center; and

''(iii) in the case of an application for a second or subsequent grant for a public center, has approved the application or if the governing body has not approved the application, the failure of the governing body to approve the application was unreasonable;

except that, upon a showing of good cause the Secretary shall waive all or part of the requirements of this subparagraph in the case of a health center that receives a grant pursuant to subsection (f), (g), (h), or (o);

''(H) the center has developed—

''(i) an overall plan and budget that meets the requirements of the Secretary; and

''(ii) an effective procedure for compiling and reporting to the Secretary such statistics and other information as the Secretary may require relating to—

''(I) the costs of its operations;

''(II) the patterns of use of its services;

''(III) the availability, accessibility, and acceptability of its services; and

''(IV) such other matters relating to operations of the applicant as the Secretary may require;

''(I) the center will review periodically its catchment area to—

''(i) ensure that the size of such area is such that the services to be provided through the center (including any satellite) are available and accessible to the residents of the area promptly and as appropriate;

''(ii) ensure that the boundaries of such area conform, to the extent practicable, to relevant boundaries of political subdivisions, school districts, and Federal and State health and social service programs; and

''(iii) ensure that the boundaries of such area eliminate, to the extent possible, barriers to access to the services of the center, including barriers resulting from the area's physical characteristics, its residential patterns, its economic and social grouping, and available transportation;

''(J) in the case of a center which serves a population including a substantial proportion of individuals of limited English-speaking ability, the center has—

''(i) developed a plan and made arrangements responsive to the needs of such population for providing services to the extent practicable in the language and cultural context most appropriate to such individuals; and

''(ii) identified an individual on its staff who is fluent in both that language and in English and whose responsibilities shall include providing guidance to such individuals and to appropriate staff members with respect to cultural sensitivities and bridging linguistic and cultural differences; and

''(K) the center, has developed an ongoing referral relationship with one or more hospitals.

For purposes of subparagraph (G), the term 'public center' means a health center funded (or to be funded) through a grant under this section to a public agency.

''(4) APPROVAL OF NEW OR EXPANDED SERVICE APPLICATIONS.—The Secretary shall approve applications for grants under subparagraph (A) or (B) of subsection (d)(1) for health centers which—

''(A) have not received a previous grant under such subsection; or

''(B) have applied for such a grant to expand their services;

in such a manner that the ratio of the medically underserved populations in rural areas which may be expected to use the services provided by such centers to the medically underserved populations in urban areas which may be expected to use the services provided by such centers is not less than two to three or greater than three to two.

''(5) NEW CONSTRUCTION.—The Secretary may make a grant under subsection (c) or (d) for the construction of new buildings for a health center only if the Secretary determines that appropriate facilities are not available through acquiring, modernizing, or expanding existing buildings and that the entity to which the grant will be made has made reasonable efforts to secure from other sources funds, in lieu of the grant, to construct such facilities.

''(j) TECHNICAL AND OTHER ASSISTANCE.—The Secretary may provide (either through the Department of Health and Human Services or by grant or contract) all necessary technical and other nonfinancial assistance (including fiscal and program management assistance and training in such management) to any public or private nonprofit entity to assist entities in developing plans for, or operating as, health centers, and in meeting the requirements of subsection (i)(2).

''(k) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—For the purpose of carrying out this section there are authorized to be appropriated **[**$756,000,000**]** *$756,518,000* for fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 2000.

[''(2) SPECIAL PROVISIONS.—The**]**

''(2) SPECIAL PROVISIONS.—

''(A) PUBLIC CENTERS.—The Secretary may not expend in any fiscal year, for grants under this section to public centers (as defined in the second sentence of subsection (i)(3)) the governing boards of which (as described in subsection (i)(3)(G)(ii)) do not establish general policies for such centers, an amount which exceeds 5 percent of the amounts appropriated under this section for that fiscal year. For purposes of applying the preceding sentence, the term 'public centers' shall not include health centers that receive grants pursuant to subsection (g) or (h).

''(B) DISTRIBUTION OF GRANTS.—

''(i) FISCAL YEAR 1996.—For fiscal year 1996, the Secretary, in awarding grants under this section shall ensure that the amounts made available under each of subsections (f), (g), and (h) in such fiscal year bears the same relationship to the total amount appropriated for such fiscal year under paragraph (1) as the amounts appropriated for fiscal year 1995 under each of sections 329, 340, and 340A (as such sections existed one day prior to the date of enactment of this section) bears to the total amount appropriated under sections 329, 330, 340, and 340A (as such sections existed one day prior to the date of enactment of this section) for such fiscal year.

''(ii) FISCAL YEARS 1997 AND 1998.—For each of the fiscal years 1997 and 1998, the Secretary, in awarding grants under this section shall ensure that the proportion of the amounts made available under each of subsections (f), (g), and (h) is equal to the proportion of amounts made available under each such subsection for the previous fiscal year, as such amounts relate to the total amounts appropriated for the previous fiscal year involved, increased or decreased by not more than 10 percent.

''(3) FUNDING REPORT.—The Secretary shall annually prepare and submit to the appropriate committees of Congress a report concerning the distribution of funds under this section that are provided to meet the health care needs of medically underserved populations, including the homeless, residents of public housing, and migratory and seasonal agricultural workers, and the appropriateness of the delivery systems involved in responding to the needs of the particular populations. Such report shall include an assessment of the relative health care access needs of the targeted populations and the rationale for any substantial changes in the distribution of funds.

''(l) MEMORANDUM OF AGREEMENT.—In carrying out this section, the Secretary may enter into a memorandum of agreement with a State. Such memorandum may include, where appropriate, provisions permitting such State to—

''(1) analyze the need for primary health services for medically underserved populations within such State;

''(2) assist in the planning and development of new health centers;

''(3) review and comment upon annual program plans and budgets of health centers, including comments upon allocations of health care resources in the State;

''(4) assist health centers in the development of clinical practices and fiscal and administrative systems through a technical assistance plan which is responsive to the requests of health centers; and

''(5) share information and data relevant to the operation of new and existing health centers.

''(m) RECORDS.—

''(1) IN GENERAL.—Each entity which receives a grant under subsection (d) shall establish and maintain such records as the Secretary shall require.

''(2) AVAILABILITY.—Each entity which is required to establish and maintain records under this subsection shall make such books, documents, papers, and records available to the Secretary or the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying or mechanical reproduction on or off the premises of such entity upon a reasonable request therefore. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have the authority to conduct such examination, copying, and reproduction.

''(n) DELEGATION OF AUTHORITY.—The Secretary may delegate the authority to administer the programs authorized by this section to any office within the Service, except that the authority to enter into, modify, or issue approvals with respect to grants or contracts may be delegated only within the Health Resources and Services Administration.

''(o) SPECIAL CONSIDERATION.—In making grants under this section, the Secretary shall give special consideration to the unique needs of sparsely populated rural areas, including priority in the awarding of grants for new health centers under subsections (c) and (d), and the granting of waivers as appropriate and permitted under subsections (b)(1)(B)(i) and (i)(3)(G).''.

SEC. 3. RURAL HEALTH OUTREACH, NETWORK DEVELOPMENT, AND TELEMEDICINE GRANT PROGRAM.

(a) IN GENERAL.—Subpart I of part D of title III of the Public Health Service Act (42 U.S.C. 254b et seq.) (as amended by section 2) is further amended by adding at the end thereof the following new section:

''SEC. 330A. RURAL HEALTH OUTREACH, NETWORK DEVELOPMENT, AND TELEMEDICINE GRANT PROGRAM.

''(a) ADMINISTRATION.—The rural health services outreach demonstration grant program established under section 301 shall be administered by the Office of Rural Health Policy (of the Health Resources and Services Administration), in consultation with State rural health offices or other appropriate State governmental entities.

''(b) GRANTS.—Under the program referred to in subsection (a), the Secretary, acting through the Director of the Office of Rural Health Policy, may award grants to expand access to, coordinate, restrain the cost of, and improve the quality of essential health care services, including preventive and emergency services, through the development of integrated health care delivery systems or networks in rural areas and regions.

''(c) ELIGIBLE NETWORKS.—

''(1) OUTREACH NETWORKS.—To be eligible to receive a grant under this section, an entity shall—

''(A) be a rural public or nonprofit private entity that is or represents a network or potential network that includes three or more health care providers or other entities that provide or support the delivery of health care services; and

''(B) in consultation with the State office of rural health or other appropriate State entity, prepare and submit to the Secretary an application, at such time, in such manner, and containing such information as the Secretary may require, including—

''(i) a description of the activities which the applicant intends to carry out using amounts provided under the grant;

''(ii) a plan for continuing the project after Federal support is ended;

''(iii) a description of the manner in which the activities funded under the grant will meet health care needs of underserved rural populations within the State; and

''(iv) a description of how the local community or region to be served by the network or proposed network will be involved in the development and ongoing operations of the network.

''(2) FOR-PROFIT ENTITIES.—An eligible network may include for-profit entities so long as the network grantee is a nonprofit entity.

''(3) TELEMEDICINE NETWORKS.—

''(A) IN GENERAL.—An entity that is a health care provider and a member of an existing or proposed telemedicine network, or an entity that is a consortium of health care providers that are members of an existing or proposed telemedicine network shall be eligible for a grant under this section.

''(B) REQUIREMENT.—A telemedicine network referred to in subparagraph (A) shall, at a minimum, be composed of—

''(i) a multispecialty entity that is located in an urban or rural area, which can provide 24-hour a day access to a range of specialty care; and

''(ii) at least two rural health care facilities, which may include rural hospitals, rural physician offices, rural health clinics, rural community health clinics, and rural nursing homes.

''(d) PREFERENCE.—In awarding grants under this section, the Secretary shall give preference to applicant networks that include—

''(1) a majority of the health care providers serving in the area or region to be served by the network;

''(2) any federally qualified health centers, rural health clinics, and local public health departments serving in the area or region;

''(3) outpatient mental health providers serving in the area or region; or

''(4) appropriate social service providers, such as agencies on aging, school systems, and providers under the women, infants, and children program, to improve access to and coordination of health care services.

''(e) USE OF FUNDS.—

''(1) IN GENERAL.—Amounts provided under grants awarded under this section shall be used—

''(A) for the planning and development of integrated self-sustaining health care networks; and

''(B) for the initial provision of services.

''(2) EXPENDITURES IN RURAL AREAS.—

''(A) IN GENERAL.—In awarding a grant under this section, the Secretary shall ensure that not less than 50 percent of the grant award is expended in a rural area or to provide services to residents of rural areas.

''(B) TELEMEDICINE NETWORKS.—An entity described in subsection (c)(3) may not use in excess of—

''(i) 40 percent of the amounts provided under a grant under this section to carry out activities under paragraph (3)(A)(iii); and

''(ii) 20 percent of the amounts provided under a grant under this section to pay for the indirect costs associated with carrying out the purposes of such grant.

''(3) TELEMEDICINE NETWORKS.—

''(A) IN GENERAL.—An entity described in subsection (c)(3), may use amounts provided under a grant under this section to—

''(i) demonstrate the use of telemedicine in facilitating the development of rural health care networks and for improving access to health care services for rural citizens;

''(ii) provide a baseline of information for a systematic evaluation of telemedicine systems serving rural areas;

''(iii) purchase or lease and install equipment; and

''(iv) operate the telemedicine system and evaluate the telemedicine system.

''(B) LIMITATIONS.—An entity described in subsection (c)(3), may not use amounts provided under a grant under this section—

''(i) to build or acquire real property;

''(ii) purchase or install transmission equipment (such as laying cable or telephone lines, microwave towers, satellite dishes, amplifiers, and digital switching equipment); or

''(iii) for construction, except that such funds may be expended for minor renovations relating to the installation of equipment;

''(f) TERM OF GRANTS.—Funding may not be provided to a network under this section for in excess of a 3-year period.

''(g) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section there are authorized to be appropriated $36,000,000 for fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 2000.''.

(b) TRANSITION.—The Secretary of Health and Human Services shall ensure the continued funding of grants made, or contracts or cooperative agreements entered into, under subpart I of part D of title III of the Public Health Service Act (42 U.S.C. 254b et seq.) (as such subpart existed on the day prior to the date of enactment of this Act), until the expiration of the grant period or the term of the contract or cooperative agreement. Such funding shall be continued under the same terms and conditions as were in effect on the date on which the grant, contract or cooperative agreement was awarded, subject to the availability of appropriations.

SEC. 4. TECHNICAL AND CONFORMING AMENDMENTS.

(a) IN GENERAL.—The Public Health Service Act is amended—

(1) in section 224(g)(4) (42 U.S.C. 233(g)(4)) by striking ''under'' and all that follows through the end thereof and inserting ''under section 330.'';

(2) in section 340C(a)(2) (42 U.S.C. 256c) by striking [''diseases''] *''Under''* and all that follows through the end thereof and inserting ''with assistance provided under section 330.''; and

(3) by repealing subparts V and VI of part D of title III (42 U.S.C. 256 et seq.).

(b) SOCIAL SECURITY ACT.—The Social Security Act is amended—

(1) in clauses (i) and (ii)(I) of section 1861(aa)(4)(A) (42 U.S.C. 1395x(aa)(4)(A)(i) and (ii)(I)) by striking ''section 329, 330, or 340'' and inserting ''section 330 (other than subsection (h))''; and

(2) in clauses (i) and (ii)(II) of section 1905(l)(2)(B) (42 U.S.C. 1396d(l)(2)(B)(i) and (ii)(II)) by striking ''section 329, 330, 340, or 340A'' and inserting ''section 330''.

(c) REFERENCES.—Whenever any reference is made in any provision of law, regulation, rule, record, or document to a community health center, migrant health center, public housing health center, or homeless health center, such reference shall be considered a reference to a health center.

(d) ADDITIONAL AMENDMENTS.—After consultation with the appropriate committees of the Congress, the Secretary of Health and Human Services shall prepare and submit to the Congress a legislative proposal in the form of an implementing bill containing technical and conforming amendments to reflect the changes made by this Act.

SEC. 5. EFFECTIVE DATE.

This Act and the amendments made by this Act shall become effective on October 1, 1995.

