United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 105th CONGRESS, FIRST SESSION

Vol. 143 WASHINGTON, TUESDAY, JULY 15, 1997 No. 100

Senate

The Senate met at 10 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, who has given us the gift of life, bless us this day in the work we will do. We praise You for work that can be done as an expression of worship of You. We bring the meaning of our faith to our work rather than making our work the ultimate meaning of our lives. With that perspective, we seek to do everything to Your glory. We pray for mental alertness, emotional stability, and physical strength to achieve excellence in all that we do. Thank You for Your companionship in tasks great and small. It is awesome to contemplate that You who are in control of the universe have placed us in charge of what You want us to accomplish.

Fill us with Your joy and make us cheerful people who make others happier because we are with them. Make us a blessing and not a burden, a lift and not a load, a delight and not a drag. It is great to be alive. Help us make a difference because of the difference You have made for us. In the name of our Lord and Saviour. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader, the Senator from Alaska, is recognized.

Mr. MURKOWSKI. I thank the Chair and wish the President pro tempore a good morning and a good day.

Let me also welcome my good friend, the Senator from the State of Oregon. I wish him a good morning, and our staffs as well.

SCHEDULE

Mr. MURKOWSKI. Mr. President, on behalf of the majority leader, I announce that today the Senate will be in a period of morning business until the hour of 11 a.m. By consent, at 11 a.m., the Senate will resume consideration of S. 1005, the Department of Defense appropriations bill, with only those amendments listed in last evening's unanimous-consent agreement being in order. Following the disposition of those amendments, the Senate will proceed to a vote on final passage of the Department of Defense appropriations bill, hopefully, by early afternoon.

Further, by previous consent, the Senate will recess from 12:30 to 2:15 p.m. for the weekly policy luncheons to meet. Following that recess, the Senate will complete action on the Department of Defense authorization bill, if not earlier disposed of, or will begin consideration of the energy and water appropriations bill.

The majority leader wishes to remind all Members that the Senate is working to complete action on three or four major appropriations bills this week. Therefore, late sessions can be expected and votes should be anticipated throughout each day of the Senate session.

On behalf of the majority leader, I thank our colleagues for their attention.

Mr. President, I am going to speak in morning business on the subject of the Land and Water Conservation Fund.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. SMITH of Oregon). If the Senator will withhold for 1 moment, under the previous order, the leadership time is reserved.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 11 a.m., with Senators permitted to speak therein for up to 5 minutes each. The Senator from Alaska is recognized to speak for up to 15 minutes.

Mr. MURKOWSKI. I thank the Chair.

LAND AND WATER CONSERVATION FUND

Mr. MURKOWSKI. Mr. President, I like to talk today about the stateside portion of the Land and Water Conservation Fund which doubles both the pleasure of those who use outdoor recreation facilities as well as the money. The stateside matching grant program of the Land and Water Conservation Fund basically provides two for the price of one, and I will explain that a little further. The Land and Water Conservation Fund grant program, or the LWCF as it is known, has had a substantial long-term effect on our overall attitudes and policies toward outdoor recreation. The land and water stateside program has truly a unique legacy in the history of American conservation and recreation.

When I say stateside program, I am talking about a State/Federal matching grant. What better way for the Federal Government to participate than matching local funds for public parks and recreation facilities. Local funds provide an opportunity for involvement and pride and responsibility by the communities at hand.

The first legacy of this kind is the notion basic to the Land and Water Conservation Fund Act that States must assume the leadership role as provider of recreation opportunities. It should not be left to an indifferent Federal Government headquartered in Washington, DC. It should start in the communities where the people recreate.

From a historic perspective, the Land and Water Conservation Fund has contributed significantly to outdoor recreation. Through fiscal year 1995, a total of 37,300 projects had been approved to support the acquisition of

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

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open space for park land and the development of outdoor recreation facilities. The Federal share of $3.2 billion has been matched by State and local contributions, for a total investment of over $6.5 billion in local park and recreation. So when you take Federal matching with the State matching, you get two for the price of one.

I think it also important to note from where the Federal share comes. It comes from OCS revenues; that is, offshore oil and gas revenues. As a consequence, for those who are very sensitive about OCS drilling, I should point out that the revenue stream to provide the matching grants for the Federal share for land and water conservation comes specifically from OCS. If we do not have offshore oil and gas exploration, we are not going to have the money to fund the Land and Water Conservation Fund. Last year, OCS revenues totaled over $3 billion.

I believe, with advanced technology, we can safely pursue OCS activities off our shores and also provide a revenue stream for recreation through the Land and Water Conservation Act. The facts should not be lost on this body, the realization of just where these funds come from.

Further, States have received over the years about 8,200 grants and counties some 4,800, while cities, towns, and other local agencies matched more than 24,000 grants. The facilities that the $6.5 billion investment has bought are those that are down your street, across your town, in the inner city, and virtually every nook and cranny of our country. The parks and facilities serve virtually every segment of the public. Millions of Americans have walked and jogged and picnicked, hiked, biked, fished, hunted, golfed, or played ball in at least one of these areas. These are the destination parks and facilities for families, campers, and hikers, areas where kids learn to play baseball, learn to swim, and really get an appreciation of nature. And those are the facilities in their neighborhoods and near their homes.

Further, the statewide program is unquestionably one of the most successful programs established by Congress. The Americans for our Heritage and Recreation Coalition, consisting of a number of groups which banded together to seek reliable funding sources, concluded that the Land and Water Conservation Fund is ''arguably the most important environmental program of this century'' and that a reliable source of funding should be restored.

I had the pleasure of recently addressing the Conference of Mayors in San Francisco. There were over 400 mayors there led by Mayor Daley of Chicago and Victor Ashe of Knoxville. They unanimously passed a resolution strongly urging the Congress and President to restore funding to the statewide LWCF program. The Western Governors Association passed a similar resolution. I ask unanimous consent that copies of both of these resolutions be printed in the RECORD for the benefit of my colleagues.

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

65TH ANNUAL CONFERENCE OF MAYORS, SAN FRANCISCO, JUNE 20–24

Adopted

LAND AND WATER CONSERVATION FUND

1. Whereas, the Land and Water Conservation Fund (LWCF) was established by Congress over thirty years ago to provide quality recreation for the American public; and

2. Whereas, in the past LWCF has provided federal matching assistance to states and their localities for acquiring land and developing quality public outdoor recreation facilities for the benefit of present and future generations of Americans; and

3. Whereas, the results of the program are evident in nearly every community in the nation through projects ranging from inner city playgrounds to suburban baseball fields to state natural areas; and

4. Whereas, over the past couple of years there has been no funding for state and local parks projects under LWCF despite availability of royalties from Outer Continental Shelf Oil and Gas payments pledged to the Fund; and

5. Whereas, it is the local park which is the most used and visited of any parks in our national parks system,

6. Now, therefore, be it *Resolved*, That the United States Conference of Mayors urges the President and Congress to recognize the outstanding legacy of the Land and Water Conservation Fund and the continuing unmet need for local public outdoor parks and recreation facilities by increasing the appropriations in the next fiscal year budget for the state and local grants portion of LWCF; and

7. Be it further *Resolved*, That the United States Conference of Mayors urges the President and Congress to strongly consider the parks and recreation needs of state and local governments at the same time it considers national park priorities as outlined in the 1997 budget agreement; and

8. Be it further *Resolved*, the United States Conference of Mayors reaffirms its support for the 1994 report by the National Park Service's Land and Water Conservation Fund Review Committee which recommended a 30 percent allocation of LWCF to local governments; and

9. Be it further *Resolved*, That a copy of this resolution be forwarded to the bipartisan leadership of Congress.

Project Cost: Unknown.

WESTERN GOVERNORS' ASSOCIATION, MEDORA, ND, JUNE 24, 1997

Policy Resolution 97–012

Sponsors: Governors Bush and Geringer.
Subject: Allocation of Land and Water Conservation Fund Appropriations.

A. BACKGROUND

1. In 1964, the President and Congress enacted one of the most successful and far-reaching pieces of conservation and recreation legislation in America's history, the Land and Water Conservation Fund.

2. The Act emphasizes a leadership role for the states in achieving a national outdoor recreation system which requires commitments to planning, establishment and expansion, and funding of projects on a coordinated basis at the local, state, and national level.

3. The Fund has provided more than $5.6 billion to acquire new federal park and recreation lands and has provided matching grants to state and local governments which have resulted in the establishment of over 27,000 basic recreation facilities in every state and territory of the nation (or 37,300 new or improved basic recreation facilities).

4. The Fund receives deposits from three sources:

a. Outer Continental Shelf (OCS) revenues derived from leasing oil and gas sites in coastal waters (approximately 90% of total deposits).

b. Sale of Federal surplus real properties.

c. A portion of Federal motorboat fuel taxes.

5. In 1995, a National Recreation & Park Society survey indicated that state and local recreation agencies needed $27.7 billion in capital investment for rehabilitation, land acquisition, and construction for the next five years. The survey additionally estimated that state and local agencies would have only half of these necessary funds.

6. These estimates indicate a long-term deficit of public recreation investment nationally.

7. In 1976, the Act was amended by:

a. raising the Appropriation ceiling from $600 million to $900 million; and

b. changing the allocation formula, which had given 40 percent to federal agencies, to read that ''not less than 40 percent of any appropriation would go to Federal agencies.''

8. While states received approximately sixty percent of the allocated grant money before 1976, during the last ten years they received, on average, only 7.5% of the allocated grant money from the LWCF.

During Fiscal Year 1996 and 1997, states received zero funding from the LWCF, despite a large increase in OCS revenues.

B. GOVERNORS' POLICY STATEMENT

1. A true partnership to ''Build a Nationwide System of Parks'' can only be achieved by increasing LWCF appropriations and by balancing the funding between federal, state and local agencies.

2. To rebuild this partnership and revive the true intent of the LWCF Act, Congress should increase LWCF appropriations and amend the LWCF to increase the percentage of LWCF funds allocated to the states to 50 percent.

C. GOVERNORS' MANAGEMENT DIRECTIVE

1. Western Governors' Association shall survey this resolution to the President of the United States, the Secretary of the Interior, western congressional delegations, and appropriate House and Senate committee chairmen and ranking minority members.

2. Western Governors' Association staff and Natural Resource Group shall continue to monitor and study this issue and recommend specific action items for the Governors.

Mr. MURKOWSKI. Mr. President, in campaigning for the Presidency of the United States, candidate Bill Clinton at the time stated:

I will acquire new park lands and recreation areas with funds now available in the Federal Land and Water Conservation Fund to increase opportunities for hunting, fishing and other outdoor recreation activities.

Candidate Clinton said:

I would increase funding for several programs. . . and reinvigorate the Land and Water Conservation Fund to make more funds available for the acquisition of public outdoor open spaces.

And he also said:

I would also make funds available from the Land and Water Conservation Fund to help address critical infrastructure needs in State and local facilities.

Unfortunately, I guess our President has overlooked it or was kidding because if you look at the administration's proposal for the stateside funding for the Land and Water Conservation Act which would address the critical needs in State and local facilities, there is a large zero.

Secretary Babbitt, in May 1996, in an interview with the San Jose Mercury News, is credited with stating that he is working on a proposal to take the Land and Water Conservation Fund off budget, so a full $1 billion a year can be spent on the parks. Reportedly, the Secretary said that the effort would not occur until the next year, meaning that it would be contingent on President Clinton's reelection. Well, it is now next year. President Clinton has been reelected. The administration, however, has been silent vis-a-vis the proposal for the Land and Water Conservation Fund.

We have instead a proposal to use $315 million of the $700 million contained in the budget agreement for the purchase of the Headwaters Forest in California and a mine in Montana. We do not know an awful lot about the Headwaters Forest acquisition. We do know that the Headwaters Forest is 40 air miles from the nearest national forest. We know that access to the Headwaters Forest is extremely limited. We know that the agreement with the current landowner of the Headwaters Forest is contingent on a favorable ruling by the Internal Revenue Service. Getting a favorable ruling from the Internal Revenue Service is a herculean effort, and I am not sure that the IRS knows how to basically spell the word ''favorable,'' but that is a subject for a statement for another day. The bottom line is that these projects have never ever been authorized by the appropriate committees of jurisdiction. No hearings, none whatsoever. No hearings have been held and no legislation has been introduced. This is from an administration that prides itself in the public process. Public process suggests legislation, suggests hearings, and action by the appropriate House and Senate committees. Neither of these have been proposed in the case of the acquisition of the area known as the Headwaters Forest in California or the area proposed for the mine purchase in Montana.

