Warren E. Soloduk
Maryellen M. Colella
David H. Sulouff
David A. Maes
Robert C. Ludwick
John J. Madeira
Richard A. Reynolds
Jeanne Cassidy
Douglas A. Ash
Charles E. OPolk
David G. O'Brien
John A. Holub
Joseph J. Riordan
John W. Long
Needham E. Ward
Michael D. Oaks
Robert Q. Ammon
Ann M. Courtney
Brian D. Murphy
Anthony B. Canorro
Virginl F. Bateman
Larry L. Jones
Salvatore Brillante
Matthew P. Bernard
Nancy A. Mazur
Maureen B. Harkins
Michael A. Cicalese
Robert W. Grabb
Sidney J. Duck
Wayne C. Dumas
Phillip J. Jordan
Mark A. Jones
Joseph P. Cain

The following Regular officers of the U.S. Coast Guard for promotion to the grade of commander:

George A. Russell, Jr.
Mark A. Frost
Patrick J. Cunningham, Jr.
Mitchell R. Forrester
Dane S. Egli
Patrick J. Nemeth
Jeffrey S. Gorden
Curtis A. Stock
Bret K. McGough
Christopher K. Lockwood
Jody B. Turner
Barry L. Dragon
Mark L. McEwen
Michael D. Brand
Mark A. Skordinski
Bruce E. Grinnell
Donald K. Strother
Brian K. Swanson
Francis X. Irr, Jr.
Robert J. Malkowski
Robert A. Farmer
Brian J. Goettler
Richard M. Kaser
Charles W. Ray
Kurtis J. Guth
Stephen J. Minutolo
Gary E. Felicetti
Virginia K. Holtzman-Bell
Daniel A. Laliberte
Matthew M. Blizard
Kurt W. Devoe
Richard A. Rendon
Robert J. Legier
Bryan D. Schroder
Robert E. Korroch
John W. Yager, Jr.
Thomas P. Ostebo
Marshall B. Lytle III
Mark A. Prescott
Thomas D. Criman
Kenneth H. Sherwood
Stephen J. Ohnstad
Mark S. Guillory
Carol C. Bennett
Preston D. Gibson
Thomas E. Hobaica
David L. Hill
David S. Stevenson
Michael P. Farrell
James T. Hubbard
Richard A. Stanchi
George P. Vance, Jr.
Scott S. Graham
Robert M. Atkin
Mark R. Devries
Christine D. Balboni
Kenneth R. Burgess, Jr.
Mark D. Rutherford
Warren L. Haskovec
Patrick B. Trapp
Jennifer L. Yount
Dennis D. Blackall
Barry P. Smith
Bradley R. Mozee
William D. Lee
Richard J. Ferraro
John R. Lindley, Jr.
Richard L. Matters
Robert R. O'Brien, Jr.
Ekundayo G. Faux
Scott G. Woolman
David L. Lersch
William W. Whitson, Jr.
Ricki G. Benson
Larry E. Smith
Norman L. Custard, Jr.
Gregory B. Breithaupt
Steven E. Vanderplas
Frederick J. Kenney, Jr.
Steven J. Boyle
Thomas K. Richey
Dennis A. Hoffman
David M. Gundersen
Jeffrey N. Garden
James E. Tunstall
Kevin G. Quigley
John R. Ochs
Ronald D. Hassler
Timothy J. Dellot
Kenneth D. Forslund
Tomas Zapata
Dennis M. Sens
Peter V. Neffenger
Alvin M. Coyle
Daniel R. MaCleod
Melissa A. Wall
Robert M. Wilkins
Curtis A. Springer
Timothy G. Jobe
Christian Broxterman
Rickey W. George
Elmo L. Alexander II

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. MCCAIN (for himself, Mr. STEVENS, Mrs. HUTCHISON, Mr. ABRAHAM, and Mr. ASHCROFT):

S. 228. A bill to amend title 31, United States Code, to provide for continuing appropriations in the absence of regular appropriations; to the Committee on Appropriations.

By Mr. BUMPERS (for himself, Mrs. MURRAY, and Mr. WELLSTONE):

S. 229. A bill to provide for a voluntary system of public financing of Federal elections, and for other purposes; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HATCH):

S. 230. A bill to amend section 1951 of title 18, United States Code (commonly known as the Hobbs Act), and for other purposes; to the Committee on the Judiciary.

By Mr. BINGAMAN:

S. 231. A bill to establish the National Cave and Karst Research Institute in the State of New Mexico, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HARKIN (for himself, Mr. LEAHY, Mrs. BOXER, Mrs. MURRAY, Mr. INOUYE, Ms. MIKULSKI, and Mr. KERRY):

S. 232. A bill to amend the Fair Labor Standards Act of 1938 to prohibit discrimination in the payment of wages on account of sex, race, or national origin, and for other purposes; to the Committee on Labor and Human Resources.

By Ms. SNOWE:

S. 233. A bill to amend the Internal Revenue Code of 1986 to increase the deduction for health insurance costs of self-employed individuals, and for other purposes; to the Committee on Finance.

By Mr. HELMS:

S. 234. A bill to direct the Secretary of the Interior to transfer administrative jurisdiction over certain land to the Secretary of the Army to facilitate construction of a jetty and sand transfer system, and for other purposes; to the Committee on Energy and Natural Resources.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred—or acted upon—as indicated:

By Mr. STEVENS:

S. Res. 33. An original resolution authorizing expenditures by the Committee on Appropriations; from the Committee on Appropriations; to the Committee on Rules and Administration.

By Mr. MURKOWSKI:

S. Res. 34. An original resolution authorizing expenditures by the Committee on Energy and Natural Resources; from the Committee on Energy and Natural Resources; to the Committee on Rules and Administration.

By Mr. JEFFORDS:

S. Res. 35. An original resolution authorizing expenditures by the Committee on Labor and Human Resources; from the Committee on Labor and Human Resources; to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GREGG:

S. 227. A bill to establish a locally oriented commission to assist the city of Berlin, NH, in identifying and studying its region's historical and cultural assets, and for other purposes; to the Committee on Energy and Natural Resources.

THE BERLIN, NH, COMMISSION ACT OF 1997

Mr. GREGG. Mr. President, I rise today to celebrate the 100th anniversary of Berlin, NH, and to introduce legislation that will assist Berlin in preserving this history.

While the city of Berlin is 100 years old this year, its history goes back further. The first settlers came to Berlin for no apparent reason. They were farmers and the land there did not promise to be any more fruitful than the land they left just down the Androscoggin River; but, they were restless and independent so they came across the mountains to start a new community in this isolated area.

The Plantation of Maynesborough, as Berlin was called, was named after the most illustrious of the English gentlemen to whom it was granted by the Crown in 1771. Although the land was rugged and it was a hard place to live, food was plentiful. The woods consisting of seemingly endless stands of timber were filled with deer and game; the brooks and river were loaded with trout.

Those first farmers who made the move from down the river found good farmland upstream from the falls. In 1824, William Sessions cleared 5 acres of land on the east side of the river and came back in 1825 with his nephew to plant crops and build a log house. William Sessions did not stay around long enough to see Maynesborough become officially incorporated as the city of Berlin 1897, but his nephew Cyrus Wheeler did.

Nearly half a century before, however, the character of Berlin began its change from farms to industry. In 1851, J.B. Brown and three other businessmen from Portland, ME, formed a partnership under the name of H. Winslow & Co. and purchased the land on top of the falls. They started a successful lumber business in the thick forest and used the natural water power of the river to power their mill. The J.B. Brown Co., saw the railroad coming to Berlin, thus, opening a direct line of transportation to Portland and market centers for the first time.

In the 1920's, Berlin, NH, was the capital of the papermaking world and was becoming known as the city that trees built. The Brown family's Berlin Mills Co., controlled 3 million acres in New England and Québec and was world renowned for cutting-edge forestry, research, and papermaking. The mills along the Androscoggin River made not only pulp and an array of paper products but also lumber, wood flour, conduit pipes, and furniture. Brown's staff of 4,000 to 5,000 swelled Berlin to a population of 20,000.

The growth of Berlin reflects the diversity of people who came to stay: French Canadians, Yankees from northern New England farms, Norwegians, Italians, Irish, and Russians. They sought a chance to make a better living and found it in the mills, blacksmith shops, machine shops, farms,

stores, railroad yards, and in the winter logging camps. Berlin deserves recognition for many other reasons as well. For example tupperware and the Feron Rap and Rule, the first retractable ruler, were invented in Berlin. But one aspect of the city calls for special attention: Its heritage as a leader in introducing skiing to America.

Scandinavian immigrants were highly sought after by mill recruiters not only for their expertise in logging, but also because they were acquainted with long, severe winters similar to those of the North Country. They chose to develop their individual neighborhoods in clusters as did most of the immigrants. As a whole, the entire Scandinavian neighborhood was commonly known as Norwegian Village. Because of their love for winter, they, more than any other groups, forged the way for winter sports in Berlin. Both cross-country ski racing and competition ski jumping were introduced to the region by the Scandinavian community. These events were featured at many of the winter carnivals that Berlin hosted.

Other than its socioeconomic forest-based heritage, Berlin is probably best known for its major contribution to the development of skiing in the country. The use of skis by newly arriving Scandinavians was at first utilitarian, winter travel around the community. In time, cross-country ski racing became popular and Berlin became known as the Cradle of Nordic Skiing in America. The Nansen Ski Club, which is named in honor of arctic explorer Fridtjof Nansen, was founded in 1872 as the Skii Klubbin. Today, it remains the oldest continuously organized ski club in the United States. Starting in the 1890's, skiers used a small hill in Norwegian Village to practice and perform their jumps.

Then, in 1936, a new jump was constructed here at this site thanks to a cooperative effort between the city of Berlin and the Nansen Ski Club. This 80-meter jump has a 171.5-foot tower, a 225-foot vertical drop, and a descent angle of approximately 37.5 degrees. For almost 50 years, this was the largest ski jump in the Eastern United States and the foremost jump in the country. Also, this was the site of all major championship ski jumping competitions, as well as many Olympic tryouts. Several famous ski jumpers were competitors here including a host of Berlinites who went on to compete in the Olympics.

Mr. President, I have only touched on a few of the historical aspects that make Berlin, NH, unique. The legislation that I am introducing, the Androscoggin River Valley Heritage Area Act, will establish a locally oriented commission to assist the city of Berlin in identifying and studying its region's historical and cultural assets of the past 100 years.

By Mr. McCAIN (for himself, Mr. STEVENS, Mrs. HUTCHISON, Mr. ABRAHAM, and Mr. ASHCROFT):

S. 228. A bill to amend title 31, United States Code, to provide for continuing appropriations in the absence of regular appropriations; to the Committee on Appropriations.

THE GOVERNMENT SHUTDOWN PREVENTION ACT

Mr. McCAIN. Mr. President, today Senators STEVENS, HUTCHISON, ABRAHAM, ASHCROFT, and I are introducing the Government Shutdown Prevention Act. This bill creates a statutory continuing resolution [CR]—a safety net CR which would trigger only if the appropriations acts do not become law or if there is no governing CR in place. This legislation ensures that the Government will not shutdown and that Government shutdowns cannot be used for political gains.

This safety net CR would set spending at the lowest of the following spending levels:

First, the previous year's appropriated levels;

Second, the House-passed appropriations bill;

Third, the Senate-passed appropriations bill;

Fourth, the President's budget request; or

Fifth, any levels established by an independent CR passed by the Congress subsequent to the passage of this act.

By setting the spending level for the safety net CR at the lowest possible level, there is new incentive to actually pass the appropriations bills on time. In addition, it restores the bias in appropriations negotiations toward saving the taxpayers money instead of spending it. We cannot afford another replay of last year's successful effort by the administration that forced Congress to spend billions more just to avoid a third Government shutdown. Passage of this legislation will guarantee that we are not faced with a choice between a Government shutdown and spending taxpayer dollars irresponsibly.

We all saw the effects of gridlock last year. No one wins when the Government shuts down. Shutdowns only confirm the American people's suspicions that we are more interested in political gain than doing the Nation's business. The American people are tired of gridlock. They want the Government to work for them—not against them.

The budget process in the last Congress was a fiasco. Our Founding Fathers would have been ashamed by our inability to execute the power of the purse in a responsible fashion. I am sure they would have been quite shocked by the 27 days the Government was shut down, 13 continuing resolutions and almost $6 billion in blackmail money given to the administration to ensure that the Government did not shut down a third time.

Although Republicans shouldered the blame for the Government shutdown, President Clinton and his Democrat colleagues were equally at fault for using it for their political gain. Republicans were outfoxed by President Clinton because we were not prepared for him to use the budget process for his own political gains. We thought that by doing the right thing—passing the first balanced budget in a generation and fiscally sound appropriations bills—we would eventually prevail. What we did not realize was that President Clinton was more interested in playing politics with the budget than actually balancing it. This year, we have to be prepared for these games and launch a preemptive strike to ensure that basic Government operations will not be put at risk during the next budget battle.

This legislation does not erode the power of the appropriators and gives them ample opportunity to do their job. It is only if the appropriations process is not completed by the beginning of the fiscal year, as was the case in the last Congress that this safety net CR will go into effect. In addition, I want to emphasize that entitlements are fully protected in the legislation. The bill specifically states that entitlements such as Social Security—as obligated by law—will be paid regardless of what appropriations bills are passed.

Mr. President, according to President Clinton the combined cost of last year's Government shutdowns was $1.5 billion. However, this figure does not begin to account for the millions of dollars that were lost by small businesses who depend on the Government being open. In my State of Arizona, during the Government shutdown the Grand Canyon was closed for the first time in 76 years. I heard from people who work close to the Grand Canyon. These were not Government employees. They were independent small businessmen and women. They told me that the shutdown cost them thousands of dollars because people couldn't go to the park. According to a CRS report, local communities near national parks lost an estimated $14.2 million per day in tourism revenues as a direct result of the Government shutdown—for a total of nearly $400 million over the course of the shutdown.