AMENDMENT NO. 5397

(Purpose: To provide for a substitute amendment)

Mr. LOTT. Senator KASSEBAUM has a substitute amendment at desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT], for Mrs. KASSEBAUM proposes an amendment numbered 5397.

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

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

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

Mr. KENNEDY. Mr. President, community and migrant health centers play a vital role in bringing affordable and accessible community-based primary care to millions of Americans in underserved areas. Since its beginning in 1966, the Community Health Center Program has been the backbone of Federal efforts to bring quality health care to needy persons and areas throughout the country. In inner cities and isolated rural areas, these health centers have served millions of uninsured and underinsured people, including the elderly, women and children at risk, and those with other special needs. Nationwide, over 2,400 health centers provide basic services to over 9 million persons a year.

In addition to basic care, these centers provide many other services, including health education, public health screening, laboratory services, preventive dental care, emergency care, pharmacy services, substance abuse counseling, and social services. Many centers maintain extended hours for working families. They offer care at multiple sites, and use mobile clinics to reach rural patients. They employ multilingual staff to reduce barriers to care. They stay in touch with community needs by working closely with local groups.

A key feature of the health centers is their strong emphasis on preventive care. For the high risk populations they serve, the centers reduce the demand for costly emergency and in-patient hospital care by emphasizing prevention, early intervention, and case management with good followup. One of the many vital missions of the centers is to reduce infant mortality and low birthweight, by reaching out and helping pregnant women and their infants receive timely care.

In Massachusetts, these health centers provide vital services to communities across the State. Over 800,000 persons receive primary and preventive health care through the centers. This care would otherwise be delayed or unavailable for those without access to other assistance. In western Massachusetts, health centers have mobilized to address complex problems such as high teenage birth rates, increasing rates of HIV infection, and the high incidence of drug abuse and alcohol-related problems. In areas hard hit by the recent recession, the centers provide a real opportunity for uninsured and struggling families to receive comprehensive care.

Community health centers are becoming even more important as the number of people who lack insurance continues to rise. Every year, approximately 1 million more individuals, most of them children, lose their insurance coverage. Today, over 41 million Americans are uninsured. Current projections estimate that the number will reach 50 million by the year 2000.

Medicare and Medicaid, together with grants under this program, make up almost 75 percent of the revenues that support these centers. Reductions in this support would mean serious financial difficulty for all community health centers.

The centers already face a changing health landscape that brings with it both opportunities and threats to the future viability of the centers. Some centers are responding creatively, but others are having great difficulty. In particular, the trend toward managed care raises serious concerns about the ability of these health centers to continue to provide their communities with high quality, cost-effective preventive care and primary care services. Several provisions in this bill are designed to strengthen the centers and help them compete in the changing marketplace.

The Health Centers Consolidation Act consolidates and reauthorizes the four health center programs—the Community Health Center Program, the Migrant Health Center Program, the Health Services for the Homeless Program, and the Health Services for Residents of Public Housing Program. Consolidating these programs will eliminate duplication while maintaining their unique features that have made them so effective.

In addition, the bill helps health centers to address one of the biggest problems they face—obtaining funds to develop and operate their own managed

care networks or plans. Testimony before the Senate Labor and Human Resources Committee concluded that participation in such networks was vital to the future of the program, as States move more rapidly to place their Medicaid population into managed care.

Health centers need to be able to form networks and managed care plans to serve their patients effectively. But since centers are public or nonprofit corporations, they have limited revenues and relatively few assets. As a result, they are often unable to secure loans, especially for the purpose of establishing risk reserves.

The bill addresses this problem in two ways, by network planning grants and a Federal loan guarantee program. The grants will help centers begin the initial phase of setting up links with other health facilities and health providers. The loan guarantee program will enable centers to take the next steps in owning and operating a network by leveraging private dollars to help cover the developmental and initial operating costs, which can range up to several million dollars.

The loan guarantee for network development establishes a program to guarantee the principal and interest on loans made by non-Federal lenders to health centers for the costs of developing and operating managed care networks. The guarantees are subject to all of the requirements of the 1990 Federal Credit Reform Act. The Congressional Budget Office has estimated a 10-percent subsidy rate for the loan program, which means that every dollar guaranteed by the Federal Government would support $10 in loans to health centers.

Loans secured through the loan guarantee fund will be used for activities needed to develop networks, such as establishing risk reserves, acquiring or leasing buildings and equipment, and purchasing management information systems. The cost of the program to the Federal Government will be offset by loan origination fees.

This legislation recognizes the need to concentrate grant funds on health services. The bill authorizes the Secretary of HHS to award grants to pay for the costs associated with construction of new buildings or the renovation of existing buildings—but only if the projects are approved prior to October 1, 1996. Such approved projects must be undertaken pursuant to the statutory and contractual terms, conditions, and assurances in effect at the time Federal assistance for the project was approved by the Secretary, even though the actual grant will not be award until after October 1, 1996.

Because of the need to concentrate limited grant funds on providing services, health centers need more flexibility in the use of their nongrant funds. This bill enhances local health center decisionmaking in the use of non-Federal grant revenues, thereby strengthening the ability of health centers to respond to the changing environment and compete more effectively as businesses in the health marketplace.

Through the leadership of Senator KASSEBAUM, this bill helps rural health centers remove many of the barriers to health care in rural America by authorizing grants for Rural Health Outreach, Network Development, and Telemedicine. These grant funds will enable rural health centers to improve the quality of essential health care services.

In sum, this legislation is a significant step toward enabling local health centers to compete and thrive in the changing health marketplace. The centers are providing quality health care to needy persons and areas throughout the country, and their ability to do so will be preserved and strengthened by this important bipartisan legislation. I urge the Senate to approve it.

RURAL PRIMARY CARE

Mr. THOMAS. Mr. President, as Senator KASSEBAUM knows, many areas of Wyoming, Kansas, and other rural States in the Midwest and West suffer from severe shortages of primary care providers and services. I appreciate the opportunity to work with you on S. 1044, legislation reauthorizing the community health center program, to ensure that this program is a viable option for rural communities in the Midwest and West.

One solution that will help preserve and strengthen access to primary care services in rural areas is a change in the governing board criteria for the health centers. For a number of reasons related to such factors as geography and population density, rural hospitals and other rural providers have had difficulty qualifying for the community health center program because they cannot meet all of the program's strict governing board requirements. It is my understanding that the legislation we are considering today requires the Secretary of Health and Human Services to waive some or all of these requirements if rural providers can show that it is not feasible or practicable for them to meet the requirements. This will certainly make it easier for rural hospitals and other rural providers who would otherwise qualify to participate in the program.

Mrs. KASSEBAUM. The Senator is correct. Following up on your suggestion, S. 1044 provides the Secretary with this waiver authority. The bill has been modified to ensure that this waiver will be in effect for the length of the community health center grant. Rural providers will not be required to repeatedly make their case to the Secretary over the period of the grant. It is also the committee's intention that the process for obtaining this waiver be simple, straightforward, and short. Our rural providers, who are already stretched so thinly, should not be forced to go through a time-consuming, resource-consuming paperwork exercise to obtain a waiver.

Mr. THOMAS. I am also pleased that S. 1044 includes a provision requiring the Secretary to give special consideration to the unique needs of sparsely populated rural areas and to give priority to such areas in the awarding of health center planning and operating grants. These provisions will give greater weight in the awarding of grants to such factors as the severe shortages of primary care providers and geographic barriers inhibiting access to care that are characteristic of many areas in the Midwest and West.

Mrs. KASSEBAUM. I would also note that S. 1044 continues an authority in current law that permits the Secretary to designate a population as ''medically underserved'' if the chief executive officer of a State and local officials recommend that designation based on unusual local conditions which are a barrier to access to care. I would hope that this authority will also be used to address the unique needs of sparsely populated rural areas.

I also wanted to assure the Senator from Wyoming that this bill incorporates your suggestion for improving the coordination of services in rural communities through collaborative relationships between community health centers and other rural providers in the center's service area. As a condition of eligibility for a health center planning or operating grant, the center must demonstrate its efforts to develop and maintain such relationships.

SECTIONS 329, 330, 340, 340A

Mr. KENNEDY. The Health Centers Consolidation Act goes a long way in making many improvements to the health center program. One of these important improvements is to consolidate and streamline sections 329, 330, 340 and 340A of the Public Health Service Act. What remains clear is that all centers under the new, consolidated section 330(a) will have to continue to provide required primary health services to all residents in the health center's service area. Consistent with the history of these centers, that means the centers provide the health services regardless of an individual's ability to pay.

Mrs. KASSEBAUM. Mr. President, I agree, that requirement goes to the fundamental nature and purpose of these important safety net providers. All of the health centers must serve all residents of the area served by the center, regardless of an individual's ability to pay for the services they receive.

PUBLICATION OF GUIDELINES

Mr. KENNEDY. As part of the loan guarantee program authorized under S. 1044, we are requiring the Secretary of Health and Human Services to publish guidance explaining how the requirements and other provisions of the loan guarantee program will be administered. It is normal for agencies to put out guidance to the universe of affected entities, including health centers, primary care associations, and other entities with which the agency has cooperative agreements when funding is available to them. The guidance includes things such as what is required

in the application, the criteria that will be used to evaluate the application, and documentation that will be required if the funding is to be granted, or, in this case, a loan guaranteed for health center networks or plans.

The requirement to publish guidance is not intended to delay the implementaton of the loan guarantee program, and the distribution of the guidance to the appropriate committees of Congress is meant for informational purposes. It is my understanding that the Committee does not intend that the publication of guidance required under S. 1044 to be subject to the provisions of the Administrative Procedures Act.

Mrs. KASSEBAUM. That is correct. I understand how important the loan guarantee provisions of S. 1044 are to the health centers. The States are rapidly moving to managed care systems for Medicaid recipients. In order to continue serving these individuals and other low-income, uninsured individuals, centers must have the ability to form viable, competitive networks and plans. The loan guarantee program will benefit centers across the country, including rural centers who are now trying to position themselves for the movement of managed care into rural areas.

Mr. LOTT. Mr. President, I ask unanimous consent to have printed in the RECORD a summary of S. 1044 and the manager's amendment.

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

SUMMARY OF S. 1044, the Health Centers Consolidation Act and the Floor Manager's Amendment in the Nature of a Substitute

I. SUMMARY OF S. 1044

S. 1044, reported unanimously by the Senate Committee on Labor and Human Resources on July 20, 1995, consolidates and streamlines four separate Public Health Service Act (PHSA) programs under one authority, a rewritten section 330 of the PHSA. The consolidated programs are the Migrant Health Center program (section 329 of the PHSA), the Community Health Center program (section 330 of the PHSA), the Health Care for the Homeless program (section 340 of the PHSA), and the Health Services for Residents of Public Housing program (section 340A of the PHSA). For these consolidated programs, S. 1044 authorizes $756.518 million in fiscal year 1996 and ''such sums'' for fiscal years 1997 through 2000.

In addition, the bill formally authorizes as new section 330A of the Public Health Service Act the ''Rural Health Outreach, Network Development, and Telemedicine Grant'' program. This program consolidates and reforms several currently funded, discretionary rural health programs. This program is authorized at $36 million in fiscal year 1996 (current spending) and at ''such sums'' for fiscal years 1997 through 2000.

II. SUMMARY OF THE MANAGER'S AMENDMENT

The manager's amendment makes a number of technical corrections to S. 1044 as reported. In addition, it makes several policy changes:

A. Loan guarantee program

It replaces the Secretary's authority under S. 1044 to provide grants for facility construction and modernization with a loan guarantee fund to provide health centers with the ability to leverage private-sector resources for the development and initial operation of health networks and plans. This permits federal dollars to be focused on the provision of services, rather than on ''bricks and mortar.''

B. Changes in authorization period and authorization level

Reflecting the fact that fiscal year 1996 is nearly at an end, the manager's amendment updates the authorization period from fiscal years 1996 through 2000 to fiscal years 1997 through 2001. Reflecting the appropriation provided for the health center programs in the House-passed appropriations bill, the manager's amendment updates the funding level to $802.124 million in fiscal year 1997 and ''such sums'' in the out years.

Mr. LOTT. Mr. President, I ask unanimous consent the amendment be agreed to, the bill be deemed read a third time and passed, as amended, the motion to reconsider be laid upon the table, and that any statements relating to the bill appear at this point in the RECORD. I have some statements for the RECORD.

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

The amendment (No. 5397) was agreed to.

The bill (S. 1044), as amended, was deemed read a third time and passed, as follows:

S. 1044

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Health Centers Consolidation Act of 1996''.

SEC. 2. CONSOLIDATION AND REAUTHORIZATION OF PROVISIONS.

Subpart I of part D of title III of the Public Health Service Act (42 U.S.C. 254b et seq.) is amended to read as follows:

''Subpart I—Health Centers

''SEC. 330. HEALTH CENTERS.

''(a) DEFINITION OF HEALTH CENTER.—

''(1) IN GENERAL.—For purposes of this section, the term 'health center' means an entity that serves a population that is medically underserved, or a special medically underserved population comprised of migratory and seasonal agricultural workers, the homeless, and residents of public housing, by providing, either through the staff and supporting resources of the center or through contracts or cooperative arrangements—

''(A) required primary health services (as defined in subsection (b)(1)); and

''(B) as may be appropriate for particular centers, additional health services (as defined in subsection (b)(2)) necessary for the adequate support of the primary health services required under subparagraph (A);

for all residents of the area served by the center (hereafter referred to in this section as the 'catchment area').

''(2) LIMITATION.—The requirement in paragraph (1) to provide services for all residents within a catchment area shall not apply in the case of a health center receiving a grant only under subsection (g), (h), or (i).