This is very much like the recent land grab in the State of Utah. There was a process ongoing where the committees were discussing the merits of withdrawing 1.6 million acres of public land in Utah and putting that land in wilderness. While these discussions were occurring, the administration saw fit to invoke the Antiquities Act and, overnight, basically put this 1.6 million acres in Utah into wilderness over the objections of the Utah congressional delegation and Utah's Governor. The President's action occurred without any hearings, without any public process. And, ironically, the announcement came not in Utah but in front of the Grand Canyon in Arizona.

Well, the media saw fit to not make an issue of it so not too many people in the United States reflected on the inconsistency between the President's promises and his actions.

But, again, this is what is proposed in the budget agreement: the purchase of the Headwaters Forest in California and a mine in Montana—no hearings, no public participation in the process, simply an outright purchase. This is not the purpose of the Land and Water Conservation Fund.

We do not know just what is their objection, relative to the procedure, but as the Senator who is chairman of the Energy and Natural Resources Committee, the fact that the administration is circumventing the public process is certainly, in my opinion, inappropriate.

What we do know is that the benefits derived from funding the stateside Land and Water Conservation Fund program are great. That is why we should take the $315 million and invest it in the State matching grant program because it will return over $630 million in benefits.

Roger Kennedy, former Director of the National Park Service, perhaps put it best when he said,

> Without a doubt, the Land and Water Conservation Fund ranks highest among the most successful and significant conservation/recreation movements ever experienced in these United States. This State-driven program has resulted in much needed and highly beneficial public outdoor recreation opportunities for the benefits of all the people. More accessible park and recreation facilities have become a reality.

and continue to become even a greater use and benefit to the Nation.

Mr. President, it is very difficult to compare the relative value of expanding a wildlife refuge, say, in the Florida Keys, with the addition of acreage to a unique urban park such as the Presidio in San Francisco. It is difficult to compare the value of supplementing Federal holdings in Glacier National Park with a purchase of land, say, next to Gettysburg National Battlefield. But those are the types of decisions that are faced day-in and day-out by the Congress in determining priorities for funding under the Land and Water Conservation Fund.

I, therefore, urge my colleagues on the Appropriations Committee and those in the Senate to provide funding for the stateside Land and Water Conservation Fund Grant Program. In the absence of these grants, I fear local park and recreation services will fail to meet the ever-growing demands of the American public and the Federal Government will be asked to fill the void. It is a role the Federal Government cannot and should not play. The answer to this dilemma is simply the stateside matching grant of the Land and Water Conservation Fund.

Mr. President, I have already noted the action taken by the mayors of the Conference of Mayors in San Francisco relative to support of this program because it is so significant relative to community involvement and community responsibility. I urge my colleagues to reflect on that, as well as, again, on the statement from the Western Governors Council in support of this program.

There is one other item I want to bring to the attention of my colleagues relative to action before this body. I ask unanimous consent, since no other Senator is seeking recognition, that I may speak for another 5 minutes on chemical weapons disposal.

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

CHEMICAL WEAPONS DISPOSAL

Mr. MURKOWSKI. Mr. President, I intended to offer an amendment to the defense appropriations bill that would have stricken the language that made it impossible for the Department to study alternatives to the methods we currently employ for disposing of chemical weapons. During the consideration of the Defense authorization bill last week, I offered an amendment to provide for a study. This amendment was readily accepted by the floor managers and was included in the final bill which the Senate passed overwhelmingly last Friday. Depending on the conclusions of the study, the taxpayers of this country could save somewhere between $3 and $5 billion. This is real money. Perhaps they could save much more in the cost of disposing of these chemical weapons.

This was just a study. It did not mandate changes in the program at this time. It merely provided Congress with an opportunity to responsibly evaluate alternatives in the future. I think it is clear we need to take a fresh look at this program so we can responsibly evaluate whether safer and cheaper alternatives to the present system exist.

In 1985, the Congress directed the Army to destroy our stockpile of obsolete chemical weapons. These are the nerve gases and the various other agents that are so deadly. The Senate took action and reiterated this commitment by ratifying the Chemical Weapons Treaty earlier this year, and we are in the process of disposing of those weapons. But the present system, I suggest, is not working the way it should. The present system is increasingly expensive, and a timeline for completion of the program is increasingly uncertain.

If we look at the figures, according to the GAO, the program faces dramatically increasing costs. I am going to describe where these weapons are in a moment. The stockpile disposal program went from an initial estimate of $1.7 billion as the cost of disposing of these chemical weapons in 1985 to a current estimate of about $12.4 billion. So, as we begin to look at the cost of disposing of these weapons, why, the cost just simply goes out of sight. The nonstockpile program could cost an additional $15.1 billion and it is estimated now to take 40 years to complete.

We have these weapons stored in various locations around the country. Clearly, we want to dispose of the weapons. But now they are telling us it is going to take 40 years to dispose of them. It is a hole out there we are going to pour money into for 40 years. The estimate is a minimum cost of over $27.5 billion. But, remember, that is up from what the original estimate was in 1985 of $1.7 billion. So we go from $1.7 to $12.4 to $15.1 to $27.5. And now we are talking about 40 years.

These stockpiled munitions are, obviously, highly deadly. Their long-term viability is questionable. We simply cannot continue to postpone our responsibility to act on this program at this time. We have stockpiled munitions at nine sites, and here they are, Mr. President, with disposal facilities up and running at only two. The only two we have running are one out in the Hawaiian Islands, Johnston Atoll, out there, about 600 miles south of Hawaii, and recently, Tooele in Utah is up and running. These facilities are costing well over $1 billion in Tooele, and the Johnston Island site is somewhere around $1.3 billion or thereabouts.

It is interesting to note where we are. We are in Alabama, we are in Arkansas, we are in Colorado, we are in Maryland, we are in Kentucky, we are up here in Indiana, and, of course, we are in Umatilla, OR. Every State is sensitive, including the State of my friend, the Senator from Oregon. The reality is they want this removed from these various States where they exist. So the Department of Defense and the Pentagon and the appropriate committees have determined the best way to get rid of it is to build individual sites at each of the seven or eight—or actually potentially nine—sites, at a cost of over $1 billion, and, once the material is disposed of, that terminates the facility because it is not beneficial for anything else.

However, it is interesting to note a couple of facts. In the Johnston Atoll, most of the material that is being incinerated there and disposed of came from NATO. It came from Europe. It was shipped across the ocean. Some of it came from Guam. That facility is functioning. It is underway. There is a prohibition about it taking any more. I can understand the sensitivity of the delegation from Hawaii, but, again, as we look at this catch-22 that we are in, I am just wondering, is it necessary that we build six new plants? Or, can we somehow look at some other alternatives? Is there a way to incinerate this at sea? We have built incinerating barges and facilities before quite successfully. Is there an advanced technology? What the Senator from Alaska has proposed is a study, a study to see if there is another and more beneficial return for the taxpayers of this country for the disposal of this weaponry.

In Oregon we have the adjacent coastline. In Aberdeen—in several of these areas we are not too far from the water. But each is very concerned about shipping this material across another State to get it to a place where you can dispose of it. So we are in this round-robin here. Nobody wants the stuff. Everybody wants to get rid of it. Nobody wants it to cross their State line. Nobody wants to take any more. Nobody wants to accumulate it and reduce the cost. So we simply sit here and watch the costs go up to $27 billion, we watch the time extended to up to 40 years, and we are being irresponsible by not allowing a study.

That is what my amendment would have done. It would have been to allow a study. However, because there is a prohibition even against a study, the conference and/or the committee itself is refusing to accept my amendment, which I can understand, given the sensitivity. I can understand how the process works around here. But I think we need to highlight how irresponsible we are in just ducking this issue and hoping that it will be resolved on somebody else's watch.

We have stockpiled these munitions at nine sites. We cannot, by laws that we passed, transport these munitions. So, you know, the alternative is to build these sites at more than $1 billion each at the same time we continue to face permitting problems at every Federal site, every local level at the other seven sites, and a start date for construction seems to be extended on and on and on. The logic of the present disposal system really escapes me, and, as a consequence, I offered the amendment so we could take a rational look at what we are trying to accomplish with regard to this problem.

This again, Mr. President, is just a study. But in order to take a rational look at the program, it is imperative that all aspects of the program be considered so we can best evaluate how to proceed.

I hope the conferees on this bill will consider their responsibility and reconsider the Senate language which permits us an opportunity to take a second look. It does not demand that we do anything. It is not that we ship anything, not that we do not build these, it simply says, ''Is there another, a better, a more efficient, cost-savings way?'' I think there is. To suggest we are going to eliminate even the ability to take a look at this program, I think is terribly irresponsible on the part of those who bear the responsibility of addressing this, because this is just a study. What is the harm in looking at the problem?

I had proposed striking the prohibition against the study. We could always ask the inspector general for a study, and probably will. But I did want to take an opportunity to present before the Members the reality. This is something we cannot hide. We cannot overlook this. We have a responsibility to address it. We are spending huge amounts of money, and the public should recognize just what our alternatives are and face up to the fact that this was created as a consequence of decisions made in the national defense interests of our Nation. We created this terrible nerve gas. I have seen the canisters it is in. I have seen how they dispose of it at Johnston Island and the manner in which it is taken into chambers where the explosive charge is removed, the gas is incinerated in one chamber in a closed cycle and the explosive material is taken in another chamber and incinerated. This was the development prototype.

But, here we are today faced with the inability to even look at a better way of disposal because of the sensitivity of this issue and the concern, if you do a study and you find a better way, it might suggest you might have to move it, and, therefore, you would have to move it across another State, and they don't want that to happen. So leave it where it is, simply build the plants and get on with it and spend God knows how many billions of dollars in the process.

So, you might say the Senator from Alaska is a little sensitive to the prohibition to even allow a study and an evaluation of a better way to meet our obligations to dispose of our chemical weapons.

You might say, ''What in the world is the Senator from Alaska doing in this area?'' Under the responsibility as chairman of the Energy and Natural Resources Committee, I have spent an awful lot of time on the merits of moving high-level nuclear waste across the United States at various sites over an extended period of time. Hundreds and hundreds of shipments have moved safely without incident. I am suggesting that we have the technology to move this lethal material to a place to dispose of it that is appropriate, even perhaps in a self-contained facility offshore that could contain the physical process of disposal at a much less cost.

With that, Mr. President, I simply make an appeal to my colleagues to recognize the extent of our responsibility to successfully dispose of our chemical weapons that have accumulated over a long period of time in a manner that is most responsible to the taxpayers, as well as safe, by using American ingenuity and technology.

Seeing no other Member on the floor, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. ABRAHAM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ROBERTS). Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. ABRAHAM. Mr. President, I ask unanimous consent that a member of my staff, Dan Senor, be granted floor privileges as I make the brief remarks I am about to embark on.

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

DISASTER AREAS IN MICHIGAN

Mr. ABRAHAM. Mr. President, on July 2, a series of high-wind storms raged through my State of Michigan. They struck in numerous communities ranging from Chesaning, a small city in Saginaw County, to Thetford and Vienna Townships in Genesee County to Holly, MI, and Oakland County, to parts of the city of Detroit to the small communities of Highland Park and Hamtramck in Wayne County, and then ultimately across to Lake St. Clair passing through several of the communities on the east side of our State, including Grosse Pointe Farms and Grosse Pointe.

In their wake, they left enormous damage, destruction and the loss of human life. Already—and I give great compliment to both our State as well as our Federal emergency services—we have had great assistance in trying to address the problems left behind by this storm. The folks from FEMA, the Federal Emergency Management Agency, were quickly on the scene to give advice and counsel to our State authorities, and then to assess the damage for purposes of determining what Federal assistance might be provided.

Our own State government, under the leadership of John Engler, was quick to act through its emergency services to assist the various communities affected. And I am happy to report that by and large we have had a remarkable public response, not just through the government agencies, but also through the volunteer efforts of people in communities throughout our State who have risen to the challenge of addressing this serious disaster and crisis.