The cost of the Government shutdown cannot be measured in just dollars and cents. During the shutdown millions of Americans could not get crucial social services. For example: 10,000 new Medicare applications, 212,000 Social Security card requests, 360,000 individual office visits, and 800,000 toll-free calls for information and assistance were turned away each day. There were even more delays in services for some of the most vulnerable in our society including 13 million recipients of AFDC, 273,000 foster care children, over 100,000 children receiving adoption assistance services and over 100,000 Head Start children. Not to mention the new patients that were not accepted into clinical research centers, the 7 million visitors who could not attend national parks or the 2 million visitors turned away at museums and monuments. And the list could go on and on.

In addition our Federal employees were left in fear wondering whether

they would be paid, would they have to go to work or would they be able to pay their bills on time. In my State of Arizona for example, of the 40,383 Federal employees over 15,000 of them were furloughed in the last Government shutdown. I do not want to put these workers at risk ever again.

A 1991 GAP report confirmed that permanent funding lapse legislation as necessary. In their report they stated, ''shutting down the Government during temporary funding gaps is an inappropriate way to encourage compromise on the budget.''

Mr. President, neither party can afford another break of faith with the American people. Our constituents are tired of constantly being disappointed by the actions of Congress and the President. They are tired of us not being prepared for what appears to be the inevitable. This is why this legislation is so important. We want the American people to know that there are some of us in Congress who are thinking ahead and who do not want a replay of the last Congress.

I want to especially note the support of my good friend Senator STEVENS, the distinguished Senator from Alaska and chairman of the Appropriations Committee. His support of this bill is crucial and I thank him for it. I wish him well in overseeing the appropriations process. While I am sure we will have our differences, I am confident that he will do his best to ensure that the Senate enacts the appropriations bills in an efficient and expeditious manner.

Let us show the American people that we learned our lessons from the last Congress. Passing this preventive measure will go a long way to restore American's faith that politics or stalled negotiations will not stop government operations. It will prove to our constituents that we will never again allow a Government shutdown, or the threat of a Government shutdown, to be used for political gain. I hope the Senate will act quickly on this important matter.●

By Mr. BUMPERS (for himself, Mrs. MURRAY, and Mr. WELLSTONE):

S. 229. A bill to provide for a voluntary system of public financing of Federal elections, and for other purposes; to the Committee on Finance.

THE PUBLIC CONFIDENCE IN CAMPAIGNS ACT OF 1997

Mr. BUMPERS. Mr. President, I come to the floor today to introduce the Public Confidence in Campaigns Act of 1997 for Senator MURRAY and myself. We chose that title because the purpose of the bill is to establish public finance of political campaigns in this country.

The McCain-Feingold bill, of course, is the topic right now. That is the one that the press talks about. That is the one that everybody in the Senate is looking at. I am for the McCain-Feingold bill—and I have the utmost respect for the authors of the bill—but I can tell you that the McCain-Feingold bill is only a small step in the right direction, if the people of this body are really interested in reversing the pervasive cynicism about the political process that is abroad in our country.

Everybody knows that the money game is out of control in politics. Contributions during the last 2 years—that is, soft money and hard money combined—was up 73 percent from 1993 and 1994. You think about it. A 73-percent increase. I have no reason to believe that the increase will not be another 50 to 100 percent in the 2-year cycle prior to the year 2000. Why wouldn't the American people be cynical? The average Senate race today costs $4 million. I have never spent more than $1.5 million, not because of choice but because I am a lousy fundraiser. I never had it. But the average Senate race is $4 million. In California, $20 to $25 million is now typical for each of the candidates.

More and more millionaires are running for Congress because it is obvious that money dictates the outcome. Ninety percent of the people who are elected to Congress spent more money than their opponents. That means if you are a millionaire, or if you have the ability to raise more money than your opponent, you have a 90-percent chance of being elected. That is what the statistics show. The Congress is supposed to be a microcosm of America. There are at least 25 to 35 millionaires in the U.S. Senate. There are hardly 25 percent of the American people who are millionaires.

In 1995 and 1996, 400 corporations, labor unions, and individuals—400—gave the two major parties $100,000 or more in soft money. I repeat: Soft and hard money to the political parties is up 73 percent in 2 years. Even the stock market has not gone up that fast. And rightly or wrongly the cynicism of the American people about our political system is reflected in the small number of people in this country who contribute to campaigns. Why? Because ''Joe Lunch Bucket'' out there has this nagging suspicion that $100,000 contributions, $500,000 contributions, or even $5,000 individual contributions, are completely out of his league. He knows that his $10 or $15 is going nowhere. That is the one of the reasons he does not bother to vote. He has no confidence in his own ability to participate and make a difference, the very foundation of a democracy. And ''Joe Lunch Bucket'' knows that people who give $100,000 are not giving money out of patriotism and altruism.

For the whole process of Federal election in the last 2 years the parties and the individual candidates spent $2 billion. That is a staggering sum of money. Campaign spending 20 years ago when we started reforming the system was a mere fraction of $2 billion.

This morning, yesterday morning, every morning you pick up the Washington Post and the New York Times, and you'll see a story in there about the influence of money. It isn't just soft money given by Indonesians or aliens. The Times last week had a story showing that Members who vote right on particular issues get five times as much money later on from the people who benefit from that right vote than they had gotten in the past.

As long as we finance campaigns the way we are financing them now, the Post and the Times will continue to have a field day, and the Members of Congress will be like gladiators in the arena for the amusement and enjoyment of people who like to watch the battle. I am not being critical of the press for reporting these stories. All I am saying is that democracy is threatened by cynicism.

The formula for voluntary limits in the McCain-Feingold bill is a step in the right direction. It's the same formula we have in our bill: $400,000 plus 30 cents for the first 4 million eligible voters in your State; 25 cents for every eligible voter over 4 million with a minimum of $950,000 and maximum of $5.5 million. My State of Arkansas would get the minimum, $950,000, in a Senate race, and a maximum of $5.5 million would apply in California. And the figure of $5.5 million as a maximum is not an inducement for a Senate candidate in California to accept public funding and comply with that kind of a maximum when they are spending $20 to $25 million each in California. But let us admit it: Even $5.5 million is an obscene amount of money. That is what you get if you voluntarily limit the amount of money you are going to spend. If you agree, if you are from Arkansas, to accept $950,000, in the general election you will get full funding from the U.S. Treasury. And I will come back to where the money comes from in just a moment.

Mr. President, there is a fundamental question being asked in this country. And, if it isn't being asked, it ought to be; that is, how long can a democracy survive when the laws we pass and the people we elect depend on how much special interest money is put into a campaign? And consider the fact that the candidate with the most money wins 90 percent of the time. That speaks volumes. When you consider the fact that if you vote right on a bill that benefits somebody, and you get five times as much money from that somebody as you got in the past, that speaks volumes. Of course, our democracy is threatened when we continue this money game.

There is a study by the Library of Congress—and anybody who is interested in it, if they will drop me a line or call me, I will send them a copy of it—of campaign finance in 19 nations. And other than the United States only 1 of the 19 nations, Malaysia, finances campaigns with private contributions. We are the only Western nation that finances campaigns with private contributions in this way.

Mr. President, we may not pass this bill, but until a public finance bill

passes, the media will continue to have a field day, and you can expect a story, not because you did anything illegal or unethical, but you can depend on a story anytime you vote on a major piece of legislation if anybody who benefited from that gave you money in the last election in any significant amount. And the people will harbor those same suspicions.

Why would the people of this body and the House of Representatives not want to get rid of such a system? They are the ones who are most vulnerable, to say nothing of the destruction of our democracy. Even under the McCain-Feingold bill, which I will support, you still are going to have special interest money, and it is not going to eliminate the basic problem, which is cynicism about what that money buys.

So, Mr. President, it is an interesting thing that the people of this body—and I have talked to a number trying to recruit cosponsors, Republicans and Democrats—almost without exception say, ''I know public financing is where we are going, but not yet. Later.''

Why later? McCain-Feingold has gotten all the attention, and perhaps McCain-Feingold is the most we can hope for this year, but it is time to start the debate on the public finance legislation that everybody in this body knows is absolutely essential to our future. It is going to pass. I may not be here when it passes, but I can promise you it is going to pass.

Everybody is playing the stock market today. The market has been on a roll, up about 30 percent in 1996. You cannot lose. Just put it on anything, they say. You cannot lose. I will tell you of a better investment than putting your money in the stock market, and that is to put your money into this Congressional Election Campaign Fund we are proposing and take special interest money out of the political process. You talk about a return on your investment. That will be the biggest return America ever got on every dollar it puts in.

People in the coffee shops of America do not do as they used to. One time about 2 years ago, I was in my hometown in the coffee shop where I used to drink coffee in this little town of 1,500, 2,000 people, and the subject came up with some of my old coffee-drinking buddies about public financing. The first thing I heard was, ''I don't want my tax money going to politicians to finance campaigns.'' And I gave that friend of mine a lesson in 103–A civics and 103–A economics. No. 1, he has a civic duty to participate, which he does not do. He is not giving any of his private money, which is his right, and he does not want his tax money to be used, which is an abdication of his responsibility and an abdication of everything he believes about campaign finance because he is willing to let the rich people and wealthy organizations of the country give the money and yet it causes the very cynicism he exemplifies and that we are trying to remedy.

Why would the people of this body say ''later'' to public finance? Admittedly, 10 years ago, only 27 percent of the people believed public financing of campaigns was a good idea. But it has worked beautifully since 1976 for the Presidential campaign, and it will work for us. Why would it not? And why would Senators in 1997 be afraid to vote for public financing of campaigns when 68 percent of the people in a Mark Mellman Poll this fall said they favor the law in Maine, the only State in the Nation which has passed a full public funding campaign bill. And 68 percent of the people, when you explain the Maine bill, say, ''I favor it.'' And 65 percent of the people in this country in a Gallup Poll said they favored banning all private contributions and believed in 100 percent public financing of campaigns.

Let me describe the details of the bill very quickly and then I will introduce the bill.

First of all, it establishes a Congressional Election Campaign Fund. And here is the way it works. When you file your tax returns today, there is a provision there which says that if you would like to direct $3 of your tax payment to the Presidential campaign fund, check here. It does not cost you a thing. You think about that. It does not cost you a thing; it is deducted from your taxes, and yet people are declining all the time to check the $3 contribution box even though their taxes are reduced by $3. It is really Federal funds. And yet we have to constantly prop people up and tell them it is their patriotic duty to contribute to that.

I found it very healthy in the last campaign to know that Senator Dole and President Clinton were using money in equal amounts. They were not out asking for private contributions. Each one of them said, ''I will participate,'' and each one of them received about $60 million, and they got along just fine.

Under our bill, you can give $10, if you want, $3 to the Presidential campaign, $7 to the congressional campaign. As I said, that $10 contribution will pay you bigger dividends by far than any investment you ever made in your life. You will not have to worry why somebody voted for or against a bill; at least you will know they did not do it because somebody gave them money in the last campaign or has promised to give them money in a future campaign. And, in addition to the $10, we allow Americans to add on to their tax payment a contribution to the Congressional Election Campaign Fund. Wealthy people—and there are about 5 times as many millionaires right now as there were 10 years ago—would be allowed to give up to $5,000 to this campaign fund just because they are patriots. Up to $100 of this add-on is tax deductible. And if their spouses join in it, they have a $200 tax deduction. It is not much, a small incentive. But wouldn't it be wonderful if all the people worth $1 million, $5 million, $10 million in this country, or even those of ordinary means, would contribute $5,000 to that fund just because they love the country, believe in democracy and want to see it thrive?

We also have a provision that, if the fund runs dry, Congress will appropriate the deficiency. If Congress refuses to appropriate the deficiency, then everybody will be reduced on a pro rata basis.

Let me repeat. You do not qualify for this money unless you agree to limit your spending according to the formula that is set out in the bill. How do you get to the general election for full funding, since we have primaries before the general? Well, we will participate in that, too. And here is the way we do that. You can spend 60 percent of what you can spend in a general.

Back to my home State of Arkansas, let us assume we are eligible for $1 million. We can spend 60 percent of that in the primary, or $600,000, and, of the $600,000, you must raise 50 percent of that, or $300,000. So, to that extent, you still have to go out with your tin cup and raise $300,000. Contributions are still limited to $1,000, just as they are under existing law. But before you can even qualify for primary money, you have to raise $25,000 in $100 contributions from within your State. That is not harsh. Anybody in the State of Arkansas, or any other State, that cannot get 250 people to give $100 does not have any business running. He is not credible. But, once you raise $25,000, then you become eligible for 50 percent Federal funding in the primary.

We eliminate totally soft money. Soft money is what the investigation of contributions to the DNC is all about. When you consider the fact that soft money contributions and hard money contributions to the parties is up 73 percent—get rid of it. Who needs this investigation we are getting ready to launch here in the Congress? You think about all the people's business that we need to be conducting, and what are we doing? Holding an investigation about all the Indonesian money and alien money. Not only do we eliminate soft money, we say that no illegal alien, or even a legal alien, can contribute, unless they are eligible to vote. Nobody—nobody can contribute in these campaigns unless they are eligible to vote. I think that is about as good a test as you can find.

Let us assume, in the next election, I say, ''OK, I am going to limit my spending to $1 million.'' That is the limit under my bill for this State. And I agree I will limit my spending to $1 million. My opponent, who happens to be worth $100 million says, ''You have to be kidding. I am planning to buy this election. I have $100 million to do it with.'' Then, for every dollar he spends above $1 million, we will match up to 100 percent, which would be $2 million.