''(b) DEFINITIONS.—For purposes of this section:

''(1) REQUIRED PRIMARY HEALTH SERVICES.—

''(A) IN GENERAL.—The term 'required primary health services' means—

''(i) basic health services which, for purposes of this section, shall consist of—

''(I) health services related to family medicine, internal medicine, pediatrics, obstetrics, or gynecology that are furnished by physicians and where appropriate, physician assistants, nurse practitioners, and nurse midwives;

''(II) diagnostic laboratory and radiologic services;

''(III) preventive health services, including—

''(aa) prenatal and perinatal services;

''(bb) screening for breast and cervical cancer;

''(cc) well-child services;

''(dd) immunizations against vaccine-preventable diseases;

''(ee) screenings for elevated blood lead levels, communicable diseases, and cholesterol;

''(ff) pediatric eye, ear, and dental screenings to determine the need for vision and hearing correction and dental care;

''(gg) voluntary family planning services; and

''(hh) preventive dental services;

''(IV) emergency medical services; and

''(V) pharmaceutical services as may be appropriate for particular centers;

''(ii) referrals to providers of medical services and other health-related services (including substance abuse and mental health services);

''(iii) patient case management services (including counseling, referral, and follow-up services) and other services designed to assist health center patients in establishing eligibility for and gaining access to Federal, State, and local programs that provide or financially support the provision of medical, social, educational, or other related services;

''(iv) services that enable individuals to use the services of the health center (including outreach and transportation services and, if a substantial number of the individuals in the population served by a center are of limited English-speaking ability, the services of appropriate personnel fluent in the language spoken by a predominant number of such individuals); and

''(v) education of patients and the general population served by the health center regarding the availability and proper use of health services.

''(B) EXCEPTION.—With respect to a health center that receives a grant only under subsection (g), the Secretary, upon a showing of good cause, shall—

''(i) waive the requirement that the center provide all required primary health services under this paragraph; and

''(ii) approve, as appropriate, the provision of certain required primary health services only during certain periods of the year.

''(2) ADDITIONAL HEALTH SERVICES.—The term 'additional health services' means services that are not included as required primary health services and that are appropriate to meet the health needs of the population served by the health center involved. Such term may include—

''(A) environmental health services, including—

''(i) the detection and alleviation of unhealthful conditions associated with water supply;

''(ii) sewage treatment;

''(iii) solid waste disposal;

''(iv) rodent and parasitic infestation;

''(v) field sanitation;

''(vi) housing; and

''(vii) other environmental factors related to health; and

''(B) in the case of health centers receiving grants under subsection (g), special occupation-related health services for migratory and seasonal agricultural workers, including—

''(i) screening for and control of infectious diseases, including parasitic diseases; and

''(ii) injury prevention programs, including prevention of exposure to unsafe levels of agricultural chemicals including pesticides.

''(3) MEDICALLY UNDERSERVED POPULATIONS.—

''(A) IN GENERAL.—The term 'medically underserved population' means the population of an urban or rural area designated by the Secretary as an area with a shortage of personal health services or a population group designated by the Secretary as having a shortage of such services.

''(B) CRITERIA.—In carrying out subparagraph (A), the Secretary shall prescribe criteria for determining the specific shortages of personal health services of an area or population group. Such criteria shall—

''(i) take into account comments received by the Secretary from the chief executive officer of a State and local officials in a State; and

''(ii) include factors indicative of the health status of a population group or residents of an area, the ability of the residents of an area or of a population group to pay for health services and their accessibility to them, and the availability of health professionals to residents of an area or to a population group.

''(C) LIMITATION.—The Secretary may not designate a medically underserved population in a State or terminate the designation of such a population unless, prior to such designation or termination, the Secretary provides reasonable notice and opportunity for comment and consults with—

''(i) the chief executive officer of such State;

''(ii) local officials in such State; and

''(iii) the organization, if any, which represents a majority of health centers in such State.

''(D) PERMISSIBLE DESIGNATION.—The Secretary may designate a medically underserved population that does not meet the criteria established under subparagraph (B) if the chief executive officer of the State in which such population is located and local officials of such State recommend the designation of such population based on unusual local conditions which are a barrier to access to or the availability of personal health services.

''(c) PLANNING GRANTS.—

''(1) IN GENERAL.—

''(A) CENTERS.—The Secretary may make grants to public and nonprofit private entities for projects to plan and develop health centers which will serve medically underserved populations. A project for which a grant may be made under this subsection may include the cost of the acquisition and lease of buildings and equipment (including the costs of amortizing the principal of, and paying the interest on, loans) and shall include—

''(i) an assessment of the need that the population proposed to be served by the health center for which the project is undertaken has for required primary health services and additional health services;

''(ii) the design of a health center program for such population based on such assessment;

''(iii) efforts to secure, within the proposed catchment area of such center, financial and professional assistance and support for the project;

''(iv) initiation and encouragement of continuing community involvement in the development and operation of the project; and

''(v) proposed linkages between the center and other appropriate provider entities, such as health departments, local hospitals, and rural health clinics, to provide better coordinated, higher quality, and more cost-effective health care services.

''(B) COMPREHENSIVE SERVICE DELIVERY NETWORKS AND PLANS.—The Secretary may make grants to health centers that receive assistance under this section to enable the centers to plan and develop a network or plan for the provision of health services, which may include the provision of health services on a prepaid basis or through another managed care arrangement, to some or to all of the individuals which the centers serve. Such a grant may only be made for such a center if—

''(i) the center has received grants under subsection (e)(1)(A) for at least 2 consecutive years preceding the year of the grant under this subparagraph or has otherwise demonstrated, as required by the Secretary, that such center has been providing primary care services for at least the 2 consecutive years immediately preceding such year; and

''(ii) the center provides assurances satisfactory to the Secretary that the provision of such services on a prepaid basis, or under another managed care arrangement, will not result in the diminution of the level or quality of health services provided to the medically underserved population served prior to the grant under this subparagraph.

Any such grant may include the acquisition and lease of buildings and equipment which may include data and information systems (including the costs of amortizing the principal of, and paying the interest on, loans), and providing training and technical assistance related to the provision of health services on a prepaid basis or under another managed care arrangement, and for other purposes that promote the development of managed care networks and plans.

''(2) LIMITATION.—Not more than two grants may be made under this subsection for the same project, except that upon a showing of good cause, the Secretary may make additional grant awards.

''(d) MANAGED CARE LOAN GUARANTEE PROGRAM.—

''(1) ESTABLISHMENT.—

''(A) IN GENERAL.—The Secretary shall establish a program under which the Secretary may, in accordance with this subsection and to the extent that appropriations are provided in advance for such program, guarantee the principal and interest on loans made by non-Federal lenders to health centers funded under this section for the costs of developing and operating managed care networks or plans.

''(B) USE OF FUNDS.—Loan funds guaranteed under this subsection may be used—

''(i) to establish reserves for the furnishing of services on a pre-paid basis; or

''(ii) for costs incurred by the center or centers, otherwise permitted under this section, as the Secretary determines are necessary to enable a center or centers to develop, operate, and own the network or plan.

''(C) PUBLICATION OF GUIDANCE.—Prior to considering an application submitted under this subsection, the Secretary shall publish guidelines to provide guidance on the implementation of this section. The Secretary shall make such guidelines available to the universe of parties affected under this subsection, distribute such guidelines to such parties upon the request of such parties, and provide a copy of such guidelines to the appropriate committees of Congress.

''(2) PROTECTION OF FINANCIAL INTERESTS.—

''(A) IN GENERAL.—The Secretary may not approve a loan guarantee for a project under this subsection unless the Secretary determines that—

''(i) the terms, conditions, security (if any), and schedule and amount of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable, including a determination that the rate of interest does not exceed such percent per annum on the principal obligation outstanding as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States, except that the Secretary may not require as security any center asset that is, or may be, needed by the center or centers involved to provide health services;

''(ii) the loan would not be available on reasonable terms and conditions without the guarantee under this subsection; and

''(iii) amounts appropriated for the program under this subsection are sufficient to provide loan guarantees under this subsection.

''(B) RECOVERY OF PAYMENTS.—

''(i) IN GENERAL.—The United States shall be entitled to recover from the applicant for a loan guarantee under this subsection the amount of any payment made pursuant to such guarantee, unless the Secretary for good cause waives such right of recovery (subject to appropriations remaining available to permit such a waiver) and, upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made. Amounts recovered under this clause shall be credited as reimbursements to the financing account of the program.

''(ii) MODIFICATION OF TERMS AND CONDITIONS.—To the extent permitted by clause (iii) and subject to the requirements of section 504(e) of the Credit Reform Act of 1990 (2 U.S.C. 661c(e)), any terms and conditions applicable to a loan guarantee under this subsection (including terms and conditions imposed under clause (iv)) may be modified or waived by the Secretary to the extent the Secretary determines it to be consistent with the financial interest of the United States.

''(iii) INCONTESTABILITY.—Any loan guarantee made by the Secretary under this subsection shall be incontestable—

''(I) in the hands of an applicant on whose behalf such guarantee is made unless the applicant engaged in fraud or misrepresentation in securing such guarantee; and

''(II) as to any person (or successor in interest) who makes or contracts to make a loan to such applicant in reliance thereon unless such person (or successor in interest) engaged in fraud or misrepresentation in making or contracting to make such loan.

''(iv) FURTHER TERMS AND CONDITIONS.—Guarantees of loans under this subsection shall be subject to such further terms and conditions as the Secretary determines to be necessary to assure that the purposes of this section will be achieved.

''(3) LOAN ORIGINATION FEES.—

''(A) IN GENERAL.—The Secretary shall collect a loan origination fee with respect to loans to be guaranteed under this subsection, except as provided in subparagraph (C).

''(B) AMOUNT.—The amount of a loan origination fee collected by the Secretary under subparagraph (A) shall be equal to the estimated long term cost of the loan guarantees involved to the Federal Government (excluding administrative costs), calculated on a net present value basis, after taking into account any appropriations that may be made for the purpose of offsetting such costs, and in accordance with the criteria used to award loan guarantees under this subsection.

''(C) WAIVER.—The Secretary may waive the loan origination fee for a health center applicant who demonstrates to the Secretary that the applicant will be unable to meet the conditions of the loan if the applicant incurs the additional cost of the fee.

''(4) DEFAULTS.—

''(A) IN GENERAL.—Subject to the requirements of the Credit Reform Act of 1990 (2 U.S.C. 661 et seq.), the Secretary may take such action as may be necessary to prevent a default on a loan guaranteed under this subsection, including the waiver of regulatory conditions, deferral of loan payments, renegotiation of loans, and the expenditure of funds for technical and consultative assistance, for the temporary payment of the interest and principal on such a loan, and for other purposes. Any such expenditure made under the preceding sentence on behalf of a health center or centers shall be made under such terms and conditions as the Secretary shall prescribe, including the implementation of such organizational, operational, and financial reforms as the Secretary determines are appropriate and the disclosure of such financial or other information as the Secretary may require to determine the extent of the implementation of such reforms.

''(B) FORECLOSURE.—The Secretary may take such action, consistent with State law respecting foreclosure procedures and, with respect to reserves required for furnishing services on a prepaid basis, subject to the consent of the affected States, as the Secretary determines appropriate to protect the interest of the United States in the event of a default on a loan guaranteed under this subsection, except that the Secretary may only foreclose on assets offered as security (if any) in accordance with paragraph (2)(A)(i).

''(5) LIMITATION.—Not more than one loan guarantee may be made under this subsection for the same network or plan, except that upon a showing of good cause the Secretary may make additional loan guarantees.

''(6) ANNUAL REPORT.—Not later than April 1, 1998, and each April 1 thereafter, the Secretary shall prepare and submit to the appropriate committees of Congress a report concerning loan guarantees provided under this subsection. Such report shall include—

''(A) a description of the number, amount, and use of funds received under each loan guarantee provided under this subsection;

''(B) a description of any defaults with respect to such loans and an analysis of the reasons for such defaults, if any; and

''(C) a description of the steps that may have been taken by the Secretary to assist an entity in avoiding such a default.

''(7) PROGRAM EVALUATION.—Not later than June 30, 1999, the Secretary shall prepare and submit to the appropriate committees of Congress a report containing an evaluation of the program authorized under this subsection. Such evaluation shall include a recommendation with respect to whether or not the loan guarantee program under this subsection should be continued and, if so, any modifications that should be made to such program.

''(8) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection such sums as may be necessary.

''(e) OPERATING GRANTS.—

''(1) AUTHORITY.—

''(A) IN GENERAL.—The Secretary may make grants for the costs of the operation of public and nonprofit private health centers that provide health services to medically underserved populations.

''(B) ENTITIES THAT FAIL TO MEET CERTAIN REQUIREMENTS.—The Secretary may make grants, for a period of not to exceed 2-years, for the costs of the operation of public and nonprofit private entities which provide health services to medically underserved populations but with respect to which the Secretary is unable to make each of the determinations required by subsection (j)(3).

''(2) USE OF FUNDS.—The costs for which a grant may be made under subparagraph (A) or (B) of paragraph (1) may include the costs of acquiring and leasing buildings and equipment (including the costs of amortizing the principal of, and paying interest on, loans), and the costs of providing training related to the provision of required primary health services and additional health services and to the management of health center programs.

''(3) CONSTRUCTION.—The Secretary may award grants which may be used to pay the costs associated with expanding and modernizing existing buildings or constructing new buildings (including the costs of amortizing the principal of, and paying the interest on, loans) for projects approved prior to October 1, 1996.

''(4) LIMITATION.—Not more than two grants may be made under subparagraph (B) of paragraph (1) for the same entity.

''(5) AMOUNT.—

''(A) IN GENERAL.—The amount of any grant made in any fiscal year under paragraph (1) to a health center shall be determined by the Secretary, but may not exceed the amount by which the costs of operation of the center in such fiscal year exceed the total of—

''(i) State, local, and other operational funding provided to the center; and

''(ii) the fees, premiums, and third-party reimbursements, which the center may reasonably be expected to receive for its operations in such fiscal year.

''(B) PAYMENTS.—Payments under grants under subparagraph (A) or (B) of paragraph (1) shall be made in advance or by way of reimbursement and in such installments as the Secretary finds necessary and adjustments may be made for overpayments or underpayments.

''(C) USE OF NONGRANT FUNDS.—Nongrant funds described in clauses (i) and (ii) of subparagraph (A), including any such funds in excess of those originally expected, shall be used as permitted under this section, and may be used for such other purposes as are not specifically prohibited under this section if such use furthers the objectives of the project.