In the aftermath, we have moved forward in seeking the designation of a disaster area for a number of the communities that were struck by these storms. Just last Friday afternoon, the President declared parts of Wayne, Oakland, and Macomb Counties as disaster areas, as well as part of Saginaw County. And we are delighted by that news.

At the same time, I just yesterday morning visited an area that has not yet had such a designation made regarding it. That is the area outside of the city of Flint, MI, Thetford Township. And in visiting Thetford Township yesterday, I could not help but immediately conclude that we need to expand the designation of disaster areas to include this township and the neighboring township of Vienna Township in Genesee County.

According to the National Weather Service, three tornadoes hit this area during the storm. These communities are small. The population of Thetford Township is roughly 8,000 to 9,000 people. Almost all of them are in one form or another in the business of agriculture. Many of them are family farmers.

This township—approximately 36 square miles—is almost exclusively farmland north of the city of Flint. Just to put it in perspective what transpired there, one individual was killed, a variety of livestock were likewise lost, two huge steel power lines were down, feed bins were overturned, barns were obliterated, silos were decapitated.

I visited a number of these farms yesterday and was amazed that more people weren't hurt, because the devastation and damage was incredible. It looked, as I reported in my last remarks about the storms, like a Hollywood movie set, except this was not acting, this was real, and families affected were not actors and actresses, but real people in our State.

So I pledged yesterday that I would come back today and not only talk about this, but work to try to secure for these tiny communities the designation as disaster areas that has been afforded much larger communities throughout the State who likewise are deserving of such designation being affected by the storms.

Again, I want to thank the President. I want to thank FEMA for their rapid response to our requests last week. And I say that I do not think there is going to be any cost involved in expanding the designation to include Thetford and Vienna Townships, but the injuries and the damage done there are every bit as real and every bit as serious to those tiny communities as was the case in larger ones.

Interestingly, although wholly unconnected with my visit yesterday, in the Detroit Free Press a story about these communities ran entitled ''Hardy Farmers Weather the Storm; Despite Damage, They're Rebounding.'' I ask unanimous consent that that article be printed in the RECORD.

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

[From the Detroit Free Press, July 14, 1997]

HARDY FARMERS WEATHER THE STORM—DESPITE DAMAGE, THEY'RE REBOUNDING

(By Bill McGraw)

THETFORD TOWNSHIP.—Don Rasmussen took refuge in a big cow barn on the dairy farm he manages when the sky turned black and the wind began to howl.

Parts of other buildings began blowing through the air. The rain fell sideways. The noise grew into a constant roar.

Then it really got crazy.

''The cows just freaked,'' Rasmussen recalled Friday, while a newborn calf nearby was taking its first steps. ''All around me, they were stampeding. They aren't the most intelligent animals, and they had no idea what was happening. They just ran.''

Rasmussen remained safe, both from the tornado and the stampeding Holsteins, and guided a reporter Friday around the battered farm near Clio in Genesee County.

Tornadoes don't usually hit big cities, so the impact of the July 2 storm on Detroit and its suburbs has dominated news coverage. But the National Weather Service identified three twisters in the rolling farmland outside Flint, and at least one passed through the 1,000-acres owned by Larry Niec. The result: six dead cows and heavy damage.

Because of storm damage estimated at $2.3 million to this and other sites in southern Michigan, the U.S. Department of Agriculture's Farm Service Agency last week asked that federal low-interest loans be made available to Michigan farmers like Niec. This assistance would be separate from the federal funds President Bill Clinton approved Friday.

Niec (pronounced NEESE), who looks younger than his 51 years, said: ''We have insurance. It covers a lot, but not everything.''

His farm looks like a giant worked it over with a sledgehammer.

''It's so sad,'' said Rasmussen, 47, who lives across the street from Niec's 300-cow dairy operation.

The gusts decapitated silos, obliterated barns, overturned heavy feed bins, toyed with a semi-trailer, scattered calf hutches and downed two huge steel towers that carry several power lines. The storm thoroughly spooked the cows, but Rasmussen said most of them appear to have returned to normal.

The winds spared some things, such as the manure lagoon and an old red barn. But there is so much damage that the insurance adjuster has yet to complete his estimate.

As the storm moved away, friends and relatives arrived to help round up the cows, calm them, take them to the milking parlor and ship the daily output of 1,750 gallons of milk.

Rasmussen and Niec are sanguine about the future.

Niec notes that the tornado damage, while spectacular, is no more harmful than the droughts, fluctuating milk prices and bad crops that have made dairy farming a tough way to earn a living.

When friends asked Niec how he stood the stress, he told them it isn't much different from any other day.

Said Niec: ''We're going to suffer, but we know how to suffer.''

Mr. ABRAHAM. Featured in the story is discussion of a gentleman named Larry Niec. Larry's 1,000-acre farm is depicted here with a caption that reads in part: ''strewn with pieces of once-sturdy buildings, like his roofless dairy barn and severed silo. Six of his cows were killed during the storm.''

Obviously, a very difficult time in the farm season for him and for his neighbors. And I do not want to read from the entire article now. It is included in the RECORD.

As I say, the devastation was incredible. Mr. Niec, of course, being a hardy soul, as depicted in the headline of the story, noted that the tornado damage, while spectacular, is no more harmful than the droughts, fluctuating milk prices, bad crops, and so on, which the farmers learn to live with in their day-in and day-out existence. When friends asked Larry how he stood the stress, he told them that it isn't much different from any other day. He said, ''We're going to suffer, but we know how to suffer.''

I met Larry yesterday and he, indeed, is somebody who will persevere. As I said, the cost and the damage is so considerable that we need some help for these folks as well. Of course, under the current system, they will be entitled to the assistance of the U.S. Department of Agriculture and through the Small Business Administration. But it is my fervent view that the communities of Thetford and Vienna Townships deserve to be designated, as some

of the others have, as an official disaster, to receive a broader range of support that they deserve and should be available to them.

Without going into all of the details, I can only say, if you drive down any of the roads, whether it is Center Road or Genesee Road or Bray Road in Thetford Township, as I did yesterday, and you see the decapitated silos with huge chunks of cement strewn everywhere and trees in which semitruck trailers ended up after they were hurled into the air, and if you see the huge openings that have been driven through the fields and the forest lands, you know if this area doesn't qualify as a disaster area, I don't know what would, Mr. President.

The damage was not just of public property; it is to private property, also. Happily, it wasn't more serious, but definitely it deserves our attention. For that reason, today I will be writing our Governor, as well as the Federal Emergency Management Agency authorities, to ask that the designation be expanded to include this community. I hope they will respond as they have responded already. I wish to make it clear that I don't know of any reason not to, nor in any way am I criticizing actions today. We are moving piece by piece through the process. I hope they will respond to this as well and help us to make sure that these people—they may be small in numbers, as I say, but the people who live there are just as real as the folks in all the other communities. So I intend to work very hard to make sure all the relief possible is made available to them.

Mr. President, I thank you and yield the floor at this time.

CHATHAM STUDENTS EXCELL

Mr. KENNEDY. Mr. President, it is a privilege to take this opportunity to recognize the impressive accomplishments of students at Chatham High School in Massachusetts. A team of these students excelled recently against other teams representing schools in all 50 States and the District of Columbia in the nationwide finals of the ''We the People.* * * The Citizen and the Constitution'' competition. This talented and knowledgeable group of students demonstrated their expertise on the Constitution and the Bill of Rights, and were recognized above other teams for their superior knowledge on this topic.

These issues are at the heart of our democracy and our constitutional system of government. It is gratifying that so many students across the country are learning about these issues at an early age.

The Bill of Rights, in particular, teaches important values about individual freedom and responsibility, and is the basis for our most precious liberties.

The students at Chatham High School deserve great credit for their achievement. I commend them for their skill and dedication. Massachusetts is so proud of them all—Heather Baker, Taylor Brown, Jonathan Buck, Lauren D'Elia, Hannah Farnham, Casey Jordan, Joshua Lamoureux, Jill Matteson, Nathan Miller, Allison Morris, Nalinee Murphy, Douglas Smith-Elion, Rebecca Spencer, and Joseph Thonus. Also, I commend the superb leadership of their teacher, Tom Flaherty.

CONGRATULATIONS TO CLARENCE VERNON WOODSIDE CELEBRATING HIS 100TH BIRTHDAY

Mr. ASHCROFT. Mr. President, I rise today to encourage my colleagues to join me in congratulating Clarence Vernon Woodside of Excelsior Springs, MO, who will celebrate his 100th birthday on August 11, 1997. Clarence is a truly remarkable individual. He has witnessed many of the events that have shaped our Nation into the greatest the world has ever known. The longevity of Clarence's life has meant much more, however, to the many relatives and friends whose lives he has touched over the last 100 years.

Clarence's celebration of 100 years of life is a testament to me and all Missourians. His achievements are significant and deserve to be recognized. I would like to join his many friends and relatives in wishing Clarence health and happiness in the future.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Monday, July 14, 1997, the Federal debt stood at $5,355,393,906,769.08. (Five trillion, three hundred fifty-five billion, three hundred ninety-three million, nine hundred and six thousand, seven hundred and sixty-nine dollars and eight cents.)

Twenty-five years ago, July 14, 1972, the Federal debt stood at $430,417,000,000 (Four hundred thirty billion, four hundred and seventeen million dollars).

Fifteen years ago, July 14, 1982, the Federal debt stood at $1,079,571,000,000 (One trillion, seventy-nine billion, and five hundred and seventy-one million dollars).

Ten years ago, July 14, 1987, the Federal debt stood at $2,317,949,000,000 (Two trillion, three hundred and seventeen billion and nine hundred and forty-nine million dollars).

Five years ago, July 14, 1992, the Federal debt stood at $3,972,195,000,000 (Three trillion, nine hundred and seventy-two billion and one hundred and ninety-five million dollars) which reflects a debt increase of nearly $5 trillion—$4,924,976,906,769 (Four trillion, nine hundred twenty-four billion, nine hundred seventy-six million, nine hundred and six thousand, seven hundred and sixty-nine dollars) during the past 25 years.

RETURN THE EMERGING BUDGET SURPLUS TO THE TAXPAYER

Mr. ABRAHAM. Mr. President, I rise today to talk about the emerging budget surplus and what Congress should do about it. According to recent Congressional Budget Office and Office of Management and Budget estimates, the fiscal 1997 budget deficit could be smaller than $50 billion. The reason: Robust economic growth continues to boost tax receipts beyond projections. As a result, the deficit is declining rapidly and the budget could be balanced by the year 2000 or earlier.

Further, if the President signs a tax bill that includes a deep cut in the capital gains tax, a budget surplus could emerge next year. Economist Larry Kudlow predicts that cutting the top capital gains tax rate to 20 percent could produce a $90 billion revenue windfall next year, assuming only 15 percent of investors realize their stock market gains from 3 years ago.

The question we face is this: Should future budget surpluses—if they materialize—be used to retire the national debt, increase Government spending, or further reduce taxes?

Our colleague, Representative MARK NEUMANN of Wisconsin, has offered The National Debt Repayment Act which proposes to use budget surpluses primarily to retire the national debt. This legislation would earmark two-thirds of any surpluses to debt reduction and only one-third to tax reduction. The plan attempts to build budget surpluses in future years by limiting the growth of Government spending at 1 percentage point lower than the growth of tax revenues.

Although well-intentioned, the bill contains several problems. First, it would have the practical effect of locking-in high tax rates on the American people. Under the plan, Congress would have to maintain a tax burden that is higher than is necessary to pay for current Government spending. In fact, as economist Bruce Bartlett points out, ''(the Neumann) plan actually implies a stiff tax increase. Revenues as a share of gross domestic product would rise from 19.9 percent next year to 20.8 percent in 2002,'' producing one of the highest tax burdens in U.S. history. Further, because the plan calls for revenue growth to outrace spending growth, Congress will have the perverse incentive to keep taxes high.

Second, the bill does nothing to reduce the size of the Federal Government. It is designed to generate budget surpluses, but does nothing about the actual levels of either Government spending or revenues. As long as tax revenues are growing, Government spending can grow too.

Third, the bill would preclude significant tax rate reductions and fundamental tax reforms in the future. In my view, any budget surplus would be far better spent by cutting taxes that are most burdensome and stifling to economic growth. Enacting pro-growth tax reforms and increasing the size of

the economy would make it easier to carry the debt burden.