If you are running against a man or a woman who is willing to spend $10

million of his or her own money, I think you could win. I can tell you a story of a Governor's race in Arkansas in 1970. There was a young, good looking, dynamic man running for Governor down there who spent $300,000 dollars and beat somebody who spent $3.5 million.

You can shame people. You can shame people for spending too much money of their own. Sometimes shame is not enough because, as I have already pointed out, 90 percent of the time the candidate who spends the most money wins. So maybe our bill is not perfect on that score, but it will exact a political price from those who seek to buy an election by outspending a candidate who accepts these limits.

And, on independent expenditures, the bane of the Nation, these unnamed, unseen people who run television ads calling you every scurrilous name under the shining Sun, they don't mention the name of the guy running against you, they just tell the voters what a terrible guy you are—using whatever is a hot issue at the time, ''He voted to burn American flags''—they never mention the opponent. Under our bill, if you have an independent expenditure of $1,000 or more, you have to report it within 24 hours, and if you spend more than $10,000 on independent expenditures, we will match that for the poor guy who has volunteered to limit his spending. The only difference between our bill and McCain-Feingold on PAC's is that we allow a $2,000 PAC contribution, and McCain-Feingold only allows $1,000. The current level is $5,000.

Let me elaborate just a moment on that. I am not a person who thinks PAC's are inherently evil. I think any time a group of people who get together and contribute to a fund because they would like to have some influence, rather than just giving $10, $20, $50, $100 apiece, they ought to be allowed to do that.

As I have already said, we only allow people who can vote in this country in Federal elections to contribute. And, if you agree to accept Federal funding, $10,000 is the maximum amount of your own money you can spend. And our bill takes effect in all elections after December 31, 1998.

Mr. President, while my bill is not perfect, we have been working on it for 4 months. We have met through staff conferences. I have talked to other Senators. I can tell you, the time has come to deal with public finance. I guess the best way to close—I think about a movie, one of my three or four all-time favorite movies, ''To Kill A Mockingbird.'' Gregory Peck was a country lawyer, and I guess I relate to it because I was a country lawyer. You remember, he was defending a black man charged with rape, who was totally innocent, in a small Southern town. The case was charged with racism.

He made the most eloquent speech to the jury in his closing argument, and he finished by saying, ''For God's sake, do your duty.'' I cannot think of a better way to end this statement to my colleagues. The time has come to do our duty to salvage, to save our democracy.

Mr. President, I ask unanimous consent that the text of the bill and additional material be printed in the RECORD.

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

S. 229

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

SECTION 1. SHORT TITLE; AMENDMENT OF ELECTION ACT; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Public Confidence in Campaigns Act of 1997''.

(b) AMENDMENT OF ELECTION ACT.—As used in this Act, the term ''FECA'' means the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.).

(c) TABLE OF CONTENTS.—

Sec. 1. Short title; amendment of Election Act; table of contents.

TITLE I—REFORM OF SENATE CAMPAIGN FINANCING

Subtitle A—Voluntary Congressional Senate Campaign Financing System

Sec. 101. Senate election campaign financing.
Sec. 102. Reporting requirements.
Sec. 103. Reporting requirements for certain independent expenditures.

Subtitle B—Reduction in Limit on PAC Contributions to Senate Candidates

Sec. 111. Reduction in limit on PAC contributions to Senate candidates.

TITLE II—PUBLIC FINANCING SYSTEM

Sec. 201. Increase in current voluntary checkoff system.
Sec. 202. Voluntary contributions to Congressional Election Campaign Fund.

TITLE III—PROVISIONS RELATING TO SOFT MONEY OF POLITICAL PARTIES

Sec. 301. Soft money of political parties.
Sec. 302. State Party Grassroots Funds.
Sec. 303. Reporting requirements.

TITLE IV—PROHIBITION OF CONTRIBUTIONS BY INDIVIDUALS INELIGIBLE TO VOTE

Sec. 401. Prohibition of contributions by individuals ineligible to vote.

TITLE I—REFORM OF SENATE CAMPAIGN FINANCING

Subtitle A—Voluntary Congressional Senate Campaign Financing System

SEC. 101. SENATE ELECTION CAMPAIGN FINANCING.

(a) IN GENERAL.—FECA is amended by adding at the end the following new title:

''TITLE V—ELECTION SPENDING LIMITS AND BENEFITS

''TITLE V—ELECTION SPENDING LIMITS AND BENEFITS

''Subtitle A—Senate Election Campaigns

''Sec. 501. Expenditure limitations.
''Sec. 502. Contribution limitations.
''Sec. 503. Eligibility to receive benefits.
''Sec. 504. Benefits eligible candidate entitled to receive.

''Subtitle B—Administrative Provisions

''Sec. 521. Certifications by Commission.
''Sec. 522. Examination and audits; repayments and civil penalties.
''Sec. 523. Judicial review.
''Sec. 524. Reports to Congress; certifications; regulations.
''Sec. 525. Closed captioning requirement for television commercials of eligible candidates.

''Subtitle C—Congressional Election Campaign Fund

''Sec. 531. Establishment and operation of the Fund.
''Sec. 532. Designation of receipts to the Fund.

''Subtitle A—Senate Election Campaigns

''SEC. 501. EXPENDITURE LIMITATIONS.

''(a) IN GENERAL.—An eligible Senate candidate may not make expenditures with respect to any election aggregating more than the limit applicable to the election under subsection (b).

''(b) APPLICABLE LIMITS.—For purposes of subsection (a), except as otherwise provided in this subtitle—

''(1) GENERAL ELECTION EXPENDITURE LIMIT.—

''(A) IN GENERAL.—The limit for a general election shall be equal to the lesser of—

''(i) $5,500,000; or

''(ii) the greater of—

''(I) $950,000; or

''(II) $400,000, plus an amount equal to the sum of 30 cents multiplied by the voting age population not in excess of 4,000,000, and 25 cents multiplied by the voting age population in excess of 4,000,000.

''(B) SPECIAL RULE WHERE ONLY 1 TRANSMITTER.—In the case of an eligible Senate candidate in a State which has no more than 1 transmitter for a commercial Very High Frequency (VHF) television station licensed to operate in that State, subclause (II) of paragraph (1)(B)(ii) shall be applied by substituting '80 cents' for '30 cents' and '70 cents' for '25 cents'.

''(2) PRIMARY ELECTION EXPENDITURE LIMIT.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the limit for a primary election is an amount equal to 60 percent of the general election expenditure limit under paragraph (1).

''(B) CERTAIN PRIMARY ELECTIONS TREATED AS GENERAL ELECTIONS.—If a primary election may result in the election of a person to a Federal office, the limit for the election is the general election expenditure limit under paragraph (1).

''(3) RUNOFF ELECTION EXPENDITURE LIMIT.—The limit for a runoff election is an amount equal to 30 percent of the general election expenditure limit under paragraph (1).

''(c) PAYMENT OF TAXES.—The limitations under subsection (b) shall not apply to any expenditure for Federal, State, or local taxes with respect to earnings on contributions raised.

''(d) EXCEPTIONS FOR COMPLYING CANDIDATES RUNNING AGAINST NONCOMPLYING CANDIDATES.—

''(1) EXCESSIVE CONTRIBUTIONS TO, OR PERSONAL EXPENDITURES BY, OPPOSING CANDIDATE.—

''(A) 10 PERCENT EXCESS.—If any opponent of an eligible Senate candidate is a noneligible candidate who—

''(i) has received contributions; or

''(ii) has made expenditures from a source described in section 502(a);

in an aggregate amount equal to 110 percent of the general election expenditure limit, primary election expenditure limit, or runoff election expenditure limit applicable to the eligible Senate candidate, the general election expenditure limit, primary election expenditure limit, or runoff election expenditure limit (as the case may be) applicable to the eligible Senate candidate shall be increased by 20 percent.

''(B) 50 PERCENT EXCESS.—If any opponent of an eligible Senate candidate is a non-eligible candidate who—

''(i) has received contributions; or

''(ii) has made expenditures from a source described in section 502(a);

in an aggregate amount equal to 150 percent of the general election expenditure limit, primary election expenditure limit, or runoff election expenditure limit applicable to the eligible Senate candidate, the general election expenditure limit, primary election expenditure limit, or runoff election expenditure limit (as the case may be) applicable to the eligible Senate candidate (without regard to subparagraph (A)) shall be increased by 50 percent.

''(C) 100 PERCENT EXCESS.—If any opponent of an eligible Senate candidate is a non-eligible candidate who—

''(i) has received contributions; or

''(ii) has made expenditures from a source described in section 502(a);

in an aggregate amount equal to 200 percent of the general election expenditure limit, primary election expenditure limit, or runoff election expenditure limit applicable to the eligible Senate candidate, the general election expenditure limit, primary election expenditure limit, or runoff election expenditure limit (as the case may be) applicable to the eligible Senate candidate (without regard to subparagraph (A) or (B)) shall be increased by 100 percent.

''(2) REVOCATION OF ELIGIBILITY OF OPPONENT.—If the status of eligible Senate candidate of any opponent of an eligible Senate candidate is revoked under this title, the general election expenditure limit applicable to the eligible Senate candidate shall be increased by 20 percent.

''(e) EXPENDITURES IN RESPONSE TO INDEPENDENT EXPENDITURES.—If an eligible Senate candidate is notified by the Commission under section 304(c)(4) that independent expenditures totaling at least $1,000 or more have been made in the same election in favor of another candidate or against the eligible candidate, the eligible candidate shall be permitted to spend an amount equal to the amount of the independent expenditures, and any such expenditures shall not be subject to any limit applicable under this title to the eligible candidate for the election.

''SEC. 502. CONTRIBUTION LIMITATIONS.

''(a) PERSONAL CONTRIBUTIONS.—

''(1) IN GENERAL.—An eligible Senate candidate may not, with respect to an election cycle, make contributions or loans to his or her own campaign from personal funds totaling more than $10,000.

''(2) AGGREGATION.—For purposes of paragraph (1), any contribution or loan to a candidate's campaign by a member of the candidate's immediate family shall be treated as made by the candidate.

''(b) AGGREGATE CONTRIBUTIONS.—

''(1) GENERAL ELECTION.—An eligible Senate candidate may not solicit or receive contributions with respect to a general election.

''(2) PRIMARY AND RUNOFF ELECTIONS.—An eligible Senate candidate may, subject to any limits, prohibitions, or other requirements of this Act, receive contributions with respect to a primary or runoff election equal to an amount not greater than 50 percent of the applicable limit for the election under section 501 (determined without regard to subsection (d) or (e) thereof).

''SEC. 503. ELIGIBILITY TO RECEIVE BENEFITS.

''(a) IN GENERAL.—For purposes of this subtitle, a candidate is an eligible Senate candidate if the candidate—

''(1) meets the filing requirements of subsection (b);

''(2) meets, and continues to meet, the expenditure and contribution limits of sections 501 and 502; and

''(3) in the case of a primary election, meets the threshold contribution requirements of subsection (c).

''(b) FILING REQUIREMENTS.—

''(1) PRIMARY.—The requirements of this subsection are met with respect to a primary election if, not later than the date the candidate files as a candidate for the election with the appropriate State election official (or, if earlier, not later than 30 days before the election), the candidate files with the Secretary of the Senate a declaration that—

''(A) the candidate will meet the expenditure and contribution limits of this subtitle;

''(B) the candidate will not accept any contributions in violation of section 315; and

''(C) the candidate will meet requirements similar to the requirements of clauses (ii), (iii), (iv), (v), (vi), and (vii) of paragraph (2)(A).

''(2) GENERAL ELECTION.—

''(A) IN GENERAL.—The requirements of this subsection are met with respect to a general election if the candidate certifies, under penalty of perjury, to the Secretary of the Senate that—

''(i) the candidate has met the expenditure and contribution limits of this subtitle with respect to any primary or runoff election and will meet such limits for the general election;

''(ii) at least one other candidate has qualified for the same general election ballot under the law of the State involved;

''(iii) the candidate will deposit all payments received under this subtitle in an account insured by the Federal Deposit Insurance Corporation from which funds may be withdrawn by check or similar means of payment to third parties;

''(iv) the candidate will furnish campaign records, evidence of contributions, and other appropriate information to the Commission;

''(v) the candidate will cooperate in the case of any audit and examination by the Commission under section 522 and will pay any amounts required to be paid under that section;

''(vi) the candidate will meet the closed captioning requirements of section 525; and

''(vii) the candidate intends to make use of the benefits provided under section 504.

''(B) TIME FOR FILING.—The certification under subparagraph (A) shall be filed not later than 7 days after the earlier of—

''(i) the date the candidate qualifies for the general election ballot under State law; or

''(ii) if, under State law, a primary or runoff election to qualify for the general election ballot occurs after September 1, the date the candidate wins the primary or runoff election.

''(c) THRESHOLD CONTRIBUTION REQUIREMENTS.—

''(1) IN GENERAL.—The requirements of this subsection are met if the candidate and the candidate's authorized committees have received allowable contributions during the applicable period in an amount not less than $25,000.

''(2) ONLY $100 CONTRIBUTIONS TAKEN INTO ACCOUNT.—Allowable contributions of an individual shall not be taken into account under paragraph (1) to the extent such contributions exceed $100.

''(3) DEFINITIONS.—In this subsection:

''(A) ALLOWABLE CONTRIBUTION.—The term 'allowable contribution' means a contribution that is made as a gift of money by an individual pursuant to a written instrument identifying the individual as the contributor.

''(B) APPLICABLE PERIOD.—The term 'applicable period' means the period beginning on January 1 of the calendar year preceding the calendar year of the general election involved and ending on the date on which the certification under subsection (b)(1) is filed by the candidate.

''SEC. 504. BENEFITS ELIGIBLE CANDIDATE ENTITLED TO RECEIVE.