''(f) INFANT MORTALITY GRANTS.—

''(1) IN GENERAL.—The Secretary may make grants to health centers for the purpose of assisting such centers in—

''(A) providing comprehensive health care and support services for the reduction of—

''(i) the incidence of infant mortality; and

''(ii) morbidity among children who are less than 3 years of age; and

''(B) developing and coordinating service and referral arrangements between health centers and other entities for the health management of pregnant women and children described in subparagraph (A).

''(2) PRIORITY.—In making grants under this subsection the Secretary shall give priority to health centers providing services to any medically underserved population among which there is a substantial incidence of infant mortality or among which there is a significant increase in the incidence of infant mortality.

''(3) REQUIREMENTS.—The Secretary may make a grant under this subsection only if the health center involved agrees that—

''(A) the center will coordinate the provision of services under the grant to each of the recipients of the services;

''(B) such services will be continuous for each such recipient;

''(C) the center will provide follow-up services for individuals who are referred by the center for services described in paragraph (1);

''(D) the grant will be expended to supplement, and not supplant, the expenditures of the center for primary health services (including prenatal care) with respect to the purpose described in this subsection; and

''(E) the center will coordinate the provision of services with other maternal and child health providers operating in the catchment area.

''(g) MIGRATORY AND SEASONAL AGRICULTURAL WORKERS.—

''(1) IN GENERAL.—The Secretary may award grants for the purposes described in subsections (c), (e), and (f) for the planning and delivery of services to a special medically underserved population comprised of—

''(A) migratory agricultural workers, seasonal agricultural workers, and members of the families of such migratory and seasonal agricultural workers who are within a designated catchment area; and

''(B) individuals who have previously been migratory agricultural workers but who no longer meet the requirements of subparagraph (A) of paragraph (3) because of age or disability and members of the families of such individuals who are within such catchment area.

''(2) ENVIRONMENTAL CONCERNS.—The Secretary may enter into grants or contracts under this subsection with public and private entities to—

''(A) assist the States in the implementation and enforcement of acceptable environmental health standards, including enforcement of standards for sanitation in migratory agricultural worker labor camps, and applicable Federal and State pesticide control standards; and

''(B) conduct projects and studies to assist the several States and entities which have received grants or contracts under this section in the assessment of problems related to camp and field sanitation, exposure to unsafe levels of agricultural chemicals including pesticides, and other environmental health hazards to which migratory agricultural workers and members of their families are exposed.

''(3) DEFINITIONS.—For purposes of this subsection:

''(A) MIGRATORY AGRICULTURAL WORKER.—The term 'migratory agricultural worker' means an individual whose principal employment is in agriculture on a seasonal basis, who has been so employed within the last 24 months, and who establishes for the purposes of such employment a temporary abode.

''(B) SEASONAL AGRICULTURAL WORKER.—The term 'seasonal agricultural worker' means an individual whose principal employment is in agriculture on a seasonal basis and who is not a migratory agricultural worker.

''(C) AGRICULTURE.—The term 'agriculture' means farming in all its branches, including—

''(i) cultivation and tillage of the soil;

''(ii) the production, cultivation, growing, and harvesting of any commodity grown on, in, or as an adjunct to or part of a commodity grown in or on, the land; and

''(iii) any practice (including preparation and processing for market and delivery to storage or to market or to carriers for transportation to market) performed by a farmer or on a farm incident to or in conjunction with an activity described in clause (ii).

''(h) HOMELESS POPULATION.—

''(1) IN GENERAL.—The Secretary may award grants for the purposes described in subsections (c), (e), and (f) for the planning and delivery of services to a special medically underserved population comprised of homeless individuals, including grants for innovative programs that provide outreach and comprehensive primary health services to homeless children and children at risk of homelessness.

''(2) REQUIRED SERVICES.—In addition to required primary health services (as defined in subsection (b)(1)), an entity that receives a grant under this subsection shall be required to provide substance abuse services as a condition of such grant.

''(3) SUPPLEMENT NOT SUPPLANT REQUIREMENT.—A grant awarded under this subsection shall be expended to supplement, and not supplant, the expenditures of the health center and the value of in kind contributions for the delivery of services to the population described in paragraph (1).

''(4) DEFINITIONS.—For purposes of this section:

''(A) HOMELESS INDIVIDUAL.—The term 'homeless individual' means an individual who lacks housing (without regard to whether the individual is a member of a family), including an individual whose primary residence during the night is a supervised public or private facility that provides temporary living accommodations and an individual who is a resident in transitional housing.

''(B) SUBSTANCE ABUSE.—The term 'substance abuse' has the same meaning given such term in section 534(4).

''(C) SUBSTANCE ABUSE SERVICES.—The term 'substance abuse services' includes detoxification and residential treatment for substance abuse provided in settings other than hospitals.

''(i) RESIDENTS OF PUBLIC HOUSING.—

''(1) IN GENERAL.—The Secretary may award grants for the purposes described in subsections (c), (e), and (f) for the planning and delivery of services to a special medically underserved population comprised of residents of public housing (such term, for purposes of this subsection, shall have the same meaning given such term in section 3(b)(1) of the United States Housing Act of 1937) and individuals living in areas immediately accessible to such public housing.

''(2) SUPPLEMENT NOT SUPPLANT.—A grant awarded under this subsection shall be expended to supplement, and not supplant, the expenditures of the health center and the value of in kind contributions for the delivery of services to the population described in paragraph (1).

''(3) CONSULTATION WITH RESIDENTS.—The Secretary may not make a grant under paragraph (1) unless, with respect to the residents of the public housing involved, the applicant for the grant—

''(A) has consulted with the residents in the preparation of the application for the grant; and

''(B) agrees to provide for ongoing consultation with the residents regarding the planning and administration of the program carried out with the grant.

''(j) APPLICATIONS.—

''(1) SUBMISSION.—No grant may be made under this section unless an application therefore is submitted to, and approved by, the Secretary. Such an application shall be submitted in such form and manner and shall contain such information as the Secretary shall prescribe.

''(2) DESCRIPTION OF NEED.—An application for a grant under subparagraph (A) or (B) of subsection (e)(1) for a health center shall include—

''(A) a description of the need for health services in the catchment area of the center;

''(B) a demonstration by the applicant that the area or the population group to be served by the applicant has a shortage of personal health services; and

''(C) a demonstration that the center will be located so that it will provide services to the greatest number of individuals residing in the catchment area or included in such population group.

Such a demonstration shall be made on the basis of the criteria prescribed by the Secretary under subsection (b)(3) or on any other criteria which the Secretary may prescribe to determine if the area or population group to be served by the applicant has a shortage of personal health services. In considering an application for a grant under subparagraph (A) or (B) of subsection (e)(1), the Secretary may require as a condition to the approval of such application an assurance that the applicant will provide any health service defined under paragraphs (1) and (2) of subsection (b) that the Secretary finds is needed to meet specific health needs of the area to be served by the applicant. Such a finding shall be made in writing and a copy shall be provided to the applicant.

''(3) REQUIREMENTS.—Except as provided in subsection (e)(1)(B), the Secretary may not approve an application for a grant under subparagraph (A) or (B) of subsection (e)(1) unless the Secretary determines that the entity for which the application is submitted is a health center (within the meaning of subsection (a)) and that—

''(A) the required primary health services of the center will be available and accessible in the catchment area of the center promptly, as appropriate, and in a manner which assures continuity;

''(B) the center has made and will continue to make every reasonable effort to establish and maintain collaborative relationships with other health care providers in the catchment area of the center;

''(C) the center will have an ongoing quality improvement system that includes clinical services and management, and that maintains the confidentiality of patient records;

''(D) the center will demonstrate its financial responsibility by the use of such accounting procedures and other requirements as may be prescribed by the Secretary;

''(E) the center—

''(i) has or will have a contractual or other arrangement with the agency of the State, in which it provides services, which administers or supervises the administration of a State plan approved under title XIX of the Social Security Act for the payment of all or a part of the center's costs in providing health services to persons who are eligible for medical assistance under such a State plan; or

''(ii) has made or will make every reasonable effort to enter into such an arrangement;

''(F) the center has made or will make and will continue to make every reasonable effort to collect appropriate reimbursement for its costs in providing health services to persons who are entitled to insurance benefits under title XVIII of the Social Security Act, to medical assistance under a State plan approved under title XIX of such Act, or to assistance for medical expenses under any other public assistance program or private health insurance program;

''(G) the center—

''(i) has prepared a schedule of fees or payments for the provision of its services consistent with locally prevailing rates or charges and designed to cover its reasonable costs of operation and has prepared a corresponding schedule of discounts to be applied to the payment of such fees or payments, which discounts are adjusted on the basis of the patient's ability to pay;

''(ii) has made and will continue to make every reasonable effort—

''(I) to secure from patients payment for services in accordance with such schedules; and

''(II) to collect reimbursement for health services to persons described in subparagraph (F) on the basis of the full amount of fees and payments for such services without application of any discount; and

''(iii) has submitted to the Secretary such reports as the Secretary may require to determine compliance with this subparagraph;

''(H) the center has established a governing board which except in the case of an entity operated by an Indian tribe or tribal or Indian organization under the Indian Self-Determination Act or an urban Indian organization under the Indian Health Care Improvement Act (25 U.S.C. 1651 et seq.)—

''(i) is composed of individuals, a majority of whom are being served by the center and who, as a group, represent the individuals being served by the center;

''(ii) meets at least once a month, selects the services to be provided by the center, schedules the hours during which such services will be provided, approves the center's annual budget, approves the selection of a director for the center, and, except in the case of a governing board of a public center (as defined in the second sentence of this paragraph), establishes general policies for the center; and

''(iii) in the case of an application for a second or subsequent grant for a public center, has approved the application or if the governing body has not approved the application, the failure of the governing body to approve the application was unreasonable;

except that, upon a showing of good cause the Secretary shall waive, for the length of the project period, all or part of the requirements of this subparagraph in the case of a health center that receives a grant pursuant to subsection (g), (h), (i), or (p);

''(I) the center has developed—

''(i) an overall plan and budget that meets the requirements of the Secretary; and

''(ii) an effective procedure for compiling and reporting to the Secretary such statistics and other information as the Secretary may require relating to—

''(I) the costs of its operations;

''(II) the patterns of use of its services;

''(III) the availability, accessibility, and acceptability of its services; and

''(IV) such other matters relating to operations of the applicant as the Secretary may require;

''(J) the center will review periodically its catchment area to—

''(i) ensure that the size of such area is such that the services to be provided through the center (including any satellite) are available and accessible to the residents of the area promptly and as appropriate;

''(ii) ensure that the boundaries of such area conform, to the extent practicable, to relevant boundaries of political subdivisions, school districts, and Federal and State health and social service programs; and

''(iii) ensure that the boundaries of such area eliminate, to the extent possible, barriers to access to the services of the center, including barriers resulting from the area's physical characteristics, its residential patterns, its economic and social grouping, and available transportation;

''(K) in the case of a center which serves a population including a substantial proportion of individuals of limited English-speaking ability, the center has—

''(i) developed a plan and made arrangements responsive to the needs of such population for providing services to the extent practicable in the language and cultural context most appropriate to such individuals; and

''(ii) identified an individual on its staff who is fluent in both that language and in English and whose responsibilities shall include providing guidance to such individuals and to appropriate staff members with respect to cultural sensitivities and bridging linguistic and cultural differences; and

''(L) the center, has developed an ongoing referral relationship with one or more hospitals.

For purposes of subparagraph (H), the term 'public center' means a health center funded (or to be funded) through a grant under this section to a public agency.

''(4) APPROVAL OF NEW OR EXPANDED SERVICE APPLICATIONS.—The Secretary shall approve applications for grants under subparagraph (A) or (B) of subsection (e)(1) for health centers which—

''(A) have not received a previous grant under such subsection; or

''(B) have applied for such a grant to expand their services;

in such a manner that the ratio of the medically underserved populations in rural areas which may be expected to use the services provided by such centers to the medically underserved populations in urban areas which may be expected to use the services provided by such centers is not less than two to three or greater than three to two.

''(k) TECHNICAL AND OTHER ASSISTANCE.—The Secretary may provide (either through the Department of Health and Human Services or by grant or contract) all necessary technical and other nonfinancial assistance (including fiscal and program management assistance and training in such management) to any public or private nonprofit entity to assist entities in developing plans for, or operating as, health centers, and in meeting the requirements of subsection (j)(2).

''(l) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—For the purpose of carrying out this section, in addition to the amounts authorized to be appropriated under subsection (d), there are authorized to be appropriated $802,124,000 for fiscal year 1997, and such sums as may be necessary for each of the fiscal years 1998 through 2001.

''(2) SPECIAL PROVISIONS.—

''(A) PUBLIC CENTERS.—The Secretary may not expend in any fiscal year, for grants under this section to public centers (as defined in the second sentence of subsection (j)(3)) the governing boards of which (as described in subsection (j)(3)(G)(ii)) do not establish general policies for such centers, an amount which exceeds 5 percent of the amounts appropriated under this section for that fiscal year. For purposes of applying the preceding sentence, the term 'public centers' shall not include health centers that receive grants pursuant to subsection (h) or (i).

''(B) DISTRIBUTION OF GRANTS.—

''(i) FISCAL YEAR 1997.—For fiscal year 1997, the Secretary, in awarding grants under this section shall ensure that the amounts made available under each of subsections (g), (h), and (i) in such fiscal year bears the same relationship to the total amount appropriated for such fiscal year under paragraph (1) as the amounts appropriated for fiscal year 1996 under each of sections 329, 340, and 340A (as such sections existed one day prior to the date of enactment of this section) bears to the total amount appropriated under sections 329, 330, 340, and 340A (as such sections existed one day prior to the date of enactment of this section) for such fiscal year.

''(ii) FISCAL YEARS 1998 AND 1999.—For each of the fiscal years 1998 and 1999, the Secretary, in awarding grants under this section shall ensure that the proportion of the amounts made available under each of subsections (g), (h), and (i) is equal to the proportion of amounts made available under each such subsection for the previous fiscal year, as such amounts relate to the total amounts appropriated for the previous fiscal year involved, increased or decreased by not more than 10 percent.