Fourth, in effect, the bill would keep taxes on Americans unnecessarily high primarily to retire debt held by foreign interests. According to the Treasury Department, foreign and international investors owned $1,199.1 billion of the total $3,451.7 billion in privately held public debt in 1997. In contrast, U.S. individuals owned only $355.4 billion. By my lights, we ought to use any budget surpluses to provide relief to American taxpayers before making advanced debt payments to foreign central bankers and other investors in China, Japan and Germany.

Overall, the bill is based on misconceptions of the true economic impact of the debt. According to most economists, the figure that really counts is not the total debt per se, but rather debt's size relative to the overall economy. As the Wall Street Journal recently noted, the debt as a share of GDP ''was as high as 111 percent in 1946, after we'd run up a debt to defeat Hitler—a cause worth some debt.'' But because of the post-war economic boom—boosted in the 1960's by President John F. Kennedy's tax rate reductions—the debt fell back to 24 percent of GDP in 1974. The Journal goes on to note that the debt ''rose again with the great inflation and spendthrift Congresses of the past two decades, but it stabilized at 50 percent of GDP in 1995 and is projected to decline slowly . . .''

Furthermore, the economic benefits of running budget surplus are not at all clear. It is worth nothing that Great Britain ran budget surpluses in 1988, 1989, and 1990 equivalent to 1.5 percent of GDP—equivalent to a U.S. surplus of $100 billion—yet British interest rates increased.

Mr. President, to ensure that we return higher-than-expected revenues to the taxpayer, I have introduced the Economic Growth Dividend Protection Act (S. 800). Under my bill, if tax revenues received by the Treasury in the next 5 years exceed those projected under the budget agreement, the revenues will be made available for tax cuts first. If the Congress fails to pass tax cuts, then the surplus is reserved for deficit reduction—not new Government spending.

In summary, Mr. President, we should reduce the burden of the national debt. But setting in stone today a policy to run huge budget surpluses well into the next century is a recipe for higher taxes and slower economic growth. In my view, the best way to reduce the debt burden is to run a balanced Federal budget with firm controls on Government spending and to cut taxes that hinder economic growth. In the event that Congress does cut tax rates and overhaul the tax system, we could then decide to use any resulting tax revenue surplus to pay down the debt.

I ask unanimous consent that several articles on this subject that appeared in the Wall Street Journal, Washington Post, and Washington Times be printed in the RECORD.

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

[From the Washington Post, July 15, 1997]

WHY PAY OFF THE NATIONAL DEBT?

(By James K. Glassman)

A balanced federal budget is not even law, much less reality, but already a Republican congressman is proposing legislation to deal with the surpluses he thinks will follow.

A surplus happens when the government raises more than it spends. The last time was 1969, but we're getting closer. The deficit for the fiscal year that ends on Sept. 30 will be about $45 billion.

What to do with the extra revenues flowing into Washington? Rep. Mark Neumann (R-Wis.), in a plan that's been embraced by Speaker Newt Gingrich and become the hot fiscal topic of the summer in conservative circles, wants to use the money to pay off the national debt.

On its face, this sounds like a reasonable idea. It's actually dangerous and distracting. First, it just won't happen: If we start running surpluses, politicians will spend them. That's not just a guess. Just look at this year's budget. With pressure from a burgeoning deficit relaxed, Congress and the White House devised a budget in May that sharply increases the growth of spending.

But let's pretend that Congress and the president can muster the discipline to enforce the Neumann plan. If spending grows at 4 percent (which is, indeed, the rate in the new budget) and if revenues grow at 5 percent (they've been rising at 7 percent since 1992), then the entire national debt can be wiped out by the year 2026 if we use the excess cash to pay off Treasury bonds.

Isn't this an admirable goal? Not really. The federal debt, which is the total of all the deficits we've piled up over the years, isn't such a terrible thing—especially if it remains at current levels. Right now it's about 50 percent of our gross domestic product, but if we run balanced budgets through 2026, it will fall to less than 25 percent of GDP—or back to 1960's levels.

The argument about the evil of the federal debt is based on a fallacy, which is that it's a burden on future generations of Americans. This is what Neumann himself, a former math teacher and real estate developer, means when he says he wants children to ''inherit a debt-free nation.''

But this popular analysis misses half the equation. If we simply balance budgets, then today's $5.4 trillion debt will perpetually be on the Treasury's books. But that debt will be balanced by $5.4 trillion in assets. Roughly four-fifths of those assets—beautiful T-bonds—are held by Americans. Thus, our children won't merely inherit debt, they'll inherit bonds.

Neumann gripes about the $300 billion or so in interest on that debt. But this money, in fact, is one of the few benign federal spending programs. Private bondholders who earn interest are likely to invest that money more productively than Washington does.

And the interest earners aren't merely fat cats. A 1984 Treasury study concluded, ''We find no basis for the belief that interest payments on the public debt lead to greater inequality in the distribution of income.'' Remember, the top 10 percent of Americans pay 59 percent of all income taxes, so, in a worst case, interest is being paid by the rich to the rich.

The point is that Americans, at the very same time, are both borrowers and lenders, as Francis X. Cavanaugh, a former Treasury Department official, explains in ''The Truth About the National Debt.'' He also notes that Abraham Lincoln ''may have been the only president to recognize both sides of the ledger.''

In 1864, Lincoln told Congress, ''The great advantage of citizens being creditors as well as debtors, with relation to the public debt, is obvious. Men can readily perceive that they cannot be much oppressed by a debt which they owe to themselves.''

Lincoln was urging Congress to go into debt to pay military expenses. Debt, in other words, is simply a way to get the dollars to pay for what we want government to do. The other way is taxes.

Debt and taxes are simply matters of financing. The truly important public policy question is: What should government do? Fight a war against slavery and on behalf of union? Certainly. Fund railroads, corporate welfare and collective health care systems? I don't think so.

But Congress keeps spending more and more. Total spending will rise from $1.6 trillion in 1997 to $1.9 trillion in 2002—a rate well in excess of inflation.

Milton Friedman once said that he would rather have a $1 trillion budget that is way out of balance than a $2 trillion budget that is in balance. He's right. The true goal is to reduce government spending. The aim of balancing the budget (or running a surplus) is merely a tactic to secure the prize: a smaller government that takes fewer resources and limits fewer liberties.

Alas, Neumann, like so many Republicans, has been blinded by balanced-budget rhetoric and missed this true goal. Under his plan, for example, an incredible $33 billion out of the surplus would go to replenish the highway trust fund, which would mean more spending on pork. At a meeting last week, Gingrich argued for appeasing big-spending Republicans like the notorious Transportation Chairman Bud Shuster since they represent one leg of the GOP ''three-legged stool.''

It's a stool that ought to be knocked over. Believers in smaller government have a very simple job to do: Make it smaller. When that happens, Americans will be able to keep more of what they earn and the federal debt will simply wither away.

[From the Washington Times, July 2, 1997]

MISGUIDED STRATEGY TO TRIM DEBT

(By Bruce Bartlett)

Last week, columnist Robert Novak reported that House Speaker Newt Gingrich has ''enthusiastically embraced'' a proposal by freshman GOP Rep. Mark Neumann of Wisconsin to begin paying off the national debt. Upon hearing this news, Jack Kemp quickly shot a memo off to Mr. Gingrich strongly urging him not to endorse the Neumann plan, saying it would impose unnecessary austerity on American taxpayers. Instead of paying off the debt, we should cut taxes, Mr. Kemp said.

The basis of the Neumann plan is that revenues probably will rise faster than assumed in the budget agreement, providing budget surpluses in future years. Based on past experience, Mr. Neumann believes that revenues will rise closer to 6 percent per year, rather than the 4 percent growth assumed in the budget agreement. If spending is no higher than projected by the agreement, this theoretically would provide a budget surplus of almost $200 billion by 2002.

Mr. Neumann believes that if a surplus emerges it should largely be used to retire public debt. His legislation would earmark two-thirds of any surpluses to debt reduction and only one-third to tax reduction. Furthermore, Mr. Neumann believes that by holding the growth of spending to 1 percent less than the growth of revenues, the entire national

debt can be paid off by 2026. This, he says, would save a family of five $600 per month that they are now paying in taxes for interest on the debt.

In truth, Mr. Neumann's plan isn't so much a bad one as a misguided one. The likelihood of budget surpluses emerging under any revenue assumption is absurd. The money will all be spent long before any surplus arises. Moreover, his notion that Congress can simply pass a law that will hold spending to less than the growth of revenue is extraordinarily naive. We tried that with Gramm-Rudman, and the first time the spending cap began to pinch, Congress promptly repealed it.

Moreover, Mr. Neumann seems not to realize that his plan actually implies a stiff tax increase. Revenues as a share of gross domestic product would rise from 19.9 percent next year to 20.8 percent in 2002, using his numbers and the Congressional Budget Office's GDP forecast. Also, he made a mathematical error in computing the cost of interest on the debt. With net interest at $248 billion and a population of 268 million, the actual cost of interest for a family of five is $385 per month, not $600.

But the major problem with Mr. Neumann's proposal is a misconception about the burden of debt. Interest on the debt is no more a ''burden'' than the interest homeowners pay on their mortgages each month. To think otherwise is to believe that everyone who owns a home would be better off selling it and renting instead, just so they can be debt-free. The reason people don't do this is because they believe they are better off with the house and the debt.

Of course, taxes are higher than they would be if there were no debt. And if the debt could magically be extinguished it would certainly be worth doing so. But maintaining a higher tax burden than necessary to pay for current spending just to reduce the debt is a terrible misuse of tax revenue. The money would be far better spent eliminating the worst federal taxes, those that are hindering growth and making it harder to carry the debt.

In 1848, John Stuart Mill attacked a proposal similar to Mr. Neumann's in England. ''I conceive that the increase of revenue should rather be disposed of by taking off taxes, than by liquidating debt,'' Mill wrote. Cutting taxes removes a real burden on people, reducing debt does not.

[From the Wall Street Journal, July 2, 1997]

INVINCIBLE IGNORANCE

Democrats who want to retake Congress have found the issue they've been looking for: It's the plan now being offered by Republican Mark Neumann of Wisconsin and supported by Speaker Newt Gingrich to run federal budget surpluses. If Republicans embrace this idea, Dick Gephardt will be Speaker in no time.

Now that Republicans can at least claim to have balanced the budget, if only in five years, they're looking for something else to do. You might think tax reform or securing pensions for the Baby Boomers would be in order. Mr. Neumann wants to do nothing so tangible. Instead he wants Republicans to stand for the abstraction of paying down the national debt by the year 2026, even if it means taxing Americans at higher rates than are needed to balance the federal books.

Both the economics and politics of this proposal make it nutty even by Beltway standards. Mr. Neumann is like many businessmen-turned-politicians who hold the mercantilist view that debt is the worst economic evil. Adam Smith pointed out the folly of this 200 years ago when he observed that the point of economics isn't to collect gold in a nation's vault; it is to improve the living standards of everyone.

Mr. Neumann would amass a modern-day gold hoard, which he imagines would accumulate to pay Social Security for Baby Boom retirees. This assumes politicians won't tap this surplus in the meantime, despite 70 years of recent political history. But even if the pols left the money alone, the government would in essence merely be using that surplus to buy back its own bonds. It wouldn't change Social Security's actuarial problem one iota.

When the Baby Boomers begin to retire in 2012, the government would still be faced with a choice of raising taxes, cutting Social Security benefits or reissuing bonds (i.e., reborrowing). Social Security benefits will always have to be paid out of payroll taxes at the time or with future borrowing. The best way to ensure higher tax revenues is to grow a bigger economy in the meantime, but Mr. Neumann would maintain higher tax rates that would reduce the economy's growth potential. Mr. Neumann's proposal assumes the federal government can create more wealth than private Americans.

In any event, he misjudges the history and menace of debt. Economists the economy, or GDP. This was as high as 111% in 1946, after we'd run up a debt to defeat Hitler—a cause worth some debt. But it gradually fell back down again as the economy expanded—to about 24% of GDP in 1974. It rose again with the great inflation and spendthrift Congresses of the past two decades, but it stabilized at 50% of GDP in 1995 and is projected to decline slowly if Congress shows any spending discipline.

Of course, Mr. Neumann also frets with other pols about having to pay $250 billion in interest each year on the national debt. But interest payments are the least destructive spending the federal government does. At least it doesn't subsidize lawsuits, dubious art or liberal lobbies.