''(a) IN GENERAL.—An eligible Senate candidate shall be entitled to payments from the Congressional Election Campaign Fund in an amount equal to—

''(1) in the case of a general election, an amount equal to the general election expenditure limit applicable to the candidate under section 501, and

''(2) in the case of a primary or runoff election, an amount equal to the sum of—

''(A) the amount of contributions received by the candidate with respect to the election not in excess of the limitation under section 502(b), plus

''(B) the amount of any increases in the applicable limit for such election by reason of subsections (d) and (e) of section 501 (relating to opponents exceeding limits and independent expenditures).

''(b) USE OF PAYMENTS.—Payments received by a candidate under subsection (a) shall be used to defray expenditures incurred with respect to the applicable election period for the candidate.

''Subtitle B—Administrative Provisions

''SEC. 521. CERTIFICATIONS BY COMMISSION.

''(a) GENERAL ELIGIBILITY.—The Commission shall determine whether a candidate is eligible to receive benefits under subtitle A. The initial determination shall be based on the candidate's filings under this title. Any subsequent determination shall be based on relevant additional information submitted in such form and manner as the Commission may require.

''(b) CERTIFICATION OF BENEFITS.—

''(1) IN GENERAL.—Not later than 5 business days after an eligible Senate candidate files a request with the Secretary of the Senate to receive benefits under section 504, the Commission shall certify eligibility for, and the amount of, such benefits.

''(2) REQUESTS.—Any request for payments under paragraph (1) shall contain—

''(A) such information and be made in accordance with such procedures as the Commission may provide by regulation; and

''(B) a verification signed by the candidate and the treasurer of the principal campaign committee of such candidate stating that the information furnished in support of the request, to the best of their knowledge, is correct and fully satisfies the requirement of this title.

''(3) PARTIAL CERTIFICATION.—If the Commission determines that any portion of a request does not meet the requirement for certification, the Commission shall withhold the certification for that portion only and inform the candidate as to how the request may be corrected.

''(4) CERTIFICATION WITHHELD.—The Commission may withhold certification if it determines that a candidate who is otherwise eligible has engaged in a pattern of activity indicating that the candidate's filings under this title cannot be relied upon.

''SEC. 522. EXAMINATION AND AUDITS; REPAYMENTS AND CIVIL PENALTIES.

''(a) EXAMINATIONS AND AUDITS.—

''(1) GENERAL ELECTIONS.—After each general election, the Commission shall conduct an examination and audit of the campaign accounts of 5 percent of the eligible Senate candidates, as designated by the Commission through the use of an appropriate statistical method of random selection, to determine whether such candidates have complied with the conditions of eligibility and other requirements of this title. The Commission shall conduct an examination and audit of the accounts of all candidates for election to an office where any eligible candidate for the office is selected for examination and audit.

''(2) SPECIAL ELECTION.—After each special election involving an eligible candidate, the

Commission shall conduct an examination and audit of the campaign accounts of all candidates in the election to determine whether the candidates have complied with the conditions of eligibility and other requirements of this Act.

''(3) AFFIRMATIVE VOTE.—The Commission may conduct an examination and audit of the campaign accounts of any eligible Senate candidate in a general election if the Commission determines that there exists reason to believe whether such candidate may have violated any provision of this title.

''(b) REPAYMENTS.—

''(1) IN GENERAL.—If the Commission determines that any amount of a payment to a candidate under this title was in excess of the aggregate payments to which such candidate was entitled, or was not used as provided for in this title, the Commission shall so notify such candidate, and such candidate shall pay the amount of such payment.

''(2) EXCESS EXPENDITURES OF CANDIDATES.—If the Commission determines that any eligible candidate who has received benefits under this title has made expenditures in excess of any limit under subtitle A, the Commission shall notify the candidate and the candidate shall pay the amount of the excess.

''(c) CIVIL PENALTIES.—

''(1) EXCESS EXPENDITURES.—

''(A) LOW AMOUNT OF EXCESS EXPENDITURES.—Any eligible Senate candidate who makes expenditures that exceed a limitation under subtitle A by 2.5 percent or less shall pay to the Commission an amount equal to the amount of the excess expenditures.

''(B) MEDIUM AMOUNT OF EXCESS EXPENDITURES.—Any eligible Senate candidate who makes expenditures that exceed a limitation under subtitle A by more than 2.5 percent and less than 5 percent shall pay to the Commission an amount equal to three times the amount of the excess expenditures.

''(C) LARGE AMOUNT OF EXCESS EXPENDITURES.—Any eligible Senate candidate who makes expenditures that exceed a limitation under subtitle A by 5 percent or more shall pay to the Commission an amount equal to three times the amount of the excess expenditures plus, if the Commission determines such excess expenditures were willful, a civil penalty in an amount determined by the Commission.

''(2) MISUSED FUNDS OF CANDIDATES.—If the Commission determines that an eligible Senate candidate used any amount received under this title in a manner not provided for in this title, the Commission may assess a civil penalty against such candidate in an amount not greater than 200 percent of the amount involved.

''(d) UNEXPENDED FUNDS.—Any amount received by an eligible Senate candidate under this title and not expended on or before the date of the general election shall be repaid within 30 days of the election, except that a reasonable amount may be retained for a period not exceeding 120 days after the date of the general election for the liquidation of all obligations to pay expenditures for the general election incurred during the general election period. At the end of such 120-day period, any unexpended funds received under this title shall be promptly repaid.

''(e) LIMIT ON PERIOD FOR NOTIFICATION.—No notification shall be made by the Commission under this section with respect to an election more than 3 years after the date of such election.

''SEC. 523. JUDICIAL REVIEW.

''(a) JUDICIAL REVIEW.—Any agency action by the Commission made under the provisions of this title shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition filed in such court within 30 days after the agency action by the Commission for which review is sought. It shall be the duty of the Court of Appeals, ahead of all matters not filed under this title, to advance on the docket and expeditiously take action on all petitions filed pursuant to this title.

''(b) APPLICATION OF TITLE 5.—The provisions of chapter 7 of title 5, United States Code, shall apply to judicial review of any agency action by the Commission.

''(c) AGENCY ACTION.—For purposes of this section, the term 'agency action' has the meaning given such term by section 551(13) of title 5, United States Code.

''SEC. 524. REPORTS TO CONGRESS; CERTIFICATIONS; REGULATIONS.

''(a) REPORTS.—The Commission shall, as soon as practicable after each election, submit a full report to the Senate and House of Representatives setting forth—

''(1) the expenditures (shown in such detail as the Commission determines appropriate) made by each eligible candidate and the authorized committees of such candidate;

''(2) the amounts of benefits certified by the Commission as available to each eligible candidate under this title; and

''(3) the amount of repayments, if any, required under section 522, and the reasons for each repayment required.

''(b) DETERMINATIONS BY COMMISSION.—Subject to sections 522 and 523, all determinations (including certifications under section 521) made by the Commission under this title shall be final and conclusive.

''(c) RULES AND REGULATIONS.—The Commission is authorized to prescribe such rules and regulations, in accordance with the provisions of subsection (d), to conduct such audits, examinations and investigations, and to require the keeping and submission of such books, records, and information, as it deems necessary to carry out the functions and duties imposed on it by this title.

''(d) REPORT OF PROPOSED REGULATIONS.—The Commission shall submit to the House of Representatives and to the Senate a report containing a detailed explanation and justification of each rule and regulation of the Commission under this title. No such rule, regulation, or form may take effect until a period of 30 calendar days has elapsed after the report is received. As used in this subsection, the terms 'rule' and 'regulation' mean a provision or series of interrelated provisions stating a single, separable rule of law.

''SEC. 525. CLOSED CAPTIONING REQUIREMENT FOR TELEVISION COMMERCIALS OF ELIGIBLE CANDIDATES.

''No eligible Senate candidate may receive amounts under subtitle A unless such candidate has certified that any television commercial prepared or distributed by the candidate will be prepared in a manner that contains, is accompanied by, or otherwise readily permits closed captioning of the oral content of the commercial to be broadcast by way of line 21 of the vertical blanking interval, or by way of comparable successor technologies.

''Subtitle C—Congressional Election Campaign Fund

''SEC. 531. ESTABLISHMENT AND OPERATION OF THE FUND.

''(a) IN GENERAL.—There is hereby established on the books of the Treasury of the United States a special fund to be known as the Congressional Election Campaign Fund (hereafter in this title referred to as the 'Fund'). The amounts designated for the Fund shall remain available without fiscal year limitation for purposes of providing benefits under this title and making expenditures for the administration of the Fund. The Secretary shall maintain such accounts in the Fund as may be required by this title or which the Secretary determines to be necessary to carry out the provisions of this title.

''(b) PAYMENTS UPON CERTIFICATION.—Upon receipt of a certification from the Commission under section 521, except as provided in subsection (c), the Secretary shall issue within 48 hours to an eligible candidate the amount of payments certified by the Commission to the eligible candidate out of the Fund.

''(c) REDUCTIONS IN PAYMENTS IF FUNDS INSUFFICIENT.—

''(1) IN GENERAL.—If, at the time of a certification by the Commission under section 521 for payment to an eligible candidate, the Secretary determines that the monies in the Fund are not, or may not be, sufficient to satisfy the full entitlement of all eligible candidates, the Secretary shall withhold from the amount of such payment such amount as the Secretary determines to be necessary to assure that each eligible candidate will receive the same pro rata share of such candidate's full entitlement.

''(2) PAYMENT UPON FINDING OF SUFFICIENT MONIES.—Amounts withheld under paragraph (1) shall be paid during the same election cycle when the Secretary determines that there are sufficient monies in the Fund to pay all, or a portion thereof, to all eligible candidates from whom amounts have been withheld, except that if only a portion is to be paid, it shall be paid in such manner that each eligible candidate receives an equal pro rata share of such portion.

''(3) ESTIMATES.—

''(A) IN GENERAL.—Not later than March 31 of any calendar year in which there is a regularly scheduled general election, the Secretary, after consultation with the Commission, shall make an estimate of—

''(i) the amount of monies in the Fund which will be available to make payments required by this title in the succeeding calendar year, taking into account the amounts estimated to be transferred to the Fund during the calendar year of the election; and

''(ii) the amount of expenditures which will be required under this title in such calendar year.

''(B) NOTICE OF ESTIMATED REDUCTION.—If the Secretary determines that there will be insufficient monies in the Fund to make the expenditures required by this title for any calendar year, the Secretary shall notify each candidate on April 30 of such calendar year (or, if later, the date on which an individual becomes a candidate) of the amount which the Secretary estimates will be the pro rata reduction in each eligible candidate's payments under this subsection. Such notice shall be by registered mail.

''(d) NOTIFICATION.—The Secretary shall notify the Commission and each eligible candidate by registered mail of any reduction of any payment by reason of subsection (c).

''SEC. 532. DESIGNATION OF RECEIPTS TO THE FUND.

''(a) APPROPRIATION.—There are hereby appropriated to the Fund the following amounts:

''(1) DESIGNATED AMOUNTS.—Amounts designated to the Fund under sections 6096(a)(2) and 6097 of the Internal Revenue Code of 1986.

''(2) PAYMENTS AND PENALTIES.—Payments and civil penalties received by the Commission under section 522.

''(b) AUTHORIZATION OF APPROPRIATIONS.—These are authorized to be appropriated for each fiscal year to the Fund the excess (if any) of—

''(1) the aggregate payments required to be made from the Fund under this title for the fiscal year, over

''(2) the sum of the balance in the Fund as of the close of the preceding fiscal year plus

amounts paid into the Fund under subsection (a).''

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to elections occurring after December 31, 1998.

SEC. 102. REPORTING REQUIREMENTS.

Title III of FECA is amended by adding after section 304 the following new sections:

''REPORTING REQUIREMENTS FOR SENATE CANDIDATES

''SEC. 304A. (a) CANDIDATE OTHER THAN ELIGIBLE SENATE CANDIDATE.—(1) Each candidate for the office of United States Senator who does not file a certification with the Secretary of the Senate under section 503(b)(2) shall file with the Secretary of the Senate a declaration as to whether such candidate intends to make expenditures for any primary, runoff, or general election in excess of the expenditure limit applicable to an eligible Senate candidate under section 501. Such declaration shall be filed at the time provided in section 503(b)(2)(B).

''(2) Any candidate for the United States Senate who qualifies for the ballot for a general election—

''(A) who is not an eligible Senate candidate under section 503; and

''(B) who either raises aggregate contributions, or makes or obligates to make aggregate expenditures, for any primary, runoff, or general election which exceed 75 percent of the expenditure limit applicable to an eligible Senate candidate under section 501,

shall file a report with the Secretary of the Senate within 2 business days after such contributions have been raised or such expenditures have been made or obligated to be made (or, if later, within 2 business days after the date of qualification for the general election ballot), setting forth the candidate's total contributions and total expenditures for such election as of such date. Thereafter, such candidate shall file additional reports (until such contributions or expenditures exceed 200 percent of such limit) with the Secretary of the Senate within 2 business days after each time additional contributions are raised, or expenditures are made or are obligated to be made, which in the aggregate exceed an amount equal to 10 percent of such limit and after the total contributions or expenditures exceed 100, 120, 140, 160, 180, and 200 percent of such limit.

''(3) The Commission—

''(A) shall, within 2 business days of receipt of a declaration or report under paragraph (1) or (2), notify each eligible Senate candidate in the election involved about such declaration or report; and

''(B) if an opposing candidate has raised aggregate contributions, or made or has obligated to make aggregate expenditures, in excess of the applicable election expenditure limit under section 501, shall certify, pursuant to the provisions of subsection (d), such eligibility for payment of any amount to which such eligible Senate candidate is entitled under section 504(a).