''(3) FUNDING REPORT.—The Secretary shall annually prepare and submit to the appropriate committees of Congress a report concerning the distribution of funds under this section that are provided to meet the health care needs of medically underserved populations, including the homeless, residents of public housing, and migratory and seasonal agricultural workers, and the appropriateness of the delivery systems involved in responding to the needs of the particular populations. Such report shall include an assessment of the relative health care access needs of the targeted populations and the rationale for any substantial changes in the distribution of funds.

''(m) MEMORANDUM OF AGREEMENT.—In carrying out this section, the Secretary may enter into a memorandum of agreement with a State. Such memorandum may include, where appropriate, provisions permitting such State to—

''(1) analyze the need for primary health services for medically underserved populations within such State;

''(2) assist in the planning and development of new health centers;

''(3) review and comment upon annual program plans and budgets of health centers, including comments upon allocations of health care resources in the State;

''(4) assist health centers in the development of clinical practices and fiscal and administrative systems through a technical assistance plan which is responsive to the requests of health centers; and

''(5) share information and data relevant to the operation of new and existing health centers.

''(n) RECORDS.—

''(1) IN GENERAL.—Each entity which receives a grant under subsection (e) shall establish and maintain such records as the Secretary shall require.

''(2) AVAILABILITY.—Each entity which is required to establish and maintain records under this subsection shall make such books, documents, papers, and records available to the Secretary or the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying or mechanical reproduction on or off the premises of such entity upon a reasonable request therefore. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have the authority to conduct such examination, copying, and reproduction.

''(o) DELEGATION OF AUTHORITY.—The Secretary may delegate the authority to administer the programs authorized by this section to any office, except that the authority to enter into, modify, or issue approvals with respect to grants or contracts may be delegated only within the central office of the Health Resources and Services Administration.

''(p) SPECIAL CONSIDERATION.—In making grants under this section, the Secretary shall give special consideration to the unique needs of sparsely populated rural areas, including giving priority in the awarding of grants for new health centers under subsections (c) and (e), and the granting of waivers as appropriate and permitted under subsections (b)(1)(B)(i) and (j)(3)(G).

''(q) AUDITS.—

''(1) IN GENERAL.—Each entity which receives a grant under this section shall provide for an independent annual financial audit of any books, accounts, financial records, files, and other papers and property which relate to the disposition or use of the funds received under such grant and such other funds received by or allocated to the project for which such grant was made. For purposes of assuring accurate, current, and complete disclosure of the disposition or use of the funds received, each such audit shall be conducted in accordance with generally accepted accounting principles. Each audit shall evaluate—

''(A) the entity's implementation of the guidelines established by the Secretary respecting cost accounting,

''(B) the processes used by the entity to meet the financial and program reporting requirements of the Secretary, and

''(C) the billing and collection procedures of the entity and the relation of the procedures to its fee schedule and schedule of discounts and to the availability of health insurance and public programs to pay for the health services it provides.

A report of each such audit shall be filed with the Secretary at such time and in such manner as the Secretary may require.

''(2) RECORDS.—Each entity which receives a grant under this section shall establish and maintain such records as the Secretary shall by regulation require to facilitate the audit required by paragraph (1). The Secretary may specify by regulation the form and manner in which such records shall be established and maintained.

''(3) AVAILABILITY OF RECORDS.—Each entity which is required to establish and maintain records or to provide for and audit under this subsection shall make such books, documents, papers, and records available to the Secretary or the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying or mechanical reproduction on or off the premises of such entity upon a reasonable request therefore. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have the authority to conduct such examination, copying, and reproduction.

''(4) WAIVER.—The Secretary may, under appropriate circumstances, waive the application of all or part of the requirements of this subsection with respect to an entity.''.

SEC. 3. RURAL HEALTH OUTREACH, NETWORK DEVELOPMENT, AND TELEMEDICINE GRANT PROGRAM.

(a) IN GENERAL.—Subpart I of part D of title III of the Public Health Service Act (42 U.S.C. 254b et seq.) (as amended by section 2) is further amended by adding at the end thereof the following new section:

''SEC. 330A. RURAL HEALTH OUTREACH, NETWORK DEVELOPMENT, AND TELEMEDICINE GRANT PROGRAM.

''(a) ADMINISTRATION.—The rural health services outreach demonstration grant program established under section 301 shall be administered by the Office of Rural Health Policy (of the Health Resources and Services Administration), in consultation with State rural health offices or other appropriate State governmental entities.

''(b) GRANTS.—Under the program referred to in subsection (a), the Secretary, acting through the Director of the Office of Rural Health Policy, may award grants to expand access to, coordinate, restrain the cost of, and improve the quality of essential health care services, including preventive and emergency services, through the development of integrated health care delivery systems or networks in rural areas and regions.

''(c) ELIGIBLE NETWORKS.—

''(1) OUTREACH NETWORKS.—To be eligible to receive a grant under this section, an entity shall—

''(A) be a rural public or nonprofit private entity that is or represents a network or potential network that includes three or more health care providers or other entities that provide or support the delivery of health care services; and

''(B) in consultation with the State office of rural health or other appropriate State

entity, prepare and submit to the Secretary an application, at such time, in such manner, and containing such information as the Secretary may require, including—

''(i) a description of the activities which the applicant intends to carry out using amounts provided under the grant;

''(ii) a plan for continuing the project after Federal support is ended;

''(iii) a description of the manner in which the activities funded under the grant will meet health care needs of underserved rural populations within the State; and

''(iv) a description of how the local community or region to be served by the network or proposed network will be involved in the development and ongoing operations of the network.

''(2) FOR-PROFIT ENTITIES.—An eligible network may include for-profit entities so long as the network grantee is a nonprofit entity.

''(3) TELEMEDICINE NETWORKS.—

''(A) IN GENERAL.—An entity that is a health care provider and a member of an existing or proposed telemedicine network, or an entity that is a consortium of health care providers that are members of an existing or proposed telemedicine network shall be eligible for a grant under this section.

''(B) REQUIREMENT.—A telemedicine network referred to in subparagraph (A) shall, at a minimum, be composed of—

''(i) a multispecialty entity that is located in an urban or rural area, which can provide 24-hour a day access to a range of specialty care; and

''(ii) at least two rural health care facilities, which may include rural hospitals, rural physician offices, rural health clinics, rural community health clinics, and rural nursing homes.

''(d) PREFERENCE.—In awarding grants under this section, the Secretary shall give preference to applicant networks that include—

''(1) a majority of the health care providers serving in the area or region to be served by the network;

''(2) any federally qualified health centers, rural health clinics, and local public health departments serving in the area or region;

''(3) outpatient mental health providers serving in the area or region; or

''(4) appropriate social service providers, such as agencies on aging, school systems, and providers under the women, infants, and children program, to improve access to and coordination of health care services.

''(e) USE OF FUNDS.—

''(1) IN GENERAL.—Amounts provided under grants awarded under this section shall be used—

''(A) for the planning and development of integrated self-sustaining health care networks; and

''(B) for the initial provision of services.

''(2) EXPENDITURES IN RURAL AREAS.—

''(A) IN GENERAL.—In awarding a grant under this section, the Secretary shall ensure that not less than 50 percent of the grant award is expended in a rural area or to provide services to residents of rural areas.

''(B) TELEMEDICINE NETWORKS.—An entity described in subsection (c)(3) may not use in excess of—

''(i) 40 percent of the amounts provided under a grant under this section to carry out activities under paragraph (3)(A)(iii); and

''(ii) 20 percent of the amounts provided under a grant under this section to pay for the indirect costs associated with carrying out the purposes of such grant.

''(3) TELEMEDICINE NETWORKS.—

''(A) IN GENERAL.—An entity described in subsection (c)(3), may use amounts provided under a grant under this section to—

''(i) demonstrate the use of telemedicine in facilitating the development of rural health care networks and for improving access to health care services for rural citizens;

''(ii) provide a baseline of information for a systematic evaluation of telemedicine systems serving rural areas;

''(iii) purchase or lease and install equipment; and

''(iv) operate the telemedicine system and evaluate the telemedicine system.

''(B) LIMITATIONS.—An entity described in subsection (c)(3), may not use amounts provided under a grant under this section—

''(i) to build or acquire real property;

''(ii) purchase or install transmission equipment (such as laying cable or telephone lines, microwave towers, satellite dishes, amplifiers, and digital switching equipment); or

''(iii) for construction, except that such funds may be expended for minor renovations relating to the installation of equipment;

''(f) TERM OF GRANTS.—Funding may not be provided to a network under this section for in excess of a 3-year period.

''(g) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section there are authorized to be appropriated $36,000,000 for fiscal year 1997, and such sums as may be necessary for each of the fiscal years 1998 through 2001.''.

(b) TRANSITION.—The Secretary of Health and Human Services shall ensure the continued funding of grants made, or contracts or cooperative agreements entered into, under subpart I of part D of title III of the Public Health Service Act (42 U.S.C. 254b et seq.) (as such subpart existed on the day prior to the date of enactment of this Act), until the expiration of the grant period or the term of the contract or cooperative agreement. Such funding shall be continued under the same terms and conditions as were in effect on the date on which the grant, contract or cooperative agreement was awarded, subject to the availability of appropriations.

SEC. 4. TECHNICAL AND CONFORMING AMENDMENTS.

(a) IN GENERAL.—The Public Health Service Act is amended—

(1) in section 224(g)(4) (42 U.S.C. 233(g)(4)), by striking ''under'' and all that follows through the end thereof and inserting ''under section 330.'';

(2) in section 340C(a)(2) (42 U.S.C. 256c) by striking ''under'' and all that follows through the end thereof and inserting ''with assistance provided under section 330.''; and

(3) by repealing subparts V and VI of part D of title III (42 U.S.C. 256 et seq.).

(b) SOCIAL SECURITY ACT.—The Social Security Act is amended—

(1) in clauses (i) and (ii)(I) of section 1861(aa)(4)(A) (42 U.S.C. 1395x(aa)(4)(A)(i) and (ii)(I)) by striking ''section 329, 330, or 340'' and inserting ''section 330 (other than subsection (h))''; and

(2) in clauses (i) and (ii)(II) of section 1905(l)(2)(B) (42 U.S.C. 1396d(l)(2)(B)(i) and (ii)(II)) by striking ''section 329, 330, 340, or 340A'' and inserting ''section 330''.

(c) REFERENCES.—Whenever any reference is made in any provision of law, regulation, rule, record, or document to a community health center, migrant health center, public housing health center, or homeless health center, such reference shall be considered a reference to a health center.

(d) FTCA CLARIFICATION.—For purposes of section 224(k)(3) of the Public Health Service Act (42 U.S.C. 233(k)(3)), transfers from the fund described in such section for fiscal year 1996 shall be deemed to have occurred prior to December 31, 1995.

(e) ADDITIONAL AMENDMENTS.—After consultation with the appropriate committees of the Congress, the Secretary of Health and Human Services shall prepare and submit to the Congress a legislative proposal in the form of an implementing bill containing technical and conforming amendments to reflect the changes made by this Act.

SEC. 5. EFFECTIVE DATE.

This Act and the amendments made by this Act shall become effective on October 1, 1997.

Mr. DORGAN. Mr. President, I wonder if the Senator from Mississippi will yield?

Mr. LOTT. I will be glad to yield.

FEDERAL JUDGES

Mr. DORGAN. I ask the Senator whether any of the unanimous consent requests he is intending to propound would include the clearing of any judgeships. If so, we would certainly be favorably disposed to not object to that. If not, I am wondering if just in this moment I might learn whether we would have an opportunity to clear any additional judges that are now waiting clearance?

Mr. LOTT. Mr. President, I do not believe there are any judges on this list that have been cleared tonight. There is—hope springs eternal. I know the Judiciary Committee had a meeting this week. There was some discussion about some of the judges that are pending. I believe there are only six judges that are on the calendar before the Senate at this time, four circuit judges and two district judges.

None of those have been cleared through the process at this point.

Mr. DORGAN. If the Senator will further yield, I want to make the point there are 22 additional judges awaiting action by the Judiciary Committee. I heard from some that there is no intention of clearing additional judges. My hope is that would not be the case.

I wonder if the Senator expects we might be clearing additional judges?

Mr. LOTT. I am not on the Judiciary Committee. I have discussed it with the chairman and other members of the committee. I don't think any decision has been made yet on whether or not they might report some more. I know they are looking at some of them. I will note 4 years ago at this time, I believe there were 50 Federal judges that had been nominated that were left either in the committee or on the Calendar.

Numberwise, I think we are probably in much better shape than the situation was 4 years ago. And I must say, I am pleased that I was able to work with Members on both sides of the aisle in July, for the most part, and early August. We cleared 17 judges, some of whom had been pending on the Calendar for 6 or 7 months—17 out of 23.

So we did pretty good work. Some of them were controversial, and it took more than one try. In fact, I think I tried 3 times on a block of 9 judges, but we did get 17 of them done. I thought that was good progress.

Mr. DORGAN. If I might, Mr. President, with the consent of the Senator from Mississippi, observe, he deserves

commendation for getting some of these judgeships moving. He did work on them very hard. I will just say, I don't think we have done as well as we did 2 years ago. It is true, 50 were left, but we cleared far more 2 years ago, 4 years ago, 6 years ago. The reason so many were left is they were submitted late.

The fact is, I don't think we have done as good a job as I think we should for the Judiciary. We tried hard not only to get a CR passed but also clear some of these judges on the Calendar, as well as those awaiting action by the Judiciary Committee. I appreciate the Senator yielding.

FEDERAL LAW ENFORCEMENT DEPENDENTS ASSISTANCE ACT OF 1996

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. 2101, introduced earlier today by Senator SPECTER, for himself and others.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2101) to provide educational assistance to the dependents of Federal law enforcement officials who are killed or disabled in the performance of their duties.

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. SPECTER. Mr. President, I have sought recognition to comment on legislation which the Senate is considering today, the Federal Law Enforcement Dependents Assistance Act of 1996. This bipartisan legislation is a revised version of S. 1243, which I introduced with four cosponsors on September 14, 1995.

This legislation will provide educational assistance to spouses and children of Federal law enforcement officers who are killed or totally and permanently disabled in the line of duty. Similar educational benefits are provided to the spouses and children of Armed Forces personnel killed in the line of duty, but not to dependents of the brave men and women in Federal law enforcement. I am advised that many State and local governments provide educational and job training assistance to dependents of law enforcement personnel. It is time to level the playing field for Federal law enforcement.