The silver lining here, we suppose, is that this idea is so politically dumb it would never really happen. Democrats could campaign as balanced-budget liberals, proposing to spend the new tax revenues on health care and children. In response, Neumann Republicans would become the Debt Retirement Party. This is the castor-oil path that has ruined parties of the right in Europe and Canada. While Mr. Neumann does propose to return one-third of any year's surplus in tax relief, that message would be swamped by the two-thirds going into the national vault.

In sum, the Neumann plan would return Republicans to their historic role as ''tax collector for the welfare state.'' That's what Mr. Gingrich once called Bob Dole, but with his support for Mr. Neumann (Budget Chairman John Kasich is also a co-sponsor) he owes Mr. Dole an apology. The Neumann plan puts Mr. Gingrich squarely in the Hoover-Ford-Bush austerity tradition of the GOP. The last Republican we heard such a proposal from was none other than George Bush's budget director, Dick Darman.

It's possible this New Darmanomics is a poll-driven continuation of the GOP's balanced-budget myopia. But it may also be a matter of simple ignorance. We can therefore hope that economically literate Republcians—Majority Leader Dick Armey, Senator Phil Gramm—will be able to educate their colleagues. Short of that, we recommended to Mr. Neumann and his allies Adam Smith's ''Wealth of Nations,'' or for a shorter read, ''Hamilton's Blessing'' by John Steele Gordon. They might learn something.

* * * * *

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1998

The PRESIDING OFFICER. The Senate will resume consideration of S. 1005, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1005) making appropriations for the Department of Defense for the fiscal year ending September 30, 1998, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Stevens-Inouye Amendment No. 846, to require a report to Congress on all anticipated costs to the United States for the admission of the Czech Republic, Poland and Hungary to NATO.

Harkin Amendment No. 848, to prohibit the use of taxpayer funds to underwrite restructuring costs associated with a business merger.

AMENDMENT NO. 849

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS], for Mrs. HUTCHISON, for herself, Mr. LOTT, Mr. LIEBERMAN, Mr. MCCAIN, Mr. WARNER, Mr. SMITH of Oregon, Mr. LUGAR, and Mr. LEVIN, proposes an amendment numbered 849.

The amendment is as follows:

At the appropriate place in the bill, insert the following:

It is the sense of the Senate that—

(1) International efforts to bring indicted war criminals to justice in Bosnia and Herzegovina consistent with the 1995 Dayton Accords should be supported as an important element in creating a self-sustaining peace in the region;

(2) The Administration should consult closely with the Congress on all efforts to bring indicted war criminals to justice in Bosnia and Herzegovina consistent with the 1995 Dayton Accords; and

(3) The Administration should consult closely and in a timely manner with the Congress on the NATO-led Stabilization Force's mission concerning the apprehension of indicated war criminals, including any changes in the mission which could affect American forces.

Mr. STEVENS. Mr. President, this amendment has been cleared on both sides and is now acceptable to the managers of the bill. I urge its adoption.

The PRESIDING OFFICER. Is there further debate?

The question is on agreeing to the amendment of the Senator from Texas.

The amendment (No. 849) was agreed to.

Mr. INOUYE. Mr. President, I move to reconsider the vote.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

AMENDMENT NO. 850

(Purpose: To make available funds for the payment of claims for loss and damage to personal property suffered by military personnel due to flooding in the Red River Basin)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS] for Mr. DORGAN, for himself, and Mr. CONRAD, proposes an amendment numbered 850.

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

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . Up to $4.5 million of funds available to the Department of Defense may be available for the payment of claims for loss and damage to personal property suffered as a direct result of the flooding in the Red River Basin during April and May 1997 by members of the Armed Forces residing in the vicinity of Grand Forks Air Force Base, North Dakota, without regard to the provisions of section 3721(e) of title 31, United States Code.

Mr. CONRAD. Mr. President, I offer today with my colleague from North Dakota, Senator DORGAN, an amendment that would prevent unintended discrimination against Grand Forks AFB personnel as the Defense Department provides compensation for personal property losses incurred as a result of this spring's unprecedented flooding in the Red River Valley. This legislation has been requested by Air Force Secretary Sheila E. Widnall, Air Force Chief of Staff Gen. Ronald R. Fogleman, and the Commander in Chief of the U.S. Transportation Command, Gen. Walter Kross, with the support of Gen. Howell Estes, Commander in Chief of the U.S. Space Command.

As my colleagues are aware, last week I offered this amendment to the fiscal year 1998 Defense authorization bill with Senators DORGAN, WELLSTONE, JOHNSON, and DASCHLE. It was accepted by the Armed Services Committee, but I look forward to its inclusion in the fiscal year 1998 Defense appropriations bill before us as well. This will ensure that both defense measures passed by the Senate this year are in agreement that disaster relief must be provided to personnel on an equitable basis.

As I have discussed on the Senate floor on several occasions, Mr. President, this winter and spring were the most severe in my State's history, culminating in a 500-year flood. Damages to property stretched into the billions, and the disruption to families and the community was incalculable.

Confronted with a disaster of almost Biblical proportions, the able men and women of Grand Forks AFB helped fight the flood. They manned ''sandbag central,'' helped evacuate the city of Grand Forks, and provided shelter, food, and comfort to thousands of flood refugees. Many Air Force officers and enlisted personnel worked tirelessly, even as their homes were washed away, resulting in almost total personal property losses.

Fortunately, current law allows the Defense Department to provide personal property compensation to personnel once personal insurance and any other Federal assistance has been exhausted. Separate compensation from the military is appropriate, Mr. President, in light of the fact that servicemembers, their families, and their property have been put in harm's way as a result of assignment orders. Those residing in Grand Forks AFB housing are currently able to benefit from this assistance.

Unfortunately, Mr. President, we have a catch 22 problem. The families that suffered the most—those living off-base in the city of Grand Forks because of on-base housing shortages—are getting no help. This is because existing law prevents ''Federal agencies from paying claims for losses incident to service which occurs at residences not provided by the United States,'' to quote an Air Force analysis.

Mr. President, the men and women of Grand Forks AFB were there when their country needed them. The amendment I have offered here again today would ensure that their country does not allow them to endure unfair and unintended discrimination in their hour of need. It would waive the provision that prevents them from receiving assistance. This action would be consistent with earlier legislation passed in 1992 on behalf of Homestead AFB personnel living off-base who had suffered as a result of Hurricane Andrew.

On behalf of the more than 700 Air Force families living in the city of Grand Forks when the levees broke, I would like to extend my thanks again to the Senate and the able leadership of the Armed Services Committee for passing this amendment last week. Today, sincere thanks should also go to the distinguished leadership of the Defense Appropriations Subcommittee, to Chairman STEVENS and Senator INOUYE, for their willingness to work with Senator DORGAN and myself to bring the authorization and appropriations measures into agreement on this important matter.

Before closing, Mr. President, I would like to recognize again the exemplary work of everyone at Grand Forks AFB during this spring's flooding. In accepting thousands of flood refugees at the worst of the disaster, the base provided warm, safe housing for countless families. They also provided something else, something even more important—a sense of hope that has helped preserve Grand Forks' sense of community. At a time when nearly the entire city was submerged by the rising floodwaters and its most historic areas burned, the importance of this cannot be overstated.

Again, Mr. President, let me thank the committee and the Senate for their careful consideration of this amendment, which will ensure that all Air Force personnel in the flooded area are treated equitably. I look forward to its approval as part of the fiscal year 1998 Defense appropriations bill, retention in conference, and passage into law.

Mr. DORGAN. Mr. President, I rise to comment briefly on my flood relief amendment, which is now pending to the defense appropriations bill.

As my colleagues know, this spring the Red River Valley suffered its worst flooding in recorded history. Personnel at Grand Forks Air Force Base pitched in to fight the flooding that everyone knew would come—they helped operate ''Sandbag Central'' to enable volunteers to go to the front lines on the dikes.

When the water finally won, a 500-year flood emptied Grand Forks, ND, a city of 50,000 people, and sent 4,000 residents to the Grand Forks Air Force Base for shelter. Many of my colleagues saw on television the base hangar that was converted to a shelter and that provided refuge for those citizens.

What my colleagues may not know is that many of the base personnel who fought the flood for weeks were themselves victims of the flood when it came. Over 700 military personnel were forced to evacuate during this disaster. And 406 servicemembers have suffered losses to personal property, including 95 families whose homes were inside the diked area near the Red River and were extensively damaged.

However, without the flood relief authority my amendment would provide, these servicemembers will be victims of unintended discrimination.

If these servicemembers had lived on base, they would be eligible to file a claim with the Department of Defense for losses incident to service. The Air Force pays such claims pursuant to section 3721 of title 31 of the United States Code. But as the law now stands, military personnel living off base are not eligible to file such claims, even though they are stationed at Grand Forks Air Force Base as a result of their military service.

My amendment would simply permit the Air Force to reimburse these servicemembers for their losses despite the fact that they lived off base. It makes available up to $4.5 million of the funds already available to the Department of Defense for paying claims.

Let me assure my colleagues that this amendment supplements private insurance and benefits provided by the Federal Emergency Management Agency. Air Force claims practices and FEMA regulations prohibit duplicative benefits. Military members who have private insurance will be required to file claims against that insurance before the Air Force will pay claims under this amendment.

I understand that this amendment is acceptable to the Chairman, Senator STEVENS, and to the ranking member, Senator INOUYE. I thank them very much for their support of this amendment, and for the work of their staffs in clearing this amendment.

I look forward to this amendment's approval by the Senate, and I yield the floor.

Mr. STEVENS. Mr. President, this amendment is supported by the Department of the Air Force, and we are prepared to accept it.

The PRESIDING OFFICER. Is there further debate?

The question is on agreeing to the amendment.

The amendment (No. 850) was agreed to.

Mr. INOUYE. Mr. President, I move to reconsider the vote.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, in the order pertaining to this bill that was agreed to last evening, there is a second Dorgan amendment that I am authorized to withdraw. I ask that it be withdrawn.

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

Mr. STEVENS. Parliamentary inquiry. Is the amendment I have offered together with my friend from Hawaii, No. 846, still the pending amendment?

The PRESIDING OFFICER. The Chair would observe that the amendment pending before the body is amendment No. 848 offered by the Senator from Iowa.

Mr. STEVENS. Mr. President, is there also pending behind that 846?

The PRESIDING OFFICER. The Senator is correct.

AMENDMENT NO. 851

(Purpose: To set aside $36,000,000 of O&M funds for an authorized Navy program to demonstrate expanded use of multi-technology automated reader cards throughout the Navy and the Marine Corps, including demonstration of the use of the so-called ''smartship'' technology of the ship-to-shore worked load/off load program)

Mr. STEVENS. I send an amendment to the desk on behalf of Senator ROBB of Virginia.

The PRESIDING OFFICER. The clerk will report.

The assistant clerk read as follows:

The Senator from Alaska [Mr. STEVENS], for Mr. ROBB, proposes an amendment numbered 851.

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

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

The amendment is as follows:

At the end of title VIII, add the following:

SEC. 8099. Of the total amount appropriated under title II for the Navy, the Secretary of the Navy shall make $36,000,000 available for a program to demonstrate expanded use of multitechnology automated reader cards throughout the Navy and the Marine Corps, including demonstration of the use of the so-called ''smartship'' technology of the ship-to-shore work load/off load program.

Mr. STEVENS. Mr. President, last evening the Senator from Hawaii and I discussed this amendment with the Senator from Virginia. We are convinced that it will bring about savings of taxpayer funds and that it should be adopted at this time.

Mr. INOUYE. No objection.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Virginia.

The amendment (No. 851) was agreed to.

Mr. INOUYE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 846

Mr. STEVENS. Mr. President, I ask that the Chair lay before the Senate my amendment No. 846.

The PRESIDING OFFICER. The clerk will report

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS], for himself, and Mr. INOUYE, proposes an amendment numbered 846.

Mr. STEVENS. Mr. President, I ask unanimous consent that the yeas and nays be withdrawn.

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

Mr. STEVENS. I ask for adoption of the amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment of the Senator from Alaska.

The amendment (No. 846) was agreed to.