''(4) Notwithstanding the reporting requirements under this subsection, the Commission may make its own determination that a candidate in a general election who is not an eligible Senate candidate has raised aggregate contributions, or made or has obligated to make aggregate expenditures, in the amounts which would require a report under paragraph (2). The Commission shall, within 2 business days after making each such determination, notify each eligible Senate candidate in the election involved about such determination, and shall, when such contributions or expenditures exceed the election expenditure limit under section 501, certify (pursuant to the provisions of subsection (d)) such candidate's eligibility for payment of any amount under section 504(a).

''(b) REPORTS ON PERSONAL FUNDS.—(1) Any candidate for the United States Senate who during the election cycle expends more than the limitation under section 502 during the election cycle from his personal funds, the funds of his immediate family, and personal loans incurred by the candidate and the candidate's immediate family shall file a report with the Secretary of the Senate within 2 business days after such expenditures have been made or loans incurred.

''(2) The Commission within 2 business days after a report has been filed under paragraph (1) shall notify each eligible Senate candidate in the election involved about each such report.

''(3) Notwithstanding the reporting requirements under this subsection, the Commission may make its own determination that a candidate for the United States Senate has made expenditures in excess of the amount under paragraph (1). The Commission within 2 business days after making such determination shall notify each eligible Senate candidate in the general election involved about each such determination.

''(c) CERTIFICATIONS.—Notwithstanding section 521(a), the certification required by this section shall be made by the Commission on the basis of reports filed in accordance with the provisions of this Act, or on the basis of the Commission's own investigation or determination.

''(d) SHORTER PERIODS FOR REPORTS AND NOTICES DURING ELECTION WEEK.—Any report, determination, or notice required by reason of an event occurring during the 7-day period ending with the general election shall be made within 24 hours (rather than 2 business days) of the event.

''(e) COPIES OF REPORTS AND PUBLIC INSPECTION.—The Secretary of the Senate shall transmit a copy of any report or filing received under this section or under subtitle A of title V as soon as possible (but no later than 4 working hours of the Commission) after receipt of such report or filing, and shall make such report or filing available for public inspection and copying in the same manner as the Commission under section 311(a)(4), and shall preserve such reports and filings in the same manner as the Commission under section 311(a)(5).

''(f) DEFINITIONS.—For purposes of this section, any term used in this section which is used in title V shall have the same meaning as when used in title V.''

SEC. 103. REPORTING REQUIREMENTS FOR CERTAIN INDEPENDENT EXPENDITURES.

Section 304(c) of FECA (2 U.S.C. 434(c)) is amended—

(1) in paragraph (2), by striking the undesignated matter after subparagraph (C);

(2) by redesignating paragraph (3) as paragraph (8); and

(3) by inserting after paragraph (2), as amended by paragraph (1), the following new paragraphs:

''(3)(A) Any person (including a political committee) making, obligating to make, or intending to make independent expenditures (including those described in subsection (b)(6)(B)(iii)) with respect to a candidate in an election aggregating $1,000 or more shall file a report within 24 hours after the date on which such person takes such action. An additional report shall be filed each time the person makes, obligates to make, or intends to make independent expenditures aggregating $1,000 or more are made with respect to the same candidate after the latest report filed under this subparagraph.

''(B) A report under subparagraph (A) shall be filed with the Clerk of the House of Representatives, the Secretary of the Senate, or the Commission, whichever is applicable, and the Secretary of State of the State involved, and shall identify each candidate whom the expenditure is actually intended to support or to oppose. The Clerk of the House of Representatives and the Secretary of the Senate shall as soon as possible (but not later than 4 working hours of the Commission) after receipt of a report transmit it to the Commission. Not later than 2 business days after the Commission receives a report, the Commission shall transmit a copy of the report to each candidate seeking nomination or election to that office.

''(4) The Commission may, upon a request of a candidate or on its own initiative, make its own determination that a person has made, has incurred obligations to make, or intends to make independent expenditures with respect to any candidate in any election which in the aggregate exceed the applicable amounts under paragraph (3). The Commission shall notify each candidate in such election of such determination within 2 business days after making it. Any determination made at the request of a candidate shall be made within 48 hours of the request.

''(5) At the time at which an eligible Senate candidate is notified under paragraph (3) or (4) with respect to expenditures during a general election period, the Commission shall certify eligibility to receive benefits under section 504.

''(6) The Clerk of the House of Representatives and the Secretary of the Senate shall make any report received under this subsection available for public inspection and copying in the same manner as the Commission under section 311(a)(4), and shall preserve such statements in the same manner as the Commission under section 311(a)(5).

''(7)(A) A person that makes a reservation of broadcast time to which section 315(a) of the Communications Act of 1947 (47 U.S.C. 315(a)) applies, the payment for which would constitute an independent expenditure, shall at the time of the reservation—

''(i) inform the broadcast licensee that payment for the broadcast time will constitute an independent expenditure;

''(ii) inform the broadcast licensee of the names of all candidates for the office to which the proposed broadcast relates and state whether the message to be broadcast is intended to be made in support of or in opposition to each such candidate; and

''(iii) provide the broadcast licensee a copy of the report described in paragraph (3).

''(B) For purposes of this paragraph, the term 'broadcast' includes any cablecast.''

Subtitle B—Reduction in Limit on PAC Contributions to Senate Candidates

SEC. 111. REDUCTION IN LIMIT ON PAC CONTRIBUTIONS TO SENATE CANDIDATES.

Section 315(a)(2)(A) of FECA (2 U.S.C. 441a(a)(2)(A)) is amended to read as follows:

''(A) to any candidate and the candidate's authorized political committees with respect to—

''(i) any election for Federal office (other than United States Senator) which, in the aggregate, exceed $5,000, or

''(ii) any election for the office of United States Senator which, in the aggregate, exceed $2,000.''

TITLE II—PUBLIC FINANCING SYSTEM

SEC. 201. INCREASE IN CURRENT VOLUNTARY CHECKOFF SYSTEM.

(a) IN GENERAL.—Section 6096(a) of the Internal Revenue Code of 1986 (relating to designation by individuals) is amended to read as follows:

''(a) IN GENERAL.—Every individual (other than a nonresident alien) whose income tax liability for the taxable year is $10 or more may designate that $10 shall be paid over to the Federal election campaign funds as follows:

''(1) $3 to the Presidential Election Campaign Fund in accordance with the provisions of section 9006(a).

''(2) $7 to the Congressional Election Campaign Fund in accordance with the provisions of subtitle C of title V of the Federal Election Campaign Act of 1971.

In the case of a joint return of a husband and wife having an income tax liability of $20 or more, each spouse may designate that $10 shall be paid as provided in the preceding sentence.''

(b) CONFORMING AMENDMENT.—Section 9006(a) is amended by striking ''section 6096'' and inserting ''section 6096(a)(1)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1996.

SEC. 202. VOLUNTARY CONTRIBUTIONS TO CONGRESSIONAL ELECTION CAMPAIGN FUND.

(a) GENERAL RULE.—Part VIII of subchapter A of chapter 61 of the Internal Revenue Code of 1986 (relating to returns and records) is amended by adding at the end the following:

''Subpart B—Designation of Additional Amounts to Congressional Election Campaign Fund

''Sec. 6097. Designation of additional amounts.

''SEC. 6097. DESIGNATION OF ADDITIONAL AMOUNTS.

''(a) GENERAL RULE.—Every individual (other than a nonresident alien) who files an income tax return for any taxable year may designate an additional amount which is not less than $1 and not more than $5,000 to be paid over to the Congressional Election Campaign Fund established under subtitle C of title V of the Federal Election Campaign Act of 1971.

''(b) MANNER AND TIME OF DESIGNATION.—A designation under subsection (a) may be made for any taxable year only at the time of filing the income tax return for the taxable year. Such designation shall be made on the page bearing the taxpayer's signature.

''(c) TREATMENT OF ADDITIONAL AMOUNTS.—Any additional amount designated under subsection (a) for any taxable year shall, for all purposes of law, be treated as an additional income tax imposed by chapter 1 for such taxable year.

''(d) INCOME TAX RETURN.—For purposes of this section, the term 'income tax return' means the return of the tax imposed by chapter 1.''

(b) DEDUCTIBILITY OF CONTRIBUTIONS.—

(1) IN GENERAL.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as section 222 and by inserting after section 220 the following new section:

''SEC. 221. CONTRIBUTIONS TO CONGRESSIONAL ELECTION CAMPAIGN FUND.

''There shall be allowed as a deduction for any taxable year an amount equal to the lesser of—

''(1) the amount designated on the income tax return for the taxable year under section 6097(a), or

''(2) $100 ($200 in the case of a joint return).''

(2) ABOVE-THE-LINE DEDUCTION.—Section 62(a) of such Code is amended by adding after paragraph (16) the following new paragraph:

''(17) CONGRESSIONAL CAMPAIGN FUND CONTRIBUTIONS.—The deduction allowed by section 221.''

(c) CONFORMING AMENDMENTS.—

(1) Part VIII of subchapter A of chapter 61 of such Code is amended by striking the heading and inserting:

''PART VIII—DESIGNATION OF AMOUNTS TO ELECTION CAMPAIGN FUNDS

''Subpart A. Federal Election Campaign Funds.

''Subpart B. Designation of additional amounts to Congressional Election Campaign Fund.

''Subpart A—Federal Election Campaign Funds''.

(2) The table of parts for subchapter A of chapter 61 of such Code is amended by striking the item relating to part VIII and inserting:

''Part VIII. Designation of amounts to election campaign funds.''

(3) The table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking the item relating to section 221 and inserting:

''Sec. 221. Contributions to Congressional Election Campaign Fund.

''Sec. 222. Cross reference.''

(d) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 1996.

TITLE III—PROVISIONS RELATING TO SOFT MONEY OF POLITICAL PARTIES

SEC. 301. SOFT MONEY OF POLITICAL PARTIES.

Title III of FECA (2 U.S.C. 301 et seq.) is amended by adding at the end the following:

''SEC. 324. SOFT MONEY OF POLITICAL PARTIES.

''(a) NATIONAL COMMITTEES.—A national committee of a political party (including a national congressional campaign committee of a political party, an entity that is established, financed, maintained, or controlled by the national committee, a national congressional campaign committee of a political party, and an officer or agent of any such party or entity but not including an entity regulated under subsection (b)) shall not solicit or receive any contributions, donations, or transfers of funds, or spend any funds, not subject to the limitations, prohibitions, and reporting requirements of this Act.

''(b) STATE, DISTRICT, AND LOCAL COMMITTEES.—

''(1) LIMITATION.—Any amount that is expended or disbursed by a State, district, or local committee of a political party (including an entity that is established, financed, maintained, or controlled by a State, district, or local committee of a political party and an agent or officer of any such committee or entity) during a calendar year in which a Federal election is held, for any activity that might affect the outcome of a Federal election, including any voter registration or get-out-the-vote activity, any generic campaign activity, and any communication that identifies a candidate (regardless of whether a candidate for State or local office is also mentioned or identified) shall be made from funds subject to the limitations, prohibitions, and reporting requirements of this Act.

''(2) ACTIVITY NOT INCLUDED IN PARAGRAPH (1).—

''(A) IN GENERAL.—Paragraph (1) shall not apply to an expenditure or disbursement made by a State, district, or local committee of a political party for—

''(i) a contribution to a candidate for State or local office if the contribution is not designated or otherwise earmarked to pay for an activity described in paragraph (1);

''(ii) the costs of a State, district, or local political convention;

''(iii) the non-Federal share of a State, district, or local party committee's administrative and overhead expenses (but not including the compensation in any month of any individual who spends more than 20 percent of the individual's time on activity during the month that may affect the outcome of a Federal election) except that for purposes of this paragraph, the non-Federal share of a party committee's administrative and overhead expenses shall be determined by applying the ratio of the non-Federal disbursements to the total Federal expenditures and non-Federal disbursements made by the committee during the previous presidential election year to the committee's administrative and overhead expenses in the election year in question;

''(iv) the costs of grassroots campaign materials, including buttons, bumper stickers, and yard signs that name or depict only a candidate for State or local office; and

''(v) the cost of any campaign activity conducted solely on behalf of a clearly identified candidate for State or local office, if the candidate activity is not an activity described in paragraph (1).

''(B) FUNDRAISING.—Any amount that is expended or disbursed by a national, State, district, or local committee, by an entity that is established, financed, maintained, or controlled by a State, district, or local committee of a political party, or by an agent or officer of any such committee or entity to raise funds that are used, in whole or in part, to pay the costs of an activity described in subparagraph (A) shall be made from funds subject to the limitations, prohibitions, and reporting requirements of this Act.

''(c) TAX-EXEMPT ORGANIZATIONS.—No national, State, district, or local committee of a political party shall solicit any funds for or make any donations to an organization that is exempt from Federal taxation under section 501(c) of the Internal Revenue Code of 1986.

''(d) CANDIDATES.—

''(1) IN GENERAL.—Except as provided in paragraph (2), no candidate, individual holding Federal office, or agent of a candidate or individual holding Federal office may—

''(A) solicit or receive funds in connection with an election for Federal office unless the funds are subject to the limitations, prohibitions, and reporting requirements of this Act; or

''(B) solicit or receive funds that are to be expended in connection with any election for other than a Federal election unless the funds—

''(i) are not in excess of the amounts permitted with respect to contributions to candidates and political committees under section 315(a) (1) and (2); and

''(ii) are not from sources prohibited by this Act from making contributions with respect to an election for Federal office.

''(2) EXCEPTION.—Paragraph (1) does not apply to the solicitation or receipt of funds by an individual who is a candidate for a State or local office if the solicitation or receipt of funds is permitted under State law for the individual's State or local campaign committee.''

SEC. 302. STATE PARTY GRASSROOTS FUNDS.