I first became aware of this discrepancy when I met with Mrs. Karen Degan, the widow of U.S. Marshal Bill Degan of Quincy, MA, who died during the tragic shooting incident at Ruby Ridge in August, 1992. Bill Degan left behind a loving wife and two sons, William and Brian, whom I have also had the pleasure of meeting. Bill Degan had been in the Marshals Service for 17 years at the time of his death. Karen Degan began in 1993 to work with Congress to develop a program for higher education assistance for dependents of slain Justice Department officers. At her suggestion, I introduced S. 1243 on September 14, 1995, during the Ruby Ridge hearings, with bipartisan cosponsors from the Judiciary Committee.

I would prefer that we did not have to worry about death and disabling injuries for Federal law enforcement officers, but it is a fact of life that we have lost a number of Federal law enforcement officers in the line of duty in recent years. In my own State of Pennsylvania, on March 22, 1996, FBI Special Agent Charles Reed was killed in Philadelphia in a shootout with a suspect drug dealer during an undercover drug investigation. Agent Reed lived in Lower Salford Township, PA and is survived by his wife, Susan and children, Joshua, age 21, Todd 18, and Kelley, 17. Similarly, two Washington, DC FBI agents, Martha Martinez and Michael Miller, were slain in November 1995, in the Washington, DC police headquarters, leaving behind loved ones of their own.

Since the introduction of S. 1243 last year, I have been working with my colleagues and the administration to fashion legislation acceptable to all parties. This revised bill makes the educational assistance available to all Federal law enforcement officers, not just those within the Justice Department. I would note that the program is subject to appropriations and does not constitute an entitlement. Financial assistance can last for up to 45 months of education or a proportional period of time for a part-time program. Financial assistance will be based on the amounts provided under the Veterans program, which is currently $404 a month for fulltime students. Significantly, the Attorney General may provide retroactive assistance to dependents eligible under this program where a law enforcement officer was killed in the line of duty on or after May 1, 1992.

This legislation is supported by the Federal Law Enforcement Officers Association, and I ask unanimous consent to have printed in the RECORD a letter to me from Victor Oboyski, dated September 18, 1996, which reflects their views.

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

FEDERAL LAW ENFORCEMENT OFFICERS ASSOCIATION,
September 18, 1996.

Hon. ARLEN SPECTER,
U.S. Senate, Washington, DC.

DEAR SENATOR SPECTER: On behalf of the over 12,000 members of the Federal Law Enforcement Officers Association (FLEOA), the largest association representing Federal criminal investigators in the nation, I am pleased to inform you that we fully support S. 1243, the ''Federal Law Enforcement Dependents Assistance Act of 1996.'' I also want to thank you for proposing this fine piece of legislation.

As you may already know, many state and local municipalities currently have legislation which ensures that the dependents of local officers killed or disabled in the line of duty receive assistance towards education or job training. Also, many local police agencies provide for the continuing education of survivors under the same circumstances. None of this exists at the Federal level. S. 1234 will correct this oversight regarding Federal law enforcement officers.

If you or your staff wish to contact me please call 212–637–6543, fax 212–637–6548.

Very truly yours,

VICTOR OBOYSKI,
National President.

Mr. BIDEN. Mr. President, I rise as a cosponsor of the Federal Law Enforcement Dependents Assistance Act and to call on all of my Senate colleagues to support this bill.

Unfortunately, over the past 2 years, many in this Congress have taken the occasion—time and again—to second-guess and criticize law enforcement officers. We heard these criticisms throughout the debate on terrorism legislation—beginning last year, and it continues to this day. As I have pointed out on the floor of the Senate before, I call on us all to remember that it is the terrorists and the violent criminals who deserve our contempt and it is law enforcement officers who deserve our trust and respect.

This bill offers modest recognition of the tremendous service to our Nation by Federal law enforcement officers—DEA agents, FBI agents, U.S. marshals, border patrol officers, Customs officers, ATF agents, Secret Service agents among many others. This bill does so by authorizing the Federal Government to pay education benefits to the children and spouses of Federal law enforcement officers who are killed or suffer a total and permanent disability in the line of duty.

In doing so, this bill recognizes that by virtue of these officers supreme sacrifice to the Nation, the families of these fallen officers are no longer provided for. And, more importantly, this bill will offer a tangible sign of the Nation's respect for those who gave their lives in service to us all.

I urge my colleagues to support this bill, and I also want to put my colleagues on notice that in the years ahead we must follow up by actually appropriating the dollars necessary to deliver on today's commitment.

I yield the floor.

Mr. LOTT. Mr. President, I ask unanimous consent that the bill be deemed read a third time, passed, the motion to reconsider be laid upon the table, and any statements relating to the bill appear at the appropriate place in the RECORD.

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

The bill (S. 2101) was deemed read the third time and passed, as follows:

S. 2101

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Federal Law Enforcement Dependents Assistance Act of 1996''.

SEC. 2. EDUCATIONAL ASSISTANCE TO DEPENDENTS OF SLAIN FEDERAL LAW ENFORCEMENT OFFICERS.

Part L of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796 et seq.) is amended by—

(1) inserting after the heading the following: **"Subpart 1—Death Benefits"**; and

(2) adding at the end the following:

"Subpart 2—Educational Assistance to Dependents of Civilian Federal Law Enforcement Officers Killed or Disabled in the Line of Duty

"SEC. 1211. PURPOSES.

''The purposes of this subpart are—

''(1) to enhance the appeal of service in civilian Federal law enforcement agencies;

''(2) to extend the benefits of higher education to qualified and deserving persons who, by virtue of the death of or a total disability of an eligible officer, may not be able to afford it otherwise; and

''(3) to allow the family members of eligible officers to attain the vocational and educational status which they would have attained had a parent or spouse not been killed or disabled in the line of duty.

"SEC. 1212. BASIC ELIGIBILITY.

''(a) BENEFITS.—(1) Subject to the availability of appropriations, the Attorney General shall provide financial assistance to a dependent who attends a program of education and is—

''(A) the child of any eligible Federal law enforcement officer under subpart 1; or

''(B) the spouse of an officer described in subparagraph (A) at the time of the officer's death or on the date of a totally and permanently disabling injury.

''(2) Financial assistance under this subpart shall consist of direct payments to an eligible dependent and shall be computed on the basis set forth in section 3532 of title 38, United States Code.

''(b) DURATION OF BENEFITS.—No dependent shall receive assistance under this subpart for a period in excess of forty-five months of full-time education or training or a proportional period of time for a part-time program.

''(c) AGE LIMITATION FOR DEPENDENT CHILDREN.—No dependent child shall be eligible for assistance under this subpart after the child's 27th birthday absent a finding by the Attorney General of extraordinary circumstances precluding the child from pursuing a program of education.

"SEC. 1213. APPLICATIONS; APPROVAL.

''(a) APPLICATION.—A person seeking assistance under this subpart shall submit an application to the Attorney General in such form and containing such information as the Attorney General reasonably may require.

''(b) APPROVAL.—The Attorney General shall approve an application for assistance under this subpart unless the Attorney General finds that—

''(1) the dependent is not eligible for, is no longer eligible for, or is not entitled to the assistance for which application is made;

''(2) the dependent's selected educational institution fails to meet a requirement under this subpart for eligibility;

''(3) the dependent's enrollment in or pursuit of the educational program selected would fail to meet the criteria established in this subpart for programs; or

''(4) the dependent already is qualified by previous education or training for the educational, professional, or vocational objective for which the educational program is offered.

''(c) NOTIFICATION.—The Attorney General shall notify a dependent applying for assistance under this subpart of approval or disapproval of the application in writing.

"SEC. 1214. REGULATIONS.

The Attorney General may promulgate reasonable and necessary regulations to implement this subpart.

"SEC. 1215. DISCONTINUATION FOR UNSATISFACTORY CONDUCT OR PROGRESS.

''The Attorney General may discontinue assistance under this subpart when the Attorney General finds that, according to the regularly prescribed standards and practices of the educational institution, the recipient fails to maintain satisfactory progress as described in section 484(c) of the Higher Education Act of 1965 (20 U.S.C. 1091(c)).

"SEC. 1216. SPECIAL RULE.

''(a) RETROACTIVE ELIGIBILITY.—Notwithstanding any other provision of law, each dependent of a Federal law enforcement officer killed in the line of duty on or after May 1, 1992, shall be eligible for assistance under this subpart, subject to the other limitations of this subpart.

''(b) RETROACTIVE ASSISTANCE.—The Attorney General may provide retroactive assistance to dependents eligible under this section for each month in which the dependent pursued a program of education at an eligible educational institution. The Attorney General shall apply the limitations contained in this subpart to retroactive assistance.

''(c) PROSPECTIVE ASSISTANCE.—The Attorney General may provide prospective assistance to dependents eligible under this section on the same basis as assistance to dependents otherwise eligible. In applying the limitations on assistance under this subpart, the Attorney General shall include assistance provided retroactively. A dependent eligible under this section may waive retroactive assistance and apply only for prospective assistance on the same basis as dependents otherwise eligible.

"SEC. 1217. DEFINITIONS.

''For purposes of this subpart:

''(1) The term 'Attorney General' means the Attorney General of the United States.

''(2) The term 'Federal law enforcement officer' has the same meaning as under subpart 1.

''(3) The term 'program of education' means any curriculum or any combination of unit courses or subjects pursued at an eligible educational institution, which generally is accepted as necessary to fulfill requirements for the attainment of a predetermined and identified educational, professional, or vocational objective. It includes course work for the attainment of more than one objective if in addition to the previous requirements, all the objectives generally are recognized as reasonably related to a single career field.

''(4) The term 'eligible educational institution' means an institution which—

''(A) is described in section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088), as in effect on the date of the enactment of this section; and

''(B) is eligible to participate in programs under title IV of such Act.

"SEC. 1218. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this subpart such sums as may be necessary.''.

PAROLE COMMISSION PHASEOUT ACT OF 1996

Mr. LOTT. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on (S. 1507) to provide for the extension of the Parole Commission to oversee cases of prisoners sentenced under prior law, to reduce the size of the Parole Commission, and for other purposes.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1507) entitled ''An Act to provide for the extension of the Parole Commission to oversee cases of prisoners sentenced under prior law, to reduce the size of the Parole Commission, and for other purposes'', do pass with the following amendment:

Strike out all after the enacting clause, and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Parole Commission Phaseout Act of 1996''.

SEC. 2. EXTENSION OF PAROLE COMMISSION.

(a) IN GENERAL.—For purposes of section 235(b) of the Sentencing Reform Act of 1984 (98 Stat. 2032) as it related to chapter 311 of title 18, United States Code, and the Parole Commission, each reference in such section to ''ten years'' or ''ten-year period'' shall be deemed to be a reference to ''fifteen years'' or ''fifteen-year period'', respectively.

(b) POWERS AND DUTIES OF PAROLE COMMISSION.—Notwithstanding section 4203 of title 18, United States Code, the United States Parole Commission may perform its functions with any quorum of Commissioners, or Commissioner, as the Commission may prescribe by regulation.

(c) REDUCTION IN SIZE.—

(1) Effective December 31, 1999, the total number of Commissioners of the United States Parole Commission shall not be greater than 2. To the extent necessary to achieve this reduction, the Commissioner or Commissioners least senior in service shall cease to hold office.

(2) Effective December 31, 2001, the United States Parole Commission shall consist only of that Commissioner who is the Chairman of the Commission.

(3) Effective when the Commission consists of only one Commissioner—

(A) that Commissioner (or in the Commissioner's absence, the Attorney General) may delegate to one or more hearing examiners the power set forth in paragraphs (1) through (4) of section 4203(b) of title 18, United States Code; and

(B) decisions made pursuant to such delegation shall take effect when made, but shall be subject to review and modification by the Commissioner.

SEC. 3. REPORTS BY THE ATTORNEY GENERAL.

(a) IN GENERAL.—Beginning in the year 1998, the Attorney General shall report to the Congress not later than May 1 of each year through the year 2002 on the status of the United States Parole Commission. Unless the Attorney General, in such report, certifies that the continuation of the Commission is the most effective and cost-efficient manner for carrying out the Commission's functions, the Attorney General shall include in such report an alternative plan for a transfer of the Commission's function to another entity.

(b) TRANSFER WITHIN THE DEPARTMENT OF JUSTICE.—

(1) EFFECT OF PLAN.—If the Attorney General includes such a plan in the report, and that plan provides for the transfer of the Commission's functions and powers to another entity within the Department of Justice, such plan shall take effect according to its terms on November 1 of that year in which the report is made, unless Congress by law provides otherwise. In the event such plan takes effect, all laws pertaining to the authority and jurisdiction of the Commission with respect to individual offenders shall remain in effect notwithstanding the expiration of the period specified in section 2 of this Act.

(2) CONDITIONAL REPEAL.—Effective on the date such plan takes effect, paragraphs (3) and (4) of section 235(b) of the Sentencing Reform Act of 1984 (98 Stat. 2032) are repealed.

SEC. 4. REPEAL.

Section 235(b)(2) of the Sentencing Reform Act of 1984 (98 Stat. 2032) is repealed.

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate concur in the amendment of the House.

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

MEASURE PLACED ON THE CALENDAR—S. 2102

Mr. LOTT. Mr. President, I ask unanimous consent that S. 2102, introduced earlier today by Senator HATFIELD, be placed on the Calendar.

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

UNANIMOUS CONSENT AGREEMENT—INTERNATIONAL NATURAL RUBBER AGREEMENT

Mr. LOTT. Mr. President, as in executive session, I ask unanimous consent that the majority leader, after consultation with the Democratic leader, may proceed to executive session to consider Executive Calendar No. 23, the international natural rubber agreement and that the treaty be considered to have proceeded through its parliamentary stages, up to and including the presentation of the resolution of ratification, and that the committee declaration be deemed agreed to; that there be 1 hour for debate, with 30 minutes under the control of Senator BROWN and 30 minutes equally divided between Senators HELMS and PELL; further, following the expiration or yielding back of time, the matter be temporarily set aside and a vote occur on the resolution of ratification, with no intervening action or debate, at a time to be determined by the majority leader, after consultation with the Democratic leader.