Mr. INOUYE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, we have now pending, under the orders agreed to last evening, the Feinstein amendment on land transfer, a Feinstein amendment on NATO expansion cost caps, the Graham amendment on electronic combat testing, the pending Harkin merger cost amendment No. 848, a managers' amendment from Senator INOUYE, and one for myself, which we will join together, and two McCain amendments, one dealing with foreign flag vessels, and one ''Buy America'' amendment.

I urge Members of the Senate to come and offer their amendments. We are asked by leadership to see if it is possible to finish this bill before the recess for the Tuesday meetings of both parties. The Senator from Hawaii and I are prepared to try to do that if Members would come and offer their amendments.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MCCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

AMENDMENT NO. 852

(Purpose: To strike out section 8097)

Mr. MCCAIN. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN] proposes an amendment numbered 852.

Strike out section 8097.

Mr. MCCAIN. Mr. President, this amendment strikes section 8097 from the Defense appropriations bill in its entirety.

This provision has nothing to do with national security issues. It is purely and simply an example of pork-barrel spending that has nothing to do with defense.

The provision earmarks $250,000 for the maritime technology program. Do not be deceived by the amount of money. The $250,000 is the beginning of what could turn into a multimillion-dollar bailout for a cruise ship line and ships to be constructed in a certain shipyard.

The money would be used to establish a pilot project to transfer commercial cruise shipbuilding technology to U.S. shipyards—on its face it is an innocuous idea, even though it doesn't have a lot to do with national defense or anything—utilizing the experience of U.S. flag cruise ship operators, and protecting the operation of a foreign-built U.S. flag cruise ship and two newly constructed U.S. flag cruise ships around the Hawaiian Islands.

The last goal of the pilot project is, I suspect, the most important and most disturbing aspect of the program.

As I mentioned, this provision only earmarks $250,000. I also mentioned that money has nothing to do with defense.

The Maritech Program is a very limited program, and this $250,000 earmarked represents a large portion of available Maritech funds.

I suspect very strongly that this is not the end of the drain on defense dollars for this cruise ship program. I fully expect to see millions of dollars set aside to build these cruise ships and subsequent bills, whether it is the Commerce, State, Justice appropriations bill this year or in next year's defense appropriations bill.

If the past is any indicator, this is just the beginning of a multimillion-dollar waste of defense dollars.

Was the Commerce Committee asked to review this proposal? No.

Should the Commerce Committee have been asked to review this program? Yes.

This provision waives three established laws:

One, it bypasses the established process for reviewing the Jones Act, Passenger Service Vessel Act, and coastwise endorsement waivers.

Ordinarily, the Commerce Committee considers action on each requested waiver. This legislation did not come before the Commerce Committee and effectively waives these laws for an unidentified foreign-built cruise ship.

In my view, should the Commerce Committee approve this proposal as written? No.

Frankly, that is the precise reason this provision is in this bill and not in the Commerce Committee bill.

I wonder if anyone can tell me exactly how many cruise ship operators can meet the exact criteria spelled out in the provision of the bill.

I quote:

> $250,000 should be made available to assist with a pilot project that will facilitate the transfer of commercial cruise shipbuilding technology and expertise, and enable the operation of a U.S. flag foreign-built cruise ship and two newly constructed U.S. flag-ships.
>
> That a person (including a related person with respect to that person) within the meaning of 46 U.S.C. Section 801, may not operate a U.S. flag foreign-built cruise ship, or any other cruise ship, in coastwise trade between or among the islands of Hawaii, upon execution of the contract referred to in this section and continuing throughout the life expectancy . . . of a newly constructed U.S. flag cruise ship referred to in this section, unless the cruise ship is operated by a person that is . . . operating a cruise ship in coastwise trade between or among the islands of Hawaii on the date of enactment, except if any cruise ship constructed pursuant to this section operates in regular service other than between or among the islands of Hawaii.
>
> *Provided further,* That for purposes of this section, the term ''cruise ship'' means a vessel that is at least 10,000 gross tons . . . and the berth or stateroom accommodations for at least 275 passengers.

Mr. President, the list goes on and on.

This is really unacceptable. This is really unacceptable.

In my view, I understand there is only one cruise ship operator in Hawaii that can meet this criteria. Only one. And that operator is being handed a 30-year to 40-year monopoly for his existing business.

How many times has the U.S. Senate so blatantly set up a monopoly set aside for any individual or business? Why would we want to start now? On the very rare occasions that Congress has permitted a monopoly operation, such as Conrail, it was to ensure availability of adequate domestic transportation in the absence of any other possible viable alternative.

I personally know of no other monopoly operation other than the Conrail example.

Many of my colleagues in this Chamber profess to be concerned about the growing consolidation in the defense industry, expressing worry that over-consolidation will lead to monopolies in the defense industry.

I have long been a free trade advocate, and I believe in our existing review. Why wouldn't that same concern about unfair anticompetitive restrictions apply in this case? Why is this legislative monopoly necessary?

The current operator of this cruise ship operation in Hawaii has operated for many years without this legislative protection. He is protected from foreign competition under existing laws and does not need the protection of Congress to replace his existing ship with new ships.

What is the urgency of including this language in this defense appropriations bill, or, for that matter, in any other bill?

Mr. President, I am deeply disappointed that this provision was inserted in this bill. But it is not necessary. It wastes defense dollars, and it sets up an ill-considered monopoly for one single entity.

Mr. President, if this amendment is not stricken from the bill and it survives conference with the House, I would strongly recommend that the President of the United States, in the exercise of his line-item veto authority, eliminate this egregious example of pork-barrel spending.

Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. INOUYE addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, 40 years ago the United States shipping interests controlled the Mediterranean. Most of the cruise ships in the Mediterranean, if I may remind my colleagues, were made in the United States. They had crews of American sailors, and we carried passengers not only from the United States but all over the world.

At the same time, we also dominated and controlled the cruise ship industry in the Caribbean. The same is true in the Pacific. For that matter, 40 years ago the United States shipping interests sailed the seven seas and controlled the seven seas.

Today, we have one company that has one cruise ship. No shipyard has ever made a cruise ship since 1956. That is 40 years. For 40 years, our shipyards have not built a cruise ship. Today, we have one, an old ship.

And what is the situation? The fastest growing part of the tourist industry of the world is cruise ships. We see that on television every night, every 30 minutes on just about every channel—love boats, holiday boats, and most of the passengers are American. These cruise ships are built in foreign shipyards, and they are manned by foreign sailors.

It may interest you to know that just last week the Wall Street Journal reported that cruise ship workers on foreign flag vessels work between 16 to 18 hours a day and get paid by the cruise lines about $1.50 a day before tips—$1.50 a day before tips. That is their take-home pay because the cruise ship owner says, well, he has a free bunk; we give him three meals a day. This is gravy for him, $1.50 a day.

That is why we cannot compete with them. We insist that all of our ships maintain the highest health standards. Wage and hour provisions that apply here in the Nation's Capital will apply on cruise ships manned by Americans. The cruise ships operating in the Hawaiian waters today pay not minimum wage but union declared wages. They are much, much higher than union wage, and they get paid more than $1.50 an hour.

Many of us felt that the time had come to stop this, to reinvigorate the industry, and we came up with this plan. This plan reminds us of what happened to the United States in World War II—for that matter in World War I—the Korean conflict, and even in Vietnam. Since we do not have a fleet of troop carriers, we have always had to call upon private shipowners to come forth with their passenger vessels, convert them into troop carriers, and sail the seven seas.

Mr. President, as a young man of 18, I crossed the Pacific on a luxury cruise ship which was converted into a troop carrier. Going across the Atlantic, I am sorry to say, it was not a cruise ship; it was a tanker, but there were many other cruise ships in operation at that time.

This program, the Meritech Program, has been authorized. It has been operational. And up until now they have come up with plans on how to bring about the construction by private industry of passenger vessels that can be converted for defense purposes if the need should arise. This provision in this bill is to implement those plans.

I can assure you, if the Senator from Arizona wishes, we will put in clear language that says this ship will be built with private funds. I can assure one and all that if this will satisfy my friend from Arizona, I would like this language put in the appropriate place: ''Provided further, that none of the funds provided in this or any other act may be obligated for the construction of vessels addressed by this section.''

If it is appropriate, I ask that this provision be made part of the bill before us.

The PRESIDING OFFICER. The Chair will ask, does the Senator ask unanimous consent——

Mr. INOUYE. I ask unanimous consent.

The PRESIDING OFFICER. To place the appropriate language in the legislation?

Is there objection?

Mr. MCCAIN. Mr. President, reserving the right to object, and I will not object, I just want to clarify, I understand that——

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. MCCAIN. My reservation is as follows. My understanding is that the Senator from Alaska and the Senator from Hawaii are willing to modify the language of the bill that states that no Federal money will be spent for the construction of a cruise ship or the tooling up of a shipyard for that construction. If that is correct, then I appreciate the agreement of the Senator from Hawaii and the Senator from Alaska and we will make that change and propose that change shortly.

Is that the intent of the Senator from Hawaii?

Mr. INOUYE. That is the intent of the language. I believe the language is clear.

Mr. MCCAIN. I ask unanimous consent to set aside my amendment at this time and we will revisit it when the language, modifying language is made up, and I will at that time make a motion to modify my amendment.

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

Mr. MCCAIN. Mr. President, I have another amendment at the desk.

Mr. INOUYE. Mr. President, parliamentary inquiry. Does it mean that the McCain amendment is set aside?

The PRESIDING OFFICER. That is correct.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. Is it the intention of the Senator from Hawaii under the UC agreement that his legislation has been modified under the previous UC request?

Mr. INOUYE. The Presiding Officer is correct.

The PRESIDING OFFICER. Then without objection, it is so ordered. The Senator from Arizona is recognized.

Mr. MCCAIN. Mr. President, there is a little bit of a parliamentary situation here. It is not clear to me whether the language of the legislation will be modified—and then I would ask unanimous consent to drop my amendment—or is it language that will be added to the amendment which would then be acceptable? I would ask the President as to what the parliamentary situation is.

The PRESIDING OFFICER. If the Senator will suspend for a moment.

If there is no objection, the unanimous consent request by the Senator from Hawaii will be considered as an amendment to the bill by the Senator from Alaska. Upon passage, then the Senator from Arizona could be recognized to withdraw his amendment.

AMENDMENT NO. 854

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Hawaii [Mr. INOUYE] proposes an amendment numbered 854.

The amendment is as follows:

At the appropriate place, insert: ''*: Provided further,* That none of the funds provided in this or any other Act may be obligated for the tooling to construct or the construction of vessels addressed by this section''.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 854) was agreed to.

AMENDMENT NO. 852, WITHDRAWN

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. I ask unanimous consent to withdraw my amendment, the pending McCain amendment.

The PRESIDING OFFICER. Then the amendment No. 852 is withdrawn.

The amendment (No. 852) was withdrawn.

AMENDMENT NO. 853

(Purpose: To require the Secretary of Defense to waive limitations applicable to uses of funds for procurements from foreign sources as necessary to protect cooperative programs)

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I have another amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows.

The Senator from Arizona [Mr. MCCAIN] proposes an amendment numbered 853.

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

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

The amendment is as follows:

At the end of title VIII, add the following:

SEC. 8099. (a) The Secretary of Defense shall waive generally with respect to a foreign country each limitation on procurements from foreign sources provided in law if the Secretary determines that the application of the limitation with respect to that country would impede cooperative programs entered into between the Department of Defense and the foreign country, or would impede arrangements for the reciprocal procurement of defense items entered into under section 2531 of title 10, United States Code, or under any other provision of law, and the country does not discriminate against defense items produced in the United States to a greater degree than the United States discriminates against defense items produced in that country.

(b) Subsection (a) applies with respect to—

(1) contracts and subcontracts entered into on or after the date of the enactment of this Act; and

(2) options for the procurement of items that are exercised after such date under contracts that are entered into before such date if the option prices are adjusted for any reason other than the application of a waiver granted under subsection (a).

(c) Subsection (a) does not apply to a limitation regarding construction of warships.

Mr. MCCAIN. Mr. President, this is a simple and straightforward amendment that simply levels the playing field between U.S. and foreign manufacturers. This amendment promotes U.S. products, not by enforcing restrictive barriers on open competition and free trade, but by promoting sound and beneficial economic principles.