(a) INDIVIDUAL CONTRIBUTIONS.—Section 315(a)(1) of FECA (2 U.S.C. 441a(a)(1)) is amended—

(1) in subparagraph (B) by striking ''or'' at the end;

(2) by redesignating subparagraph (C) as subparagraph (D); and

(3) by inserting after subparagraph (B) the following:

''(C) to—

''(i) a State Party Grassroots Fund established and maintained by a State committee of a political party in any calendar year which, in the aggregate, exceed $20,000; and

''(ii) any other political committee established and maintained by a State committee of a political party in any calendar year which, in the aggregate, exceed $5,000;

except that the aggregate contributions described in this subparagraph that may be made by a person to the State Party Grassroots Fund and all committees of a State Committee of a political party in any State

in any calendar year shall not exceed $20,000; or''.

(b) MULTICANDIDATE COMMITTEE CONTRIBUTIONS TO STATE PARTY.—Section 315(a)(2) of FECA (2 U.S.C. 441a(a)(2)) is amended—

(1) in subparagraph (B), by striking ''or'' at the end;

(2) by redesignating subparagraph (C) as subparagraph (D); and

(3) by inserting after subparagraph (B) the following:

''(C) to—

''(i) a State Party Grassroots Fund established and maintained by a State committee of a political party in any calendar year which in the aggregate, exceed $15,000; and

''(ii) any other political committee established and maintained by a State committee of a political party which, in the aggregate, exceed $5,000;

except that the aggregate contributions described in this subparagraph that may be made by a multicandidate political committee to the State Party Grassroots Fund and all committees of a State Committee of a political party in any State in any calendar year shall not exceed $15,000; or''.

(c) OVERALL LIMIT.—

(1) IN GENERAL.—Section 315(a) of FECA (2 U.S.C. 441a(a)) is amended by striking paragraph (3) and inserting the following:

''(3) OVERALL LIMIT.—

''(A) ELECTION CYCLE.—No individual shall make contributions during any election cycle that, in the aggregate, exceed $60,000.

''(B) CALENDAR YEAR.—No individual shall make contributions during any calendar year—

''(i) to all candidates and their authorized political committees that, in the aggregate, exceed $25,000; or

''(ii) to all political committees established and maintained by State committees of a political party that, in the aggregate, exceed $20,000.

''(C) NONELECTION YEARS.—For purposes of subparagraph (B)(i), any contribution made to a candidate or the candidate's authorized political committees in a year other than the calendar year in which the election is held with respect to which the contribution is made shall be treated as being made during the calendar year in which the election is held.''

(2) DEFINITION.—Section 301 of FECA (2 U.S.C. 431) is amended by adding at the end the following:

''(20) ELECTION CYCLE.—The term 'election cycle' means—

''(A) in the case of a candidate or the authorized committees of a candidate, the period beginning on the day after the date of the most recent general election for the specific office or seat that the candidate seeks and ending on the date of the next general election for that office or sea; and

''(B) in the case of all other persons, the period beginning on the first day following the date of the last general election and ending on the date of the next general election.''

(d) STATE PARTY GRASSROOTS FUNDS.—

(1) IN GENERAL.—Title III of FECA (2 U.S.C. 301 et seq.) (as amended by section 301) is amended by adding at the end the following:

''SEC. 325. STATE PARTY GRASSROOTS FUNDS.

''(a) DEFINITION.—In this section, the term 'State or local candidate committee' means a committee established, financed, maintained, or controlled by a candidate for other than Federal office.

''(b) TRANSFERS.—Notwithstanding section 315(a)(4), no funds may be transferred by a State committee of a political party from its State Party Grassroots Fund to any other State Party Grassroots Fund or to any other political committee, except a transfer may be made to a district or local committee of the same political party in the same State if the district or local committee—

''(1) has established a separate segregated fund for the purposes described in section 324(b)(1); and

''(2) uses the transferred funds solely for those purposes.

''(c) AMOUNTS RECEIVED BY GRASSROOTS FUNDS FROM STATE AND LOCAL CANDIDATE COMMITTEES.—

''(1) IN GENERAL.—Any amount received by a State Party Grassroots Fund from a State or local candidate committee for expenditures described in section 324(b)(1) that are for the benefit of that candidate shall be treated as meeting the requirements of 324(b)(1) and section 304(d) if—

''(A) the amount is derived from funds which meet the requirements of this Act with respect to any limitation or prohibition as to source or dollar amount specified in section 315(a) (1)(A) and (2)(A); and

''(B) the State or local candidate committee—

''(i) maintains, in the account from which payment is made, records of the sources and amounts of funds for purposes of determining whether those requirements are met; and

''(ii) certifies that the requirements were met.

''(2) DETERMINATION OF COMPLIANCE.—For purposes of paragraph (1)(A), in determining whether the funds transferred meet the requirements of this Act described in paragraph (1)(A)—

''(A) a State or local candidate committee's cash on hand shall be treated as consisting of the funds most recently received by the committee; and

''(B) the committee must be able to demonstrate that its cash on hand contains funds meeting those requirements sufficient to cover the transferred funds.

''(3) REPORTING.—Notwithstanding paragraph (1), any State Party Grassroots Fund that receives a transfer described in paragraph (1) from a State or local candidate committee shall be required to meet the reporting requirements of this Act, and shall submit to the Commission all certifications received, with respect to receipt of the transfer from the candidate committee.''

(2) DEFINITION.—Section 301 of FECA (2 U.S.C. 431) (as amended by subsection (c)(2)) is amended by adding at the end the following:

''(21) STATE PARTY GRASSROOTS FUND.—The term 'State Party Grassroots Fund' means a separate segregated fund established and maintained by a State committee of a political party solely for the purpose of making expenditures and other disbursements described in section 324(b).''

SEC. 303. REPORTING REQUIREMENTS.

(a) REPORTING REQUIREMENTS.—Section 304 of FECA (2 U.S.C. 434) is amended by adding at the end the following new subsection:

''(d) POLITICAL COMMITTEES.—(1) The national committee of a political party, any congressional campaign committee of a political party, and any subordinate committee of either, shall report all receipts and disbursements during the reporting period, whether or not in connection with an election for Federal office.

''(2) A political committee (not described in paragraph (1)) to which section 324(b)(1) applies shall report all receipts and disbursements.

''(3) Any political committee shall include in its report under paragraph (1) or (2) the amount of any contribution received by a national committee which is to be transferred to a State committee for use directly (or primarily to support) activities described in section 324(b)(2) and shall itemize such amounts to the extent required by subsection (b)(3)(A).

''(4) Any political committee to which paragraph (1) or (2) does not apply shall report any receipts or disbursements that are used in connection with a Federal election.

''(5) If a political committee has receipts or disbursements to which this subsection applies from any person aggregating in excess of $200 for any calendar year, the political committee shall separately itemize its reporting for such person in the same manner as required in subsection (b) (3)(A), (5), or (6).

''(6) Reports required to be filed under this subsection shall be filed for the same time periods required for political committees under subsection (a).''

(b) REPORT OF EXEMPT CONTRIBUTIONS.—Section 301(8) of FECA (2 U.S.C. 431(8)) is amended by inserting at the end the following:

''(C) The exclusion provided in subparagraph (B)(viii) shall not apply for purposes of any requirement to report contributions under this Act, and all such contributions aggregating in excess of $200 shall be reported.''

(c) REPORTS BY STATE COMMITTEES.—Section 304 of FECA (2 U.S.C. 434), as amended by subsection (a), is amended by adding at the end the following new subsection:

''(e) FILING OF STATE REPORTS.—In lieu of any report required to be filed by this Act, the Commission may allow a State committee of a political party to file with the Commission a report required to be filed under State law if the Commission determines such reports contain substantially the same information.''

(d) OTHER REPORTING REQUIREMENTS.—

(1) AUTHORIZED COMMITTEES.—Section 304(b)(4) of FECA (2 U.S.C. 434(b)(4)) is amended—

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

(B) by inserting ''and'' at the end of subparagraph (I); and

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

''(J) in the case of an authorized committee, disbursements for the primary election, the general election, and any other election in which the candidate participates;''.

(2) NAMES AND ADDRESSES.—Section 304(b)(5)(A) of FECA (2 U.S.C. 434(b)(5)(A)) is amended—

(A) by striking ''within the calendar year''; and

(B) by inserting '', and the election to which the operating expenditure relates'' after ''operating expenditure''.

TITLE IV—PROHIBITION OF CONTRIBUTIONS BY INDIVIDUALS INELIGIBLE TO VOTE

SEC. 401. PROHIBITION OF CONTRIBUTIONS BY INDIVIDUALS INELIGIBLE TO VOTE.

(a) PROHIBITION.—Section 319 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441e) is amended—

(1) in the heading by adding ''AND INDIVIDUALS NOT QUALIFIED TO REGISTER TO VOTE'' at the end; and

(2) in subsection (a)—

(A) by striking ''(a) It shall'' and inserting the following:

''(a) PROHIBITIONS.—

''(1) FOREIGN NATIONALS.—It shall''; and

(B) by adding at the end the following:

''(2) INDIVIDUALS NOT QUALIFIED TO VOTE.—It shall be unlawful for an individual who is not qualified to register to vote in a Federal election to make a contribution, or to promise expressly or impliedly to make a contribution, in connection with a Federal election; or for any person to solicit, accept, or receive a contribution in connection with a Federal election from an individual who is not qualified to register to vote in a Federal election.''.

(b) INCLUSION IN DEFINITION OF IDENTIFICATION.—Section 301(13) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(13)) is amended—

(1) in subparagraph (A)—

(A) by striking ''and'' the first place it appears; and

(B) by inserting '', and an affirmation that the individual is an individual who is not prohibited by section 319 from making a contribution'' after ''employer''; and

(2) in subparagraph (B) by inserting ''and an affirmation that the person is a person that is not prohibited by section 319 from making a contribution'' after ''such person''.

BUMPERS/MURRAY ''PUBLIC CONFIDENCE IN CAMPAIGNS ACT OF 1997''

VOLUNTARY SPENDING LIMITS AND PUBLIC FINANCING TO RESTORE FAITH IN OUR POLITICAL SYSTEM

Establishes Congressional Election Campaign Fund to provide public financing to eligible Senate candidates who agree to voluntary spending limits similar to McCain/Feingold. Provides eligible candidates with matching funds in primary, full public financing in the general election.

The Fund is financed by expansion of the Presidential tax return check-off from $3 to $10 and creation of a voluntary tax return add-on allowing citizens to contribute to the Fund. The first $100 contributed through the add-on is tax deductible. ($200 for joint filers.)

Eliminates soft money contributions to political parties.

Requires reporting of independent expenditures, including identification of the candidate the independent expenditure seeks to support or oppose. Provides additional matching funds to eligible candidates who are targeted by independent expenditures of greater than $10,000.

Reduces limit on PAC contributions to candidates to $2000 for the primary, $2000 for the general election.

Prohibits contributions by foreign nationals and others who are ineligible to vote in federal elections.

Eligible candidates may not spend more than $10,000 of their own funds.

Applies to all elections held after December 31, 1998.

By Mr. THURMOND (for himself and Mr. HATCH):

S. 230. A bill to amend section 1951 of title 18, United States Code—commonly known as the Hobbs Act—and for other purposes; to the Committee on the Judiciary.

HOBBS ANTI-RACKETEERING ACT AMENDMENTS

Mr. THURMOND. Mr. President, today, I am introducing legislation to amend the Hobbs Anti-Racketeering Act to reverse the 1973 Supreme Court decision in United States versus Enmons, and to address a serious, long term, festering problem under our Nation's labor laws. I am pleased to have Senator HATCH, chairman of the Committee on the Judiciary, join me in introducing this bill. The United States regulates labor relations on a national basis and our labor management policies are national policies. These policies and regulations are enforced by laws such as the National Labor Relations Act that Congress designed to preempt comparable State laws.

I believe it is time for the Government to act and respond to what the Supreme Court did when it rendered its decision in the case of United States versus Enmons in 1973. Although labor violence continues to be a widespread problem in labor management relations today, the Federal Government has not moved in a meaningful way to address this issue. It is this decision's unfortunate result which this bill is intended to rectify.

The Enmons decision involved the Hobbs Anti-Racketeering Act which is intended to prohibit extortion by labor unions. It provides that: ''Whoever in any way * * * obstructs, delays, or affects commerce in the movement of any article or commodity in commerce, by robbery or extortion or attempts or conspires to do so or commits or threatens physical violence to any person or property * * *'' commits a criminal act. This language clearly outlaws extortion by labor unions. It outlaws violence by labor unions.

Although this language is very clear, the Supreme Court in Enmons created an exemption to the law which says that as long as a labor union commits extortion and violence in furtherance of legitimate collective-bargaining objectives, no violation of the act will be found. Simply put, the Court held that if the ends are permissible, the means to that end, no matter how horrible or reprehensible, will not result in a violation of the act.

The Enmons decision is wrong. This bill will make it clear that the Hobbs Act is intended to punish the actual or threatened use of force or violence, or fear thereof, to obtain property irrespective of the legitimacy of the extortionist's claim to such property and irrespective of the existence of a labor management dispute.

Let me discuss the Enmons case. In that case, the defendants were indicted for firing high-powered rifles at property, causing extensive damage to the property owned by a utility company—all done in an effort to obtain higher wages and other benefits from the company for striking employees. The indictment was, however, dismissed by the district court on the theory that the Hobbs Act did not prohibit the use of violence in obtaining legitimate union objectives. On appeal, the Supreme Court affirmed.

The Supreme Court held that the Hobbs Act does not proscribe violence committed during a lawful strike for the purpose of achieving legitimate collective-bargaining objectives, like higher wages. By its focus upon the motives and objectives of the property claimant who uses violence or force to achieve his or her goals, the Enmons decision has had several unfortunate results. It has deprived the Federal Government of the ability to punish significant acts of extortionate violence when they occur in a labor management context. Although other Federal statutes prohibit the use of specific devices or the use of channels of commerce in accomplishing the underlying act of extortionate violence, only the Hobbs Act proscribes a localized act of extortionate violence whose economic effect is to disrupt the channels of commerce. Other Federal statutes are not adequate to address the full effect of the Enmons decision.