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

ORDERS FOR TUESDAY, SEPTEMBER 24, 1996

Mr. LOTT. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9:30 a.m. on Tuesday, September 24; further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, the time for the two leaders be reserved, and that there then be a period for the transaction of morning business not to extend beyond the hour of 10:30 a.m., with Senators permitted to speak for not more than 5 minutes each, with the following exception for the time designated: Senator NUNN for 10 minutes.

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

Mr. LOTT. Mr. President, I further ask unanimous consent that the Senate stand in recess on Tuesday, September 24, between the hours of 12:30 p.m. and 2:15 p.m. in order to accommodate the respective party conferences.

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

PROGRAM

Mr. LOTT. Mr. President, for the information of my colleagues, there will be no session of the Senate on Monday in recognition of the religious holiday. On Tuesday, following morning business, it is anticipated that the Senate will begin consideration of the continuing resolution, if available. Rollcall votes can, therefore, be expected throughout the day on Tuesday. As a reminder, there will be several votes at 5 p.m. on Tuesday afternoon on or in relation to amendments and passage of the maritime bill.

RECESS UNTIL 9:30 A.M., TUESDAY, SEPTEMBER 24, 1996

Mr. LOTT. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate now stand in recess under the previous order.

There being no objection, the Senate, at 4:02 p.m., recessed until Tuesday, September 24, 1996, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate September 20, 1996:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

RICHARD J. TARPLIN, OF NEW YORK, TO BE AN ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES, VICE JERRY D. KLEPNER, RESIGNED.

EXTENSIONS OF REMARKS

PERSONAL EXPLANATION

HON. SONNY BONO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 20, 1996

Mr. BONO. Mr. Speaker, on Thursday, September 19, 1996, I was unavoidably delayed and missed the following vote: Rollcall vote 420, on approving the Journal.

Were I present, I certainly would have voted ''aye'' on the rollcall vote in support of this measure.

MARKING THE 200TH BIRTHDAY OF EUCLID, OH: A SPECIAL SALUTE TO THE FOUNDING FATHERS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 20, 1996

Mr. STOKES. Mr. Speaker, the residents of Euclid, OH, will be celebrating their 200-year heritage on Sunday, September 29, 1996. The historic event being observed occurred on September 30, 1796. On that date in Cleveland—the newly selected headquarters for the Western Reserve—a contract was entered into between the Connecticut Land Co. Superintendent General Moses Cleaveland and 41 employees hired to survey the land. The formal document designated township 8, range 11 as Euclid Township. The agreement set the tract aside as available for purchase and settlement by the 41 men.

Today, neighboring Cuyahoga County communities share portions of the original 22,000 acres of the Euclid Township. East Cleveland, Cleveland Heights, South Euclid, Lyndhurst, Richmond Heights, and Cleveland all include portions of the Euclid Township of 1796.

Mr. Speaker, on August 11, 1959, Congresswoman Francis Bolton honored this historic event in the CONGRESSIONAL RECORD. Unfortunately, it did not accurately name the 41 individuals who were party to the contract.

As the city of Euclid celebrates its bicentennial, it is fitting that tribute is paid to the 41 men whose actions 200 years earlier helped to establish Euclid—then in the Northwest Territory, today in the great State of Ohio. Their names deserve recognition.

CORRECTIONS TO CONGRESSIONAL RECORD OF AUGUST 10, 1959

[Provided by the Euclid Historical Society]

Incorrect names	Corrected names
Machintire	Joseph McIntire.
Samuel Farber	Samuel Forbs.
Elysha Gunn	Elijah Gunn.
R. Stoddard	Richard M. Stoddard.
Amos Little	Dr. Theodore Shepherd.
Asa Mafan	Asa Mason.
Amazi Atwater	Amzi Atwater.
Ayers	Elisha Ayer.
Harris	Thomas Harris.
Norman Wallace	Norman Wilcox.
Timothy Dunbar	Timothy Dunham.
George	George Gooding.

CORRECTIONS TO CONGRESSIONAL RECORD OF AUGUST 10, 1959—Continued

[Provided by the Euclid Historical Society]

Incorrect names	Corrected names
Shadrasp Benham	Shadrach Benham.
W. Sheppard	Warham Shepherd.
John Durant	John Briant.
Joseph Lanon	Joseph Landon.
Ezekeal Marby	Ezekiel Morley.
Milton Hally	Milton Holley.
James Hachet	James Hacket.
Rise	Olney F. Rice.
Locke	John Lock.

H.R. 1111, VEHICLE FORFEITURE FOR REPEAT DRUNK DRIVERS

HON. EARL BLUMENAUER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Friday, September 20, 1996

Mr. BLUMENAUER. Mr. Speaker, as sure as we are standing here tragedy will strike again on America's roadways. Within the next few weeks there will be another national example where repeat drunk drivers lay carnage on our streets.

Sadly, this is an all too frequent occurrence in our country. Over 17,000 people a year are killed because of drunk driving and hundreds of thousands are injured.

I have a longstanding commitment to doing everything possible to stop people from getting behind the wheel after drinking too much. As a member of the Portland City Council, I introduced the first ordinance in the country to take away the cars of repeat drunk drivers. This law has had a dramatic effect.

In Portland, we have confiscated almost a thousand cars and forfeited almost a third of those. Most importantly it has made a difference in terms of repeat drunk driving.

Last year when drunk driving deaths increased nationally, we saw a 42-percent decrease in Portland. Empirical studies show when you take away the car of the report drunk drivers it does get their attention, and the recidivism rate has dropped. This is a program that works.

Today I am announcing what will be my first piece of legislation as a Member of the U.S. Congress. Currently States must meet five of seven eligibility criteria to receive a share of the $25 million in Federal drunk driving countermeasure grants. My proposal will add another criterion to choose from, a program to confiscate the cars of repeat drunk drivers, like we've done in Portland.

I'm convinced that this simple step is going to move dramatically and spread the forfeiture concept around the country. Already, over 60 cities and counties have requested information on our program.

When so many issues pit one group against another, it is encouraging that taking away the cars of repeat drunk drivers has had such a broad coalition behind it. Law enforcement agencies, advocates like the Mothers Against Drunk Driving, beer and wine distributors, and others have all lent their support for Portland's program. I have begun to reach out to national coalitions and will continue to work with them on perfecting this bill.

FORD MOTOR CO.'S 250-MILLIONTH VEHICLE

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, September 20, 1996

Mr. DINGELL. Mr. Speaker, on October 8 of this year, Ford Motor Co. will produce, somewhere in the world, its 250-millionth vehicle.

Since 1903, when Henry Ford's first car was built in Dearborn, MI, working men and women in Ford factories have pumped out an average of more than eight cars or trucks each minute.

All told, the Ford vehicles produced throughout history would stretch bumper-to-bumper around the world 30 times. They would reach 756,000 miles into space—to the Moon and another half-million miles beyond. And, they are estimated to have carried Ford customers in more than 200 countries some 25 trillion miles.

Henry Ford, indeed, put the world on wheels. His announcement in 1914 that he would pay workers $5 for an 8-hour day astounded the world. Today, the United Auto Workers and Ford share a heritage of innovative management-labor agreements that make Ford a leader in the field.

I know that my colleagues join me in saluting Ford Motor Co. for its innovation and its contribution to world prosperity. The coming milestone reminds us again of the advancement in mobility and progress we all enjoy.

IN HONOR OF THE PUERTO RICAN ASSOCIATION FOR HUMAN DEVELOPMENT: FOR YEARS OF DISTINGUISHED SERVICE TO THE HISPANIC COMMUNITY

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, September 20, 1996

Mr. MENENDEZ. Mr. Speaker, I rise today to pay special tribute to the Puerto Rican Association for Human Development [PRAHD] for their endless contributions to Hispanic communities throughout New Jersey. For years, this agency has been committed to improving the standard of living of Hispanic families through the implementation of programs and services geared to address social, economic, health, and educational status. On September 21, 1996, PRAHD will be sponsoring the 10th Annual Roberto Clemente banquet, honoring four professionals and one business institution for their outstanding public service and community involvement.

Founded in 1974 as a charitable organization by the Hispanic leadership of the Perth

Amboy area, the Puerto Rican Association for Human Development operates multiple service programs, such as day-care services, educational tutoring, emergency legal, housing, and medical assistance, drug prevention, youth and family counseling, and various senior services which serve more than 12,000 people annually. The agency is actively involved in creating alliances with other organizations to help revitalize communities by developing leadership and assisting people to link their needs with resources.

Since its inception, PRAHD has expanded to become a comprehensive service agency with a budget of over $1.6 million through funding from Federal, State, county, and city governments; the United Way of New Jersey; the United Way of TriCounty/IBM; the Turrell Fund; local corporations; and individual donors. The agency is governed by an 11-member board of directors selected from the community and is administered by Executive Director Lydia Trinidad, who is also PRAHD's chief executive officer. PRAHD also relies on the support and effort of community volunteers who work in all areas of agency operations.

This year's annual banquet sponsored by PRAHD will honor Eduardo Trujillo, president of ETC Enterprises, as outstanding business person; Dr. Jaime Santamaria, director of Santamaria/Kung Eye Center, as outstanding professional; Sgt. Benjamin Ruiz of the Perth Amboy Police Department, for outstanding law enforcement; Eladio Ruiz III, president of Amboy Florist, as outstanding volunteer; and the Corestates New Jersey National Bank will receive the Roberto Clemente Special Corporate Award.

I ask that my colleagues join me in recognizing the outstanding work of the Puerto Rican Association for Human Development and those honored at its annual banquet. I further commend their accomplishments and encourage them to continue to serve their communities for many more years to come.

Daily Digest

HIGHLIGHTS

House Filed Conference Report on H.R. 3666, VA/HUD Appropriations.

Senate

Chamber Action

Routine Proceedings, pages S11061–S11124

Measures Introduced: Seven bills and one resolution were introduced, as follows: S. 2097–2103, and S.J. Res. 62. **Page S11090**

Measures Passed:

Health Centers Consolidation Act: Senate passed S. 1044, to amend title III of the Public Health Service Act to consolidate and reauthorize provisions relating to health centers, after agreeing to committee amendments and the following amendment proposed thereto: **Pages S11110–21**

Lott (for Kassebaum) Amendment No. 5397, in the nature of a substitute. **Pages S11114–16**

Federal Law Enforcement Survivor Assistance: Senate passed S. 2101, to provide educational assistance to the dependents of Federal law enforcement officials who are killed or disabled in the performance of their duties. **Pages S11122–23**

Maritime Security Act: Senate resumed consideration of H.R. 1350, to amend the Merchant Marine Act, 1936, to revitalize the United States-flag merchant marine, taking action on the following amendments proposed thereto: **Pages S11061–64, S11069–81**

Pending:

Grassley Amendment No. 5393, to clarify the term fair and reasonable compensation with respect to the transportation of a motor vehicle by a certain vessel. **Pages S11072–81**

Grassley Amendment No. 5394, to prohibit the use of funds received as a payment or subsidy for lobbying or public education, and for making political contributions for the purpose of influencing an election. **Pages S11072–81**

Grassley Amendment No. 5395, to provide that United States-flag vessels be called up before foreign flag vessels during any national emergency and to prohibit the delivery of military supplies to a combat zone by vessels that are not United States-flag vessels. **Pages S11073–81**

Inouye (for Harkin) Amendment No. 5396 (to Amendment No. 5393), to provide for payment by the Secretary of Transportation of certain ocean freight charges for Federal food or export assistance. **Pages S11074–81**

Rejected:

Grassley Amendment No. 5391, to provide for a uniform system of incentive pay for certain hazardous duties performed by merchant seamen. (By 77 yeas to 16 nays (Vote No. 296), Senate tabled the amendment.) **Pages S11061–64**

A unanimous-consent time agreement was reached providing for further consideration of the bill at 4:30 p.m., with votes to occur on the proposed amendments and final disposition of the bill beginning at 5 p.m., on Tuesday, September 24, 1996. **Page S11124**

Parole Commission Extension: Senate concurred in the amendment of the House to S. 1507, to provide for the extension of the Parole Commission to oversee cases of prisoners sentenced under prior law, and to reduce the size of the Parole Commission, clearing the measure for the President. **Pages S11123–24**

International Natural Rubber Agreement, 1995—Agreement: A unanimous-consent agreement was reached providing for the consideration of the International Natural Rubber Agreement, 1995 (Treaty Doc. No. 104–27). **Page S11124**

Messages From the President: Senate received the following messages from the President of the United States:

Transmitting the report concerning the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996; referred to the Committee on Foreign Relations. (PM–171). **Pages S11088–89**

Nominations Received: Senate received the following nominations:

Richard J. Tarplin, of New York, to be an Assistant Secretary of Health and Human Services. **Page S11124**

Messages From the President: **Pages S11088–89**

Messages From the House: **Page S11089**

Measures Placed on Calendar: **Page S11124**

Measures Read First Time: **Page S11110**

Communications: **Pages S11089–90**

Statements on Introduced Bills: **Pages S11090–94**

Additional Cosponsors: **Page S11094**

Amendments Submitted: **Pages S11094–S11101**

Additional Statements: **Pages S11101–10**

Record Votes: One record vote was taken today. (Total—296) **Page S11064**

Recess: Senate convened at 9:30 a.m., and recessed at 4:02 p.m., until 9:30 a.m., on Tuesday, September 24, 1996. (For Senate's program, see the remarks of the Majority Leader in today's Record on page S11124.)

Committee Meetings

No committee meetings were held.

House of Representatives

Chamber Action

Bills Introduced: 3 public bills, H.R. 4128–4130 were introduced. **Page H10762**

Reports Filed: Reports were filed as follows:

H.R. 1031, a private bill, amended (H. Rept. 104–810);

H.R. 1087, a private bill, amended (H. Rept. 104–811);

Conference report on H.R. 3666, making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1997 (H. Rept. 104–812);

H.R. 4025, a private bill (H. Rept. 104–813);

H.R. 4083, to extend certain programs under the Energy Policy and Conservation Act through September 30, 1997, (H. Rept. 104–814); and

H.R. 3217, to provide for ballast water management to prevent the introduction and spread of nonindigenous species into the waters of the United States, amended (H. Rept. 104–815 Part I). **Page H10762**

Speaker Pro Tempore: Read a letter from the Speaker wherein he designated Representative Miller of Florida to act as Speaker pro tempore for today. **Page H10723**

Senate Messages: Messages received from the Senate today appear on page H10757.