This amendment waives restrictions on the procurement of certain defense items with respect to a foreign country if the Secretary of Defense determines they would impede cooperative programs entered into between a foreign country and the Department of Defense. Additionally, it would waive protectionist practices if it is determined it would impede the reciprocal procurement of defense items in that foreign country and that foreign country does not discriminate against defense items produced in the United States to a greater degree than the United States discriminates against defense items in that country. This amendment would apply to all contracts and subcontracts entered into on or after the date of enactment, including any option for the procurement of items that are entered into before the date of enactment if those option prices are adjusted for any other reason.

I have spoken of this issue before in this Chamber and the potential impact on our bilateral trade relations with our allies because of our policy toward Buy America. From a philosophical point of view, I oppose these type of protectionist trade policies because I believe free trade is an important component of improved relations among all nations and a key to major U.S. economic growth.

From a practical standpoint, adherence to Buy America restrictions seriously impairs our ability to compete freely in international markets for the best price on needed military equipment and could also result in a loss of existing business from longstanding international trading partners. While I fully understand the arguments by some to maintain certain critical industrial base capabilities, I find no reason to support domestic source restrictions for products which are widely available from many U.S. companies, that is, pumps produced by no less than 25 U.S. companies. I believe that competition and open markets among our allies on a reciprocal basis provide the best equipment at the best price for U.S. and allied militaries alike.

There are many examples of trade imbalances resulting from unnecessary Buy America restrictions. Let me cite one case in point. Between 1991 and 1994, the Netherlands purchased $508 million in defense equipment from United States companies, including air-refueling planes, Chinook helicopters, Apache helicopters, F–16 fighter equipment, missiles, combat radios, and training equipment. During the same period, the United States purchased only $40 million of Dutch-made military equipment. In recent meetings, the Defense Ministers of the United Kingdom and Sweden have apprised me of similar situations. In every meeting, they tell me how difficult it

is becoming to persuade their governments to buy American defense products, because of our protectionist policies and the growing Buy European sentiment.

Mr. President, it is my sincere hope that this amendment will end once and for all the anticompetitive, antifree trade practices that encumber our Government. I only look forward to the day when my trips to the floor to highlight Buy America provisions are no longer necessary.

Mr. President, I ask unanimous consent that an editorial by Secretary Weinberger and Dr. Schweizer that appeared in today's USA Today be printed in the RECORD.

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

[From USA Today, July 15, 1997]

PENTAGON LOPPING OFF MILITARY MUSCLE IN FAVOR OF PORK

(By Caspar W. Weinberger and Peter Schweizer)

In 1938, the British Royal Navy counted 308 ships on its active roster, and Great Britain ruled the waves. This massive armada required 11,270 admiralty officials and clerical staff for its management. Thirty years later, the British Navy was down to just 114 ships, a decline of more than 60%. However, the number of brass hats and administrators had increased to 33,574. At its peak, the British Navy required 37 desk sailors per ship. At its low point, 295.

C. Northcote Parkinson tracked these trends and proclaimed what eventually became known as one of Parkinson's famous laws: The number of subordinates increases at a fixed rate regardless of the amount of work produced. What was true for a declining Britain is applicable to present-day America. Fat in the military bureaucracy continues to expand at the expense of military muscle. Congressional action to limit further base closings last week and the recently released Quadrennial Defense Review does nothing to correct this dangerous reality. The Pentagon is putting the best possible light on further reductions of 60,000 active-duty troops, arguing that cuts are necessary in order to procure more advanced weapons. But choosing between force size and weaponry is a lose-lose situation. We need both large forces and advanced weapons to maintain our battlefield edge and minimize U.S. casualties. What we need to cut is fat.

Just how badly has our military ''muscle'' been affected? The stated policy of the United States is to be able to fight two wars at once. But as Professors Frederick Kagan and David Fautua of the United States Military Academy point out, we would have trouble fighting and winning one war today. Consider our victory in Desert Storm. The United States committed seven active Army divisions, three Marine Corps divisions and two additional combat brigades from other units to the ground war. Of the seven Army divisions, five were ''heavy'' units—mechanized and armor. We were able to build this force from a total of 18 Army divisions. Now we have but 10 Army divisions, and only six are ''heavy.'' Many are already committed to other overseas assignments such as Korea and, therefore, would be unavailable for a regional conflict.

Since Desert Storm, defense spending has declined 24% in constant dollars, and manpower has been cut 27%. The Navy has lost 34% of its ships. Air Force tactical squadrons have been cut by 28%. Budget cuts also have led to a reduction in our overseas presence. By 2000, about 90% of our combat power will be based in the continental United States. Lack of funds means we may not even reach the battlefield. The Army's capability to deploy forces has dropped 44% and the Navy's support ships, critical for overseas operations, have been slashed 61% since 1991.

But budget cuts not only have led to force reductions. Existing units have been dramatically hurt by serious training deficiencies. At Camp Pendleton, Marines have trekked 17 miles to training ranges to conserve truck fuel and tires. Air Force personnel are now regularly deployed overseas well beyond the recommended 120-day maximum, causing serious psychological and training problems. Some tank crews have been forced to park their tanks and conduct training dismounted, walking around pretending to be tanks, in order to cut costs.

The great paradox is that this small and grossly underfunded military has been called on to increase its overseas operations. Our two post-Cold War commanders-in-chief—Presidents George Bush and Bill Clinton—have dispatched troops abroad more often than the United States did in the previous 20 years. The military has conducted expensive operations in Haiti, Rwanda, Liberia, Cuba, Panama, Southwest Asia, Iraq and Somalia. Rather than deal with this squeeze, the defense review calls for further reductions.

The military has already borne a disproportionate share of cuts and now accounts for less than 20% of the federal budget. Of the federal jobs lost since fiscal 1992, more than 89% have come from the Department of Defense. Rather than cutting forces as the defense review recommends, troop levels should be maintained at present levels. Savings should come from cuts in civilian personnel and nondefense programs, not out of the military's core competence of fighting wars. Today the Pentagon spends more than 40% of this budget on infrastructure, running cafeterias and day-care centers and paying accountants. The only portions of the budget that have grown since the end of the Cold War have been for the Defense Logistics Agency, which handles warehousing, inventory control and the transport of supplies, and the Defense Finance and Accounting Service, which manages payroll and budget. Many of these functions could be privatized. The Pentagon estimates privatization could save $14 billion. Others put the savings at $30 billion.

Reductions also could come from programs that have been foisted on the Pentagon that have nothing to do with defense. About $28 billion is being spent on environmental compliance and cleanup. Millions are going to a jobs program that updates the Bay Area Rapid Transit System. These programs may be worthwhile, but they shouldn't be funded with scarce defense resources.

The defense review fails to deal with the underlying resource problems that plagues the military. Let's prove Parkinson wrong by preserving our military capability and lopping off the fat.

Mr. MCCAIN. Mr. President, I believe that this amendment is acceptable to the managers of S. 1005. I have discussed this with the Senators from Alaska and Hawaii and both staffs. Basically, as I said, it gives discretion to the Secretary of Defense as far as restrictive Buy America provisions are concerned. This amendment gives the Secretary of Defense the kind of latitude that is necessary in order to make sure that our national security and warfighting capability is protected.

Mr. President, I yield the floor.

Mr. INOUYE addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. INOUYE. We find no objection to the amendment.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. It is my understanding this is quite similar to a provision that is already in the armed services bill. And under those circumstances we have no objection.

The PRESIDING OFFICER. Is there further debate on the amendment? Hearing none, the question is on agreeing to the amendment.

The amendment (No. 853) was agreed to.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. I thank the Senator from Hawaii and the Senator from Alaska for their cooperation and assistance on both amendments.

I yield the floor.

Mr. INOUYE. Mr. President, I move to reconsider the vote.

Mr. McCAIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who seeks time?

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. STEVENS. Parliamentary inquiry. It is my understanding the Harkin amendment is ready to go to a vote at any time?

The PRESIDING OFFICER. That is the pending question before the Senate.

Mr. STEVENS. We still have three amendments that could be offered before the lunch hour, and that is the Feinstein amendments and the Graham amendment.

Mr. President, there is in the order a managers' package that enables me to offer an amendment. I do offer the amendment. It is the only item in this managers' package. It is the amendment of the Senator from Indiana [Mr. COATS].

AMENDMENT NO. 855

(Purpose: To set aside for the Information System Security Program $15,708,000 of the amount provided for the Army for other procurement)

Mr. STEVENS. Mr. President, I send the amendment to the desk for Mr. COATS and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS], for Mr. COATS, proposes an amendment numbered 855.

The amendment is as follows:

On page 24, line 6, after ''2000'' insert the following: '': *Provided*, That, of the amount appropriated under this heading, $15,708,000 is available for the Information System Security Program, of which $5,500,000 is available for procurement of Airterm KY-100 devices''.

Mr. STEVENS. Mr. President, this conforms this bill to an authorized account that was added to the authorization bill when it passed the Senate, and I urge its immediate adoption.

Mr. INOUYE. We concur.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 855) was agreed to.

Mr. INOUYE. Mr. President, I move to reconsider the vote.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I implore Senators FEINSTEIN and GRAHAM to offer their amendments. We are ready to proceed. I think we could finish the bill before the lunch hour. I see the Senator from Texas is on the floor, and I yield the floor to her in the hope she will yield the floor to the others if they arrive.

The PRESIDING OFFICER. The Senator from Texas.

AMENDMENT NO. 849

Mrs. HUTCHISON. Mr. President, I assure the distinguished chairman, if the other two pending amendments' authors come to the floor, I will yield.

I wanted to speak about an amendment that has just been agreed to. The chairman offered the Hutchison-Lott-Lieberman-McCain-Warner amendment earlier. It is something we have been working on, actually, for the last few days, trying to come up with language that everyone could support. In fact, everyone has now agreed to support it, so it is a sense of the Senate with 100 percent approval of language that says we are very concerned about the situation in Bosnia, we are concerned about the indicted war criminals not being brought to justice. All of us are concerned about that, because, under the Dayton accords, the three parties to the agreement, the Bosnian Serbs, the Bosnian Muslims, and the Croats, were supposed to do that and it has not happened.

At the same time, our amendment states that the administration should consult closely and in a timely manner with the Congress on the NATO-led Stabilization Force's mission concerning the apprehension of indicted war criminals, including any changes in the mission which could affect American forces. I think this is a very responsible statement for the Senate to make because it is very important if there is a change in mission with regard to the apprehension of war criminals and if American forces are going to be involved, that the Congress understand that fully because that is not our understanding today nor is it part of the Dayton accords.

So, having been burned in Somalia when there was mission creep without the complete accord of Congress, I think it is important that we learn from history and take the responsible role that Congress should take.

I am concerned that we do this in a very, very clear thinking, responsible way. I look at the Washington Times from this morning where the headline is, ''Serbs Threaten End Of Dayton Pact.'' It has a quote from an ex-teacher—an ex-teacher. He says: ''I used to wave to them, the NATO troops, and had my little daughter wave when they pass by. But now I told her to spit at them.''

I think we have to understand that what we do has consequences. I hope NATO will carefully look at how we go about changing any kind of mission. Certainly we expect, in Congress, to have a role in that. But I also think it is important that we go back to the Dayton accords. The Dayton accords provide the three parties will apprehend war criminals. I hope that is what happens, because there were heinous crimes committed—heinous crimes. No civilized nation, no civilized person could look at what happened in Srebrenica—it was clearly an assassination of men and boys. It was ethnic cleansing. That's what it actually was. We ought to stand against that. We do stand against it.

But, let's make sure that as we go forward we do it in a measured, responsible way so what we do is helpful, that we keep the Dayton accords, and that we do not have mission creep with American troops that would put them in harm's way, or in a combat situation if they are not prepared—if we are not prepared—for that eventuality.

So I think we have taken a responsible step. I appreciate the work of the chairman. I appreciate the work of the Democrats and Republicans on this issue where we do want to speak with a unified voice. It is important that we do. That is what we have done today.

PASSENGER SAFETY MODIFICATIONS

Mr. GORTON. Mr. President, I want to commend the chairman and the committee for adding funds for passenger safety modifications for the Air Force. The committee's initiative is both timely and appropriate and recognizes the need to provide the most up-to-date available safety equipment to aircraft transporting our military personnel. I would like to clarify a point with the chairman. Mr. Chairman, is the $75 million added by the committee for aircraft passenger safety modifications to be sent on the acquisition of navigation and safety equipment to initiate phase II of the Defense Department's initiative to modify military passenger aircraft? Is it the intent of the committee that this additional funding be spent on the following equipment and technologies: enhanced Ground Proximity warning Systems [EGPWS] with a digital terrain data base, Traffic Alert and Collision Avoidance Systems [TCAS], predictive windshear radar, cockpit voice recorders, and flight data recorders?