The Enmons decision affords parties to labor-management disputes an exemption from the statute's broad proscription against violence which is not available to any other group in society. This bill would make it clear that the Hobbs Act punishes the actual or threatened use of force and violence which is calculated to obtain property without regard to whether the extortionist has a colorable claim to such property, and without regard to his or her status as a labor representative, businessman, or private citizen.

Mr. President, attempts to rectify the injustice of the Enmons decision have been before the Senate on several occasions. Shortly after the decision was handed down, a bill was introduced which was intended to repudiate the decision. Over the next several years, attempts were made to come up with language which was acceptable to organized labor and at the same time restored the original intent of the Hobbs Act.

Although bills achieving the same goals as the bill I am introducing today have made progress and one even passed the Senate, none has been enacted. It is time for the Senate to reexamine this issue and to restate its opposition to violence in labor disputes. Encouraged by their special exemption from prosecution for acts of violence committed in pursuit of legitimate union objectives, union officials who are corrupt routinely use terror tactics to achieve their goals.

From January 1975 to June 1996, the National Institute for Labor Relations Research has documented more than 8,700 reported cases of union violence. This chilling statistic gives clear testimony to the existence of a pervasive national problem.

Mr. President, violence has no place in our society, regardless of the setting. Our national labor policy has always been directed toward the peaceful resolution of labor disputes. It is ironic that the Hobbs Act, which was enacted in large part to accomplish this worthy goal, has been virtually emasculated. The time has come to change that. I think that my colleagues on both sides of the aisle share a common concern that violence in labor disputes, whatever the source, should be eliminated. Government has been unwilling to deal with this problem for too long. It is time for this Congress to act.

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. 230

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 ''Freedom From Union Violence Act of 1997''.

SEC. 2. INTERFERENCE WITH COMMERCE BY THREATS OR VIOLENCE.

Section 1951 of title 18, United States Code, is amended to read as follows:

''§ 1951. Interference with commerce by threats or violence

''(a) PROHIBITION.—Except as provided in subsection (c), whoever in any way or degree obstructs, delays, or affects commerce or the movement of any article or commodity in commerce, by robbery or extortion, or attempts or conspires so to do, or commits or threatens physical violence to any person or property in furtherance of a plan or purpose to do anything in violation of this section, shall—

''(1) if death results, be fined in accordance with this title, imprisoned for any term of years or for life or sentenced to death, or both; or

''(2) in any other case, be fined in accordance with this title, imprisoned for a term of not more than 20 years, or both.

''(b) DEFINITIONS.—For purposes of this section—

''(1) the term 'commerce' means any—

''(A) commerce within the District of Columbia, or any territory or possession of the United States;

''(B) commerce between any point in a State, territory, possession, or the District of Columbia and any point outside thereof;

''(C) commerce between points within the same State through any place outside that State; and

''(D) other commerce over which the United States has jurisdiction;

''(2) the term 'extortion' means the obtaining of property from any person, with the consent of that person, if that consent is induced—

''(A) by actual or threatened use of force or violence, or fear thereof; or

''(B) by wrongful use of fear not involving force or violence; or

''(C) under color of official right;

''(3) the term 'labor dispute' has the same meaning as in section 2(9) of the National Labor Relations Act (29 U.S.C. 152(9)); and

''(4) the term 'robbery' means the unlawful taking or obtaining of personal property from the person or in the presence of another, against his or her will, by means of actual or threatened force or violence, or fear of injury, immediate or future—

''(A) to his or her person or property, or property in his or her custody or possession; or

''(B) to the person or property of a relative or member of his or her family, or of anyone in his or her company at the time of the taking or obtaining.

''(c) EXEMPTED CONDUCT.—

''(1) IN GENERAL.—Subsection (a) does not apply to any conduct that—

''(A) is incidental to otherwise peaceful picketing during the course of a labor dispute;

''(B) consists solely of minor bodily injury, or minor damage to property, or threat or fear of such minor injury or damage; and

''(C) is not part of a pattern of violent conduct or of coordinated violent activity.

''(2) STATE AND LOCAL JURISDICTION.—Any violation of this section that involves any conduct described in paragraph (1) shall be subject to prosecution only by the appropriate State and local authorities.

''(d) EFFECT ON OTHER LAW.—Nothing in this section shall be construed—

''(1) to repeal, amend, or otherwise affect—

''(A) section 6 of the Clayton Act (15 U.S.C. 17);

''(B) section 20 of the Clayton Act (29 U.S.C. 52);

''(C) any provision of the Norris-LaGuardia Act (29 U.S.C. 101 et seq.);

''(D) any provision of the National Labor Relations Act (29 U.S.C. 151 et seq.); or

''(E) any provision of the Railway Labor Act (45 U.S.C. 151 et seq.); or

''(2) to preclude Federal jurisdiction over any violation of this section, on the basis that the conduct at issue—

''(A) is also a violation of State or local law; or

''(B) occurred during the course of a labor dispute or in pursuit of a legitimate business or labor objective.''.

By Mr. BINGAMAN:

S. 231. A bill to establish the National Cave and Karst Research Institute in the State of New Mexico, and for other purposes; to the Committee on Energy and Natural Resources.

THE NATIONAL CAVE AND KARST RESEARCH INSTITUTE ACT OF 1997

Mr. BINGAMAN. Mr. President, I rise today to introduce a bill to create a National Cave and Karst Research Institute in Carlsbad, NM. This bill will continue the efforts started by Congress in 1988 to develop the information needed to effectively manage and preserve the Nation's cave and karst resources.

In 1988, Congress directed the Secretaries of the Interior and Agriculture to provide an inventory of caves on Federal lands and to provide for the management and dissemination of information about the caves. The results of that effort have increased our awareness that cave and karst land forms are a resource we must learn how to manage for our future welfare. For example, in America, the majority of the Nation's fresh water is groundwater—25 percent of which is located in cave and karst regions. As we look to the 21st century, the protection of our groundwater resources is of critical importance, especially in the arid West. Furthermore, recent studies have indicated that caves contain valuable information related to global climate change, waste disposal, groundwater supply and contamination, petroleum recovery, and biomedical investigations. Caves also often have historical or cultural significance. Many have religious significance for native Americans. Yet, academic programs on these systems are virtually nonexistent; most research is conducted with little or no funding and the resulting data is scattered and often hard to locate.

To begin addressing this problem, in 1990 Congress directed the National Park Service to establish a cave research program and to study the feasibility of a centralized cave and karst research institute. In December 1994, the National Park Service submitted to Congress the National Cave and Karst Research Institute Study. As directed by Public Law 101–578, the report studied the feasibility of creating a National Research Institute in the vicinity of Carlsbad Caverns National Park. The report not only supported the establishment of the National Cave and Karst Research Institute, but also concluded that now is the ideal time to consider it.

The report to Congress lists several serious threats to our cave resources from continued uninformed management paractices. These threats include alterations in the surface waterflow patterns in karst regions, alternations in or pollution of water recharge zones, inappropriately placed toxic waste repositories, and poorly managed or designed sewage systems and landfills. The findings of the report conclude that it is only through a better understanding of cave resources that we can prevent detrimental impacts to America's natural resources and cave and karst systems.

The goals of the National Cave and Karst Research Institute, as outlined in the report, would be to develop and centralize scientific knowledge of cave resources, foster interdisciplinary cooperation in cave and karst research programs, and to promote environmentally sound, sustainable resource management practices. The National Cave and Karst Research Institute would be jointly administered by the National Park Service and another public or private agency, organization, or institution as determined by the Secretary.

Mr. President, the Park Service report to Congress also notes that the vicinity of Carlsbad Caverns National Park is ideal particularly in light of the incredibly diverse cave and karst resources found throughout the region and the community support which already exists for the establishment of the institute. Numerous varieties of world class caves are located nearby. Furthermore, the Carlsbad Department of Development, after reviewing the National Cave and Karst Research Institute study report, has developed proposals to obtain financial support from available and supportive organizational resources—including personnel, facilities, equipment, and volunteers. The Department of Development also believes that it can obtain serious financial support from the private sector and would seek a matching grant from the State of New Mexico equal to the available Federal funds.

Mr. President, my legislation will help provide the necessary tools to help discover the wealth of knowledge contained in these important, but largely unexplored landforms. Carlsbad, NM already has in place many of the needed cooperative institutions, facilities, and volunteers that will work toward the success of this project. It is imperative that we take advantage of these conditions and establish the National Cave and Karst Research Institute.

By Mr. HARKIN (for himself, Mr. LEAHY, Mrs. BOXER, Mrs. MURRAY, Mr. INOUYE, Ms. MIKULSKI, and Mr. KERRY):

S. 232. A bill to amend the Fair Labor Standards Act of 1938 to prohibit discrimination in the payment of wages on account of sex, race, or national origin, and for other purposes; to the Committee on Labor and Human Resources.

THE FAIR PAY ACT OF 1997

● Mr. HARKIN. Mr. President, there is perhaps no other form of discrimination that has as direct an impact on the day-to-day lives of workers as wage discrimination. When women aren't paid what they are worth, we all get cheated.

The Equal Pay Act of 1963 prohibits sex-based discrimination in compensation for doing the same job. However, this statute fails to address other components of the pay equity problem such as job segregation. Current law has not reached far enough to combat wage discrimination when employers routinely pay lower wages to jobs that are dominated by women. More than 30 years after the passage of the Equal Pay Act, women's wages still lag behind their male counterparts' wages. This important issue demands our attention.

In the last Congress, I introduced the Fair Pay Act so we could close the wage gap once and for all. I am reintroducing this legislation in the 105th Congress so we can continue to fight for fairness on behalf of working families.

The Fair Pay Act is designed to pick up where the Equal Pay Act left off. The heart of the bill seeks to eliminate wage discrimination based upon sex, race, or national origin. This important legislation would amend the Fair Labor Standards Act of 1938 to require employers to provide equal pay for work in jobs that are comparable in skill, effort, responsibility, and working conditions. The Fair Pay Act would apply to each company individually and would prohibit companies from reducing employees' wages to achieve pay equity.

Wage gaps can result from differences in education, experience, or time in the work force and the Fair Pay Act does not interfere with that. But just as there is a glass ceiling in the American workplace, there is also what I call a glass wall—where women are on the exact same level as their male coworkers. They have the same skills, they have the same responsibilities, but they are still obstructed from receiving the same pay. It's a hidden barrier, but a barrier all the same. The Fair Pay Act is about knocking down the glass wall. It's a fundamental issue of fairness to provide equal pay for work of equal value to an employer.

Fair pay is a commonsense business issue. Women make up almost half of the work force and fair pay is essential to attract and keep good workers.

Fair pay is an economic issue. Working women, after all, don't get special discounts when they buy food and clothing for their families. They don't pay less for a ticket to the movies or gasoline for their cars.

And fair pay is a family issue. When women aren't paid what they are worth, families get cheated too. Over a lifetime the average woman loses $420,000 due to unequal pay practices. Such gaps in income are life changing for women and their families. The income gap can mean the difference between welfare and self-sufficiency, owning a home or renting, sending kids to college or to a minimum wage job, or having a secure retirement tomorrow instead of scrimping to survive today.

The Fair Pay Act has already been endorsed by a wide variety of groups and organizations. In addition, polling data consistently shows that over 70 percent of the American people support a law requiring the same pay for men and women in jobs requiring skills and responsibilities. The American people want fair pay legislation. Their elected representatives ought to want it too.

I would ask my colleagues to review this important legislation and come to me or my staff with any questions you may have. I welcome your comments and suggestions and urge your support. It's a simple issue of fairness for women to earn equal pay for work of equal value to an employer.●

● Mr. LEAHY. Mr. President, I am privileged to join Senator TOM HARKIN to introduce the Fair Pay Act.

Early in the next century, women—for the first time ever—will outnumber men in the U.S. workplace. In 1965, women held 35 percent of all jobs. That has grown to more than 46 percent today. And in a few years, women will make up a majority of the work force.

Fortunately, there are more business and career opportunities for working women today than 30 years ago. Unlike 1965, Federal, State, and private sector programs now offer women many opportunities to choose their own future. Working women also have opportunities to gain the knowledge and skills to achieve their own economic security.

But despite these gains, working women still face a unique challenge—achieving pay equity. Women currently earn, on average, 28 percent less than men. That means for every dollar a man earns, a woman earns only 72 cents. Over a lifetime, the average woman will earn $420,000 less than the average man based solely on her sex. This is unacceptable.

We must correct this gross inequity, and we must correct it now.

How is this possible with our Federal laws prohibiting discrimination? It is possible because we in Congress have failed to protect one of the most fundamental human rights—the right to be paid fairly for an honest day's work.

Unfortunately, our laws ignore wage discrimination against women, which continues to fester like a cancer in workplaces across the country. The Fair Pay Act of 1997 would close this legal loophole by prohibiting discrimination based on wages.

I do not pretend that this act will solve all the problems that women face in the workplace. But it is an essential piece of the puzzle.

Equal pay for equal work is often a subtle problem that is difficult to combat. And it does not stand alone as an issue that women face in the workplace. It is deeply intertwined with the problem of unequal opportunity. Closing this loophole is not enough if we fail to provide the opportunity for women, regardless of their merit, to reach higher paying positions.

The Government, by itself, cannot change the attitudes and perceptions of individuals or private businesses in hiring and advancing women, but it can set an example. Certainly, President Clinton has shown great leadership by appointing an unprecedented number of women to his administration. Just last week, Madeleine Albright became the first woman Secretary of State for the United States of America. I am confident she will do a great job, and I look forward to the day when a woman reaching this high an office is not news simply because of her gender. We are moving toward that day, but we are not there yet.