Quorum Calls—Votes: No quorum calls or votes developed during the proceedings of the House today.

Adjournment: Met at 9 a.m. and adjourned at 11:27 a.m.

Committee Meetings

DRUG FREE WORKPLACE

Committee on Government Reform and Oversight: Subcommittee on Civil Service held a hearing on Drug Free Workplace: White House Standards. Testimony was heard from Franklin S. Reeder, Director, Administration, The White House; Peter Nelson, Deputy Director, Personnel Security, Department of Defense; Jane Vezeris, Deputy Assistant Director, Administration, U.S. Secret Service, Department of the Treasury; and Thomas J. Coyle, Assistant Director, Personnel Division, FBI, Department of Justice.

IN THE MATTER OF REPRESENTATIVE NEWT GINGRICH

Committee on Standards of Official Conduct: On September 19, the Committee met in executive session to consider a complaint filed against Representative Gingrich by Representative Miller of California. The Committee dismissed the complaint and sent a letter to Representative Gingrich.

The Committee also voted to authorize the Chairman to make a statement on its behalf that the Committee intends to proceed in accordance with its rules and respect the responsibility of the Investigation Subcommittee to complete its work and report to the Committee, at which time the report will be made public in accordance with House rules.

CONGRESSIONAL PROGRAM AHEAD

Week of September 23 through 28, 1996

Senate Chamber

On *Monday,* Senate will not be in session.

On *Tuesday,* Senate will resume consideration of H.R. 1350, Maritime Security Act with votes to occur thereon. Senate may also begin consideration of a continuing resolution for the fiscal year 1997.

During the week, Senate expects to consider the following:

Veto Message on the Partial-Birth Abortion Ban Act, any cleared executive and legislative business, and conference reports, when available.

(Senate will recess on Tuesday, September 24, 1996, from 12:30 p.m. until 2:15 p.m. for respective party conferences.)

House Chamber

Monday, No Legislative Business.

Tuesday, Consideration of 2 bills from the Corrections Calendar:

1. H.R. 3153, Small Business Transport Correction Advancement Act; and
2. H.R. 2988, Traffic Signal Synchronization;

Consideration of measures under suspension of the rules (list to be announced later);

Consideration of H. Res. 525, Providing for Expedited Procedures; and

Consideration of H.R. 3666, VA/HUD Appropriations Act Conference Report.

Wendesday, and the Balance of the Week, Consideration of H.R. 3540, Foreign Operations Appropriations Act for FY 97 Conference Report (subject to a rule);

Consideration of H.R. 3259, Intelligence Authorization Act for FY 97 Conference Report (subject to a rule);

Consideration of H.R. 2202, Immigration in the National Interest Act Conference Report (subject to a rule);

Consideration of H.R. 3005, Securities Amendments of 1996 Conference Report (subject to a rule); and

Consideration of H.R. , FY 97 Omnibus Appropriations (subject to a rule).

Conference reports may be brought to the floor at any time.

Any further program will be announced later.

Senate Committees

(Committee meetings are open unless otherwise indicated)

Committee on Appropriations: September 26, to hold joint hearings with the Special Committee on Aging on increasing funding for biomedical research, 9 a.m., SH–216.

Committee on Banking, Housing, and Urban Affairs: September 25, HUD Oversight and Structure, to hold hearings to examine the release of the Fourth Trade Promotion Coordinating Committee annual report, 10 a.m., SD–538.

Committee on Commerce, Science, and Transportation: September 24, Subcommittee on Consumer Affairs, Foreign Commerce, and Tourism, to hold hearings on S. 1860, to provide for legal reform and consumer compensation relating to motor vehicle tort systems, 2:30 p.m., SR–253.

September 25, Subcommittee on Science, Technology, and Space, to hold hearings on issues relating to the study of Mars, 9:30 a.m., SR–236.

September 25, Full Committee, to hold hearings on aviation safety issues, focusing on treatment of families after airline accidents, 10 a.m., SR–253.

September 26, Subcommittee on Aviation, to hold hearings to examine the status of air service to small communities, 9:30 a.m., SR–253.

Committee on Energy and Natural Resources: September 25, Subcommittee on Forests and Public Land Management, to hold hearings on S. 987, to provide for the full settlement of all claims of Swain County, North Carolina, against the United States under the agreement dated July 30, 1943, 2:30 p.m., SD–366.

September 26, Subcommittee on Oversight and Investigations, to hold hearings to examine the National Environmental Policy Act decisionmaking process with regard to Federal Land Management Agencies and the role of the Council on Environmental Quality, 2 p.m., SD–366.

Committee on Finance: September 25, business meeting, to mark up H.R. 3815, to make technical corrections and miscellaneous amendments to trade laws, 10 a.m., SD–215.

Committee on Foreign Relations: September 24, to hold hearings to examine the need for ballistic missile defense, 10 a.m., SD–419.

September 25, Full Committee, business meeting, to consider pending calendar business, 10 a.m., SD–419.

September 25, Subcommittee on Near Eastern and South Asian Affairs, to hold hearings to examine prospects for peace, security, and economic development in Lebanon, 2 p.m., SD–419.

September 26, Full Committee, to hold hearings to review the interpretation of the ABM Treaty and U.S. ballistic missile defense, 10 a.m., SD–419.

Committee on Governmental Affairs: September 25, Subcommittee on Financial Management and Accountability, to hold oversight hearings on the regulatory review activities of the Office of Information and Regulatory Affairs, 10 a.m., SD–342.

September 26, Full Committee, to hold hearings to review the annual report of the Postmaster General, 10 a.m., SD–342.

Committee on the Judiciary: September 25, to resume hearings to examine White House access to FBI background summaries, 10 a.m., SD–226.

September 25, Full Committee, to hold hearings on the role of the Department of Justice in implementing the Prison Litigation Reform Act, 2 p.m., SD–226.

September 26, Full Committee, to hold hearings to review the annual refugee consultation process, 2 p.m., SD–226.

Committee on Veterans' Affairs: September 25, to hold joint hearings with the Select Committee on Intelligence on the Department of Defense and Intelligence reports of U.S. military personnel exposures to chemical agents during the Persian Gulf War, 10:30 a.m., SH–216.

Committee on Indian Affairs: September 24, to hold hearings to examine civil jurisdiction in Indian country, 9:30 a.m., SR–485.

September 25, Full Committee, to hold hearings to examine the phaseout of the Navajo/Hopi relocation program, 1:30 p.m., SR–485.

Select Committee on Intelligence: September 25, to hold joint hearings with the Committee on Veterans Affairs on the Department of Defense and Intelligence reports of U.S. military personnel exposures to chemical agents during the Persian Gulf War, 10:30 a.m., SH–216.

Special Committee on Aging: September 24, to hold hearings to examine Social Security reform proposals, 9 a.m., SD–628.

September 26, Full Committee, to hold joint hearings with the Committee on Appropriations on increasing funding for biomedical research, 9 a.m., SH–216.

House Committees

Committee on Agriculture, September 24, Subcommittee on Department Operations, Nutrition, and Foreign Agriculture, hearing to review the Hatch Act and related law violations, 1:30 p.m., 1300 Longworth.

September 25, Subcommittee on Livestock, Dairy, and Poultry, hearing on dairy, poultry, and egg trade with Canada and the impact of the impending NAFTA panel decision, 10 a.m., 1300 Longworth.

Committee on Commerce, September 25, Subcommittee on Energy and Power, hearing on the status of the International Global Climate Change Negotiations, 10 a.m., 2322 Rayburn.

September 25, Subcommittee on Telecommunications and Finance, oversight hearing on restructuring of international satellite organizations, 2 p.m., 2123 Rayburn.

September 26, Subcommittee on Oversight and Investigations, hearing on consumer access to home testing services and devices, 10 a.m., 2322 Rayburn.

September 26, Subcommittee on Telecommunications and Finance, oversight hearing on the implementation of the Universal Service Provisions of the Telecommunications Act of 1996, 10 a.m., 2123 Rayburn.

Committee on Economic and Educational Opportunities, September 26, Subcommittee on Oversight and Investigations, hearing on the financial status of the Corporation for National Service 10 a.m., 2123 Rayburn.

Committee on Government Reform and Oversight, September 24, to consider pending business, 6 p.m., 2154 Rayburn.

September 24, Subcommittee on National Security, International Affairs, and Criminal Justice, hearing on Citizenship USA, 1 p.m., 311 Cannon.

September 25, Subcommittee on Government Management, Information and Technology and the Committee on House Oversight, joint oversight hearing on the Smithsonian Institution, 10:30 a.m., 1310 Longworth.

September 26, Subcommittee on Civil Service, hearing on Politicization of the Federal Workforce, 9:30 a.m., 311 Cannon.

September 26, Subcommittee on National Security, International Affairs and Criminal Justice and the Subcommittee on Early Childhood, Youth and Families of the Committee on Economic and Educational Opportunities, joint hearing on the epidemic of teenage drug use, 9:30 a.m., 2154 Rayburn.

September 26, Subcommittee on the Postal Service, to continue hearings on H.R. 3717, Postal Reform Act of 1996, 2 p.m., 2247 Rayburn.

Committee on International Relations, September 24, Subcommittee on International Operations and Human Rights, hearing on United Nations: the Office of Secretary General and the Prospects for Reform, 1 p.m., 2172 Rayburn.

September 25, full committee, hearing on U.S. policy in the Persian Gulf, 10 a.m., 2172 Rayburn.

September 25, Subcommittee on Asia and the Pacific, to mark up H. Con. Res. 213, concerning the urgent need to improve the living standards of those South Asians living in the Ganges and the Brahmaputra river basin; to be followed by a joint hearing with the Subcommittee on Native American and Insular Affairs of the Committee on Resources on U.S. Interests in the South Pacific: Freely Associated States and Okinawa, 2:30 p.m., 2255 Rayburn.

September 25, Subcommittee on the Western Hemisphere, hearing on the Issue of Quebec Sovereignty and its Potential Impact on the United States, 2:30 p.m., 2172 Rayburn.

September 26, full committee, to continue hearings on Administration Actions and Political Murders in Haiti: Part II, 10 a.m., 2172 Rayburn.

September 26, Subcommittee on Africa, hearing on the Administration's performance in Africa, 2:30 p.m., 2172 Rayburn.

September 27, full committee, hearing on U.S. Enterprise Funds in Eastern Europe and the States of the Former Soviet Union, 10 a.m., 2172 Rayburn.

Committee on the Judiciary, September 25, hearing on H.R. 3011, Security and Freedom Through Encryption (SAFE) Act, 9:30 a.m., 2141 Rayburn.

Committee on National Security, September 24, Subcommittee on Military Personnel, hearing on the National Guard Youth Challenge Program, 3 p.m., 2118 Rayburn.

September 25, full committee, to continue hearings on current and future U.S. policy for Bosnia, 9:30 a.m., 2118 Rayburn.

September 25, to meet to honor retiring members, 3 p.m., 2118 Rayburn.

September 26, hearing on U.S. policy towards Iraq, 9:30 a.m., 2118 Rayburn.

September 27, Subcommittee on Military Procurement and Subcommittee on Military Research and Development, joint hearing on Ballistic Missile Defense plans, programs, and policies, 10 a.m., 2118 Rayburn.

Committee on Resources, September 25, to consider pending business, 11 a.m., 1324 Longworth.

September 25, Subcommittee on Energy and Mineral Resources, oversight hearing to investigate the progress of a 1995 REGO II proposal to allow states to perform BLM's inspection and enforcement programs on federal lands, 2 p.m., 1334 Longworth.

September 26, Subcommittee on Fisheries, Wildlife, and Oceans, oversight hearing on oceanographic research, 10 a.m., 1334 Longworth.

September 26, Subcommittee on Water and Power Resources, hearing on H.R. 3777, Oroville-Tonasket Claim Settlement and Conveyance Act, 3 p.m., 1324 Longworth.

September 26, Task Force on Indian Trust Fund Management, oversight hearing on the mismanagement of Indian Trust Fund accounts by the Department of the Interior, 10 a.m., 1324 Longworth.

Committee on Rules, September 24, to consider the Conference Report on H.R. 3666, making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1997, 4 p.m., H–313 Capitol.

Committee on Small Business, September 25, hearing on OSHA Reform and Relief for Small Business: What Needs to be Done? 10 a.m., 2539 Rayburn.

September 25, Subcommittee on Government Programs, hearing on FDIC's handling of small business asset foreclosures in Massachusetts as a result of the failure of ComFed Savings Bank in Lowell, MA, 2 p.m., 2359 Rayburn.

Committee on Transportation and Infrastructure, September 24, Subcommittee on Public Buildings and Grounds, to mark up the following: Court Construction Prospectuses, Non-Court Construction Prospectuses, Lease Prospectuses, and other pending matters, 4 p.m., 2253 Rayburn.

September 26, Subcommittee on Surface Transportation, to continue hearings on ISTEA Reauthorization: The Efficient Delivery of Transportation Improvements and the Congestion Mitigation and Air Quality Program, 9:30 a.m., 2167 Rayburn.

Next Meeting of the SENATE

9:30 a.m., Tuesday, September 24

Senate Chamber

Program for Tuesday: After the recognition of one Senator for a speech and the transaction of any morning business (not to extend beyond 10:30 a.m.), Senate may begin consideration of a continuing resolution for the fiscal year 1997.

At 4:30 p.m., Senate will resume consideration of H.R. 1350, Maritime Security Act.

Next Meeting of the HOUSE OF REPRESENTATIVES

12 noon, Monday, September 23

House Chamber

Program for Monday: No legislative business scheduled.

Extensions of Remarks, as inserted in this issue

HOUSE

Blumenauer, Earl, Ore., E1667
Bono, Sonny, Calif., E1667
Dingell, John D., Mich., E1667
Menendez, Robert, N.J., E1667
Stokes, Louis, Ohio, E1667

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