The private sector also has a long way to go to provide equal opportunity. The report released recently by the Glass Ceiling Commission found that 95 percent of the senior managers of Fortune 1000 industrial and Fortune 500 companies are white males. The Glass Ceiling Commission also found that when there are women in high places, their compensation is lower than white males in similar positions. This wage inequality is the issue we seek to address today.

For the first time in our country's long history, this bill outlaws discrimination in wages paid to employees in equivalent jobs solely on the basis of a worker's sex. I say it is about time. I commend Senator HARKIN for introducing the Fair Pay Act, and I am proud to be an original cosponsor of it.

The Fair Pay Act would remedy gender wage gaps under a balanced approach that takes advantage of the employment expertise of the Equal Employment Opportunity Commission [EEOC], while providing flexibility to small employers . In addition, it would safeguard legitimate wage differences caused by a seniority or merit pay system. And the legislation directs the EEOC to provide educational materials and technical assistance to help employers design fair pay policies.

A few months ago, I was privileged to help organize the first annual Vermont Women's Economic Security Conference in Burlington, VT. At this conference, I heard about the daily triumph of Vermont women succeeding in the workplace, even though many of them are paid below their male counterparts. These woman did not complain. No, they are proud to be earning a living. But they want to be paid fairly, and they should be paid fairly.

It is a basic issue of fairness to provide equal pay for work of equal value. The Fair Pay Act makes it possible for women to finally achieve this fundamental fairness. I urge my colleagues to support this legislation.●

By Ms. SNOWE:

S. 233. A bill to amend the Internal Revenue Code of 1986 to increase the

deduction for health insurance costs of self-employed individuals, and for other purposes; to the Committee on Finance.

THE SMALL BUSINESS ENHANCEMENT ACT

● Ms. SNOWE. Mr. President, I introduce legislation designed to help America's small business. This legislation will assist small businesses by increasing the tax deduction for health care coverage, requiring an estimate of the cost of a bill on small businesses before Congress enacts the legislation, and creating an assistant U.S. Trade Representative for Small Business.

Small business is the driving force behind our economy, and in order to create jobs—both in my home State of Maine and across the Nation—we must encourage small businesses expansion. Businesses with fewer than 10 employees make up 77 percent of Maine's jobs, and nationally, small businesses employ 53 percent of the private work force. In 1995, small businesses created an estimated 75 percent of the 2.5 million new jobs. Small businesses truly are the backbone of our economy.

Small businesses are the most successful tool we have for job creation. They provide about 67 percent of the initial job opportunities in this country, and are the original—and finest—job training program. Unfortunately, as much as small businesses help our own economy—and the Federal Government—by creating jobs and building economic growth, government often gets in the way. Instead of assisting small business, government too often frustrates small business efforts.

Federal regulations create more than 1 billion hours of paperwork for small businesses each year, according to the Small Business Administration. Moreover, because of the size of some of the largest American corporations, U.S. commerce officials too often devote a disproportionate amount of time to the needs and jobs in corporate America rather than in small businesses.

My legislation will address three problems facing our Nation's small businesses, and I hope it will both encourage small business expansion and fuel job creation.

First, this legislation will allow self-employed small business men and women to fully deduct their health care costs for income tax purposes. This provision builds on legislation enacted during the 104th Congress, the Health Insurance Reform Act, which increased the health insurance deduction for the self-employed from 30 to 35 percent this year and will gradually increase it to 80 percent by the year 2006.

My bill will allow the self-employed to deduct 100 percent of their insurance today. It will place small entrepreneurs on equal footing with larger companies by immediately increasing a provision in current law that limits deductions to 35 percent of the overall cost. At a time when America is facing challenges to its health care system, and the Federal Government is seeking remedies to the problem of uninsured citizens, this provision will help self-employed business people to afford health insurance without imposing a costly and unnecessary mandate.

From inventors to startup businesses, self-employed workers make up an important and vibrant part of the small business sector—and too often they are forgotten in providing benefits and assistance. Indeed, 9 percent of uninsured workers in America are self-employed. By extending tax credits for health insurance to these small businesses, we will help to provide health care coverage to millions of Americans.

My bill will also require a cost analysis of legislative proposals before new requirements are passed on to small businesses. Too often, Congress approves well-intended legislation that shift the costs of programs to small businesses. This proposal will ensure that these unintended consequences are not passed along to small businesses. According to the U.S. Small Business Administration, small business owners spend at least 1 billion hours a year filling out government paperwork, at an annual cost that exceeds $100 billion. Before we place yet another obstacle in the path of small business job creation, we should understand the costs our proposals will impose on small businesses.

This bill will require the Director of the Congressional Budget Office to prepare for each committee an analysis of the costs to small businesses that would be incurred in carrying out provisions contained in new legislation. This cost analysis will include an estimate of costs incurred in carrying out the bill or resolution for a 4-year period, as well as an estimate of the portion of these costs that would be borne by small businesses. This provision will allow us to fully consider the impact of our actions on small businesses—and through careful planning, we will succeed in avoiding unintended costs.

Finally, this legislation will direct the U.S. Trade Representative to establish a position of Assistant U.S. Trade Representative for Small Business. The Office of the U.S. Trade Representative is overburdened, and too often overlooks the needs of small business. The new Assistant U.S. Trade Representative will promote exports by small businesses and work to remove foreign impediments to these exports.

Mr. President, I am convinced that this legislation will truly assist small businesses, resulting not only in additional entrepreneurial opportunities but also in new jobs. I urge my colleagues to join me in supporting this legislation.●

By Mr. HELMS:

S. 234. A bill to direct the Secretary of the Interior to transfer administrative jurisdiction over certain land to the Secretary of the Army to facilitate construction of a jetty and sand transfer system, and for other purposes; to the Committee on Energy and Natural Resources.

THE OREGON INLET PROTECTION ACT OF 1997

Mr. HELMS. Mr. President, in offering today the Oregon Inlet Protection Act of 1997, I must emphasize that this legislation is vital to thousands of North Carolinians, especially citizens who work along the northeastern coast of North Carolina known as the Outer Banks, where commercial and recreational fishermen risk their lives every day trying to navigate the hazardous waters of Oregon Inlet.

These fishermen have been pleading for this legislation for decades because it is a matter of life or death for them. At last count, 20 fishermen have lost their lives in Oregon Inlet during the past 30 years, the latest tragedy having occurred on December 30, 1992, when a 31-foot commercial fishing vessel sank in Oregon Inlet. This was the 20th vessel to be lost in those waters since 1961. Fortunately, both crewmen were rescued, but the Coast Guard never found the wreckage.

Mr. President, this legislation proposes neither the appropriation of money nor the authorization of new expenditures and projects; it merely requires the Secretary of the Interior to transfer two small parcels of Interior Department land to the Department of the Army so that the Corps of Engineers may begin work on a too-long-delayed project authorized by Congress in 1970—25 years ago. In doing so, 100 acres of land, adjacent to Oregon Inlet in Dare County, will be transferred to the Department of the Army.

Reviewing the legislative history involving this project, in October 1992, then Interior Secretary Manuel Lujan issued conditional permits for the Corps of Engineers to begin the construction process; the Clinton administration unwisely revoked those permits. Therefore, the bill I'm offering today serves notice to the self-proclaimed environmentalists who have for so long stalled this project that I will continue to do everything I can to protect the lives and livelihoods of the countless commercial and recreational fishermen who have been denied greater economic opportunities because of the failure of the Federal Government to do what it should have done more than a quarter of a century ago.

Consider this bit of history, Mr. President: In 1970, Congress authorized the stabilization of a 400-foot wide, 20 foot deep channel through Oregon Inlet and the installation of a system of jetties with a sand-bypass system designed by the U.S. Army Corps of Engineers. But ever since 1970, this project has been repeatedly and deliberately stalled by bureaucratic roadblocks contrived by the fringe elements of the environmental movement.

As a result, many lives and livelihoods have been lost. North Carolina's once thriving fishing industry has deteriorated, and access to the Pea Island National Wildlife Refuge and the Cape Hatteras National Seashore has been

threatened. Since 1970, critics of this project have repeatedly claimed that more studies and time were needed. This was nothing more than stalling tactics, pure and simple, Mr. President, while men died unnecessarily and livelihoods were destroyed.

Mr. President, surely a quarter of a century devoted to deliberate delay is enough. The proposed Oregon Inlet project is bound to be the most overstudied project in the history of the Corps of Engineers and the Department of the Interior. Note this, Mr. President: Since 1969, the Federal Government has conducted 97—count them—97 major studies and three full-blown environmental impact statements; but, always environmentalists have demanded more and more delay.

As for the cost-benefit factor, the Office of Management and Budget—as recently as March 14, 1991—found the project to be economically justified. Then, in December 1991, a joint committee of the Corps of Engineers and the Department of the Interior recommended to then-Interior Secretary Lujan and subsequent to that, to Assistant Secretary of the Army for Civil Works Page that the jetties be built. The people of the Outer Banks have waited in vain. And they still wait, Mr. President.

Congress must act soon. Too many lives have been lost; the continued existence of the Outer Banks is now in question because nothing has been allowed to be done to manage the flow of sand from one end of the coastal islands to the other. If much more time is wasted, the self-appointed environmentalists won't have to worry about turtles or birds on Cape Hatteras, because a few short years hence, Oregon Inlet will have disappeared.

To understand why this project has become one of the Interior Department's most studied and controversial projects, the October 1992 edition of The Smithsonian magazine is highly instructive. In an article titled, ''This Beach Boy Sings a Song Developers Don't Want to Hear,'' the magazine chronicles the adventures of a professor at a major North Carolina university who has made his living organizing opposition to all coastal engineering projects on the Outer Banks—Oregon Inlet in particular. The article further relates the confrontation between the professor and an angry Oregon Inlet fisherman, a man whose livelihood has been made more hazardous by the bureaucratic failure to keep open a safe channel at Oregon Inlet. When questioned about his motives and actions this university professor retorted that he and his radical friends boasted that they would not be satisfied until all the houses are taken off the shore to leave it the way it was before.

Mr. President, this is the response from a professor whose home occupies a large plot of land 200 miles west in the middle of North Carolina, a professor who is all too ready to deprive other North Carolinians of their rights to live and prosper.

That is not environmental activism. It is environmental hypocrisy.

Mr. President, the issue is clear. The time for delay is over. This legislation will mark the beginning of the end of the jetty debate on the Outer Banks, and will address the long-neglected concerns of North Carolina's coastal residents. Congress should not delay further in doing what it should have done a quarter of a century ago.

ADDITIONAL COSPONSORS

S. 7

At the request of Mr. LOTT, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of S. 7, a bill to establish a United States policy for the deployment of a national missile defense system, and for other purposes.

S. 25

At the request of Mr. FEINGOLD, the name of the Senator from California [Mrs. BOXER] was added as a cosponsor of S. 25, a bill to reform the financing of Federal elections.

S. 104

At the request of Mr. MURKOWSKI, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of S. 104, a bill to amend the Nuclear Waste Policy Act of 1982.

S. 181

At the request of Mr. GRASSLEY, the name of the Senator from Arizona [Mr. KYL] was added as a cosponsor of S. 181, a bill to amend the Internal Revenue Code of 1986 to provide that installment sales of certain farmers not be treated as a preference item for purposes of the alternative minimum tax.

S. 194

At the request of Mr. CHAFEE, the names of the Senator from New York [Mr. D'AMATO] and the Senator from Maine [Ms. SNOWE] were added as cosponsors of S. 194, a bill to amend the Internal Revenue Code of 1986 to make permanent the section 170(e)(5) rules pertaining to gifts of publicly-traded stock to certain private foundations and for other purposes.

SENATE RESOLUTION 33—ORIGINAL RESOLUTION REPORTED AUTHORIZING EXPENDITURES BY THE COMMITTEE ON APPROPRIATIONS

Mr. STEVENS, from the Committee on Appropriations, reported the following original resolution; which was referred to the Committee on Rules and Administration:

S. RES. 33

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Appropriations is authorized from March 1, 1997, through February 28, 1998, and March 1, 1998, through February 28, 1999, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable or non-reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee for the period March 1, 1997, through February 28, 1998, under this resolution shall not exceed $4,953,132, of which amount (1) not to exceed $175,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $5,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of the Legislative Reorganization Act of 1946).

(b) for the period March 1, 1998, through February 28, 1999, expenses of the committee under this resolution shall not exceed $5,082,521, of which amount (1) not to exceed $175,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $5,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of the Legislative Reorganization Act of 1946).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1997, and February 28, 1998, respectively.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required (1) for the disbursement of salaries of employees paid at an annual rate, or (2) for the payment of telecommunications provided by the Office of the Sergeant at Arms and Doorkeeper, United States Senate, or (3) for the payment of stationery supplies purchased through the Keeper of the Stationery, United States Senate, or (4) for payments to the Postmaster, United States Senate, or (5) for the payment of metered charges on copying equipment provided by the Office of the Sergeant at Arms and Doorkeeper, United States Senate, or (6) for the payment of Senate Recording and Photographic Services.

SEC. 5. There are authorized such sums as may be necessary for agency contributions related to the compensation of employees of the committee from March 1, 1997, through February 28, 1998, and March 1, 1998, through February 28, 1999, to be paid from the Appropriations account for ''Expenses of Inquiries and Investigations.''

SENATE RESOLUTION 34—ORIGINAL RESOLUTION REPORTED AUTHORIZING EXPENDITURES BY THE COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, reported the following original resolution; which was referred to the Committee on Rules and Administration:

S. RES. 34

Resolved, That in carrying out its powers, duties, and functions under the Standing