Mr. STEVENS. The Senator is correct. The Air Force has indicated specifically that EGPWS and TCAS for selected aircraft are part of the phase II modifications. The Air Force also has unfunded requirements for flight data recorders and cockpit voice recorders. The committee appreciates the Senator's interest and leadership on this issue.

UH–60L BLACK HAWK IN THE NATIONAL GUARD

Mrs. FEINSTEIN. Mr. President, I would greatly appreciate it if my colleagues, the chairman of the appropriations Committee and the ranking member of the Defense Appropriations Subcommittee would join with me in a colloquy regarding the committee's support for a firefighting demonstrator kit for the UH–60L Black Hawk helicopter for the Army National Guard. It is my understanding that the Army National Guard needs and wants improved capability on its UH–60L Black Hawk helicopter to enable them to more effectively augment the firefighting capabilities of State and local government other Federal agencies.

To this end, the Army is pursuing a cooperative research and development agreement or CRADA with Sikorsky Aircraft to obtain this demonstrator aircraft. Once received, this modified Black Hawk will be used in a 3-month, National Guard, operational suitability test with the Los Angeles County Fire Department.

Mr. STEVENS. I am aware of this firefighting demonstration kit for the Black Hawk helicopter. I agree that this program should be treated as any other item of special interest in the National Guard and Reserve Miscellaneous Equipment account, and am happy to support the Senator regarding this issue.

Mr. INOUYE. I, too, am a strong supporter of this firefighting kit. California is especially hard hit, each year, by wildfires and I fully understand the great resources necessary to battle these fires. I am happy to join with the chairman of the committee in urging that this program be given high priority in the National Guard and Reserve miscellaneous equipment account.

Mrs. FEINSTEIN. I thank both the Chairman and the ranking member for their interest in this program and their support.

AMENDMENT NO. 856

(Purpose: To express the Sense of Congress regarding cost-sharing for NATO enlargement)

Mr. STEVENS. Mr. President, on behalf of Senator FEINSTEIN, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS], for Mrs. FEINSTEIN, proposes an amendment numbered 856:

At the appropriate place, insert:

SEC. . SENSE OF CONGRESS.

It is the Sense of Congress that should the Senate ratify NATO enlargement, current proportional cost-sharing arrangements will remain in place and that the proportional cost of the U.S. share of the NATO common budget should not increase.

Mrs. FEINSTEIN. Mr. President, I rise today to offer an amendment to the Defense appropriations bill which expresses the Sense of Congress that U.S. payment for the cost of NATO enlargement is contingent on our NATO allies' willingness to pay their fair share of the costs of NATO enlargement as well.

I was concerned and surprised to read French President Chirac's statement last week that ''France does not intend to raise its contribution to NATO because of the cost of enlargement.''

Mr. President, we all know that NATO enlargement will cost money. And those costs must be borne fairly by all members.

If France or Germany or any other member of NATO is unwilling to pay its fair share, then this seems to me to be a faulty foundation for the expansion of NATO.

Indeed, as an article in the July 14–20 issue of Defense News stated:

> Its decision to admit new members threatens to tear the Western alliance asunder if the European allies fail to shoulder a larger proportion of NATO's future security costs, according to U.S. and European diplomats and analysts.

The purpose of this amendment is to make clear that the United States is willing to pay its share of the cost of NATO enlargement. No more. No less.

But this amendment also makes clear that if the Europeans are unwilling to pay their share of the costs, then the United States will not pay either.

The bottom line is that the costs should be fairly met and paid for by all Alliance members. The United States can not and should not pick up the share of European countries unwilling to do their part.

This amendment, I believe, sends a strong message to our European allies as we enter into the NATO enlargement process that if we are to enlarge the alliance it must be done fairly, and it must be done right.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. STEVENS. Mr. President, I urge the adoption of the pending Feinstein amendment.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment was agreed to.

RESCINDING ACTION ON AMENDMENT 856

Mr. STEVENS. Mr. President, I find I acted prematurely. I ask the past action be rescinded and the Feinstein amendment remain the pending measure before the Senate.

The PRESIDING OFFICER. The Chair will take that under consideration.

Upon considering the request by the distinguished Senator from Alaska, without objection, it is so ordered.

Mr. STEVENS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. DOMENICI. Mr. President, I rise in strong support of S. 1005, the Defense appropriations bill for fiscal year 1998. The pending bill provides $247.2 billion in total budget authority and $244.4 billion in total outlays for the Department of Defense. There are some major elements to this bill that are important programs for the Senate to review.

According to preliminary analysis from the Congressional Budget Office, the bill, as reported, is within the Defense Subcommittee's section 602(b) allocation and, thus, complies with the requirements of the Budget Act.

The bill is fully consistent with the bipartisan balanced budget agreement. Senators may have heard or read statements to the contrary, but I can assure them that the bill in no way transgresses the agreement. I can also assure Senators that any misunderstanding in the administration about this matter is in the process of being clarified.

The bill fully funds certain important initiatives that were requested by the President, including a 2.8 percent pay raise for all military personnel and the end strengths for all of the active and reserve military services. The bill also funds needed increases in each of the major accounts of the defense budget.

The Chairman of the Defense Subcommittee, Senator STEVENS, and the Subcommittee staff deserve the thanks of the Senate for their extremely skillful crafting of this bill. It makes the best possible use of the defense funds available and sustains our national defense posture consistent with the Defense Department's new roadmap, the Quadrennial Defense Review.

I strongly support this bill, and I urge its adoption.

Mr. President, I ask unanimous consent that a Senate Budget Committee table displaying the budget impact of this bill be placed in the RECORD.

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

S. 1005, DEFENSE APPROPRIATIONS, 1998—SPENDING COMPARISONS—SENATE-REPORTED BILL

[Fiscal year 1998, $ millions]

	Defense	Non-defense	Crime	Mandatory	Total
Senate-reported bill:					
Budget authority	246,981	.....	.....	197	247,178
Outlays	244,202	7	.....	197	244,406
Senate 602(b) allocation:					
Budget authority	246,988	.....	.....	197	247,185
Outlays	244,232	7	.....	197	244,436
President's request:					
Budget authority	243,698	27	.....	197	243,922
Outlays	243,409	31	.....	197	243,637
House-passed bill:					
Budget authority	.....	.....	.....	.....	.....
Outlays	.....	.....	.....	.....	.....
SENATE-REPORTED BILL COMPARED TO:					
Senate 602(b) allocation:					
Budget authority	(7)	.....	.....	.....	(7)
Outlays	(30)	.....	.....	.....	(30)
President's request:					
Budget authority	3,283	(27)	.....	.....	3,256
Outlays	793	(24)	.....	.....	769
House-passed bill:					
Budget authority	246,981	.....	.....	197	247,178
Outlays	244,202	7	.....	197	244,406

Note: Details may not add to totals due to rounding. Totals adjusted for consistency with current scorekeeping conventions.

Mr. DOMENICI. I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

PILOT PROGRAM TAGGING HYDROCARBON FUELS

Mrs. HUTCHISON. Mr. President, I would like to take a moment to enter a colloquy with the distinguished chairman of the Appropriations Committee, Senator STEVENS. As the chairman knows, title III, subtitle C, section 339 of the recently adopted Defense authorization bill provides for the Secretary of Defense to conduct a pilot program to determine if hydrocarbon fuels used by the Department of Defense can be tagged for analysis and identification. Mr. President, $5 million was authorized to conduct this program.

Mr. STEVENS. My distinguished colleague from Texas, Senator HUTCHISON, who ably serves on the Defense Appropriations Subcommittee, is correct.

Mrs. HUTCHISON. It is anticipated that this program will deter theft, aid in the investigation of fuel theft, and facilitate determining the source of surface and underground pollution in locations where the Department and civilian companies maintain separate fuel storage facilities.

Mr. STEVENS. The Senator is correct in her description of this program as approved by the authorizing committee and the full Senate.

Mrs. HUTCHISON. It is my understanding that this pilot program could also be funded through title IV of the pending bill, research, development, test, and evaluation, particularly the Defense-wide funding provisions.

Mr. STEVENS. Again, the Senator is correct on the likely source of funding for this pilot program.

Mrs. HUTCHISON. Mr. President, I look forward to learning the results of this pilot program and thank my distinguished chairman for his able assistance. I yield the floor.

VOTE ON AMENDMENT NO. 848

Mr. STEVENS. Mr. President, I ask unanimous consent that the Chair place before the Senate the Harkin amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The pending question is the Harkin amendment No. 848. It is not necessary for the clerk to report the amendment.

Mr. STEVENS. I ask for the rollcall vote that was agreed to last evening take place now.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 848. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Montana [Mr. BURNS] and the Senator from Rhode Island [Mr. CHAFEE] are necessarily absent.

The PRESIDING OFFICER (Mr. SESSIONS). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 15, nays 83, as follows:

[Rollcall Vote No. 175 Leg.]

YEAS—15

Boxer	Feingold	Moynihan
Bumpers	Glenn	Thompson
Byrd	Grassley	Torricelli
Dorgan	Harkin	Wellstone
Durbin	Kohl	Wyden

NAYS—83

Abraham	Ford	Lugar
Akaka	Frist	Mack
Allard	Gorton	McCain
Ashcroft	Graham	McConnell
Baucus	Gramm	Mikulski
Bennett	Grams	Moseley-Braun
Biden	Gregg	Murkowski
Bingaman	Hagel	Murray
Bond	Hatch	Nickles
Breaux	Helms	Reed
Brownback	Hollings	Reid
Bryan	Hutchinson	Robb
Campbell	Hutchison	Roberts
Cleland	Inhofe	Rockefeller
Coats	Inouye	Roth
Cochran	Jeffords	Santorum
Collins	Johnson	Sarbanes
Conrad	Kempthorne	Sessions
Coverdell	Kennedy	Shelby
Craig	Kerrey	Smith (NH)
D'Amato	Kerry	Smith (OR)
Daschle	Kyl	Snowe
DeWine	Landrieu	Specter
Dodd	Lautenberg	Stevens
Domenici	Leahy	Thomas
Enzi	Levin	Thurmond
Faircloth	Lieberman	Warner
Feinstein	Lott	

NOT VOTING—2

Burns	Chafee

The amendment (No. 848) was rejected.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I ask unanimous consent that we continue for another 5 minutes on a matter of total agreement here and that we then have a vote on final passage on this bill at 2:15.

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

AMENDMENT NO. 857

(Purpose: To limit the use of funds to transfer more than 10 electro-magnetic test environment systems from Eglin Air Force Base, FL)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS], for Mr. GRAHAM, for himself and Mr. MACK, proposes an amendment numbered 857.

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

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

The amendment is as follows:

At the end of title VIII, add the following:

SEC. 8099. (a) Congress finds that the Defense Base Closure and Realignment Commission directed the transfer of only 10 electro-magnetic test environment systems from Elgin Air Force Base, Florida, to Nellis Air Force Base, Nevada.

Mr. STEVENS. Mr. President, this amendment also has the cosponsorship of Senator MACK. It has our approval.

Mr. INOUYE. We have no objection.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 857) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 856, AS MODIFIED

Mr. STEVENS. Mr. President, I send a modification of amendment No. 856 to the desk.

This is a modification of an amendment by Senator FEINSTEIN that was previously adopted, and that action was rescinded.

The PRESIDING OFFICER. Amendment No. 856 is so modified.

The amendment (No. 856), as modified, is as follows:

At the appropriate place, insert:

''It is the Sense of Congress that should the Senate ratify NATO enlargement, that the proportional cost of the U.S. share of the NATO common budget should not increase, and that if any NATO Member does not pay its share, the United States shall not either.''

The PRESIDING OFFICER. Is there further debate?

Mr. STEVENS. The amendment now has our approval. It is a sense-of-the-Senate amendment concerning payment of NATO costs.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 856), as modified, was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 858

(Purpose: To express the sense of the Senate regarding DOD printing costs)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS], for Mr. BUMPERS, proposes an amendment numbered 858.

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

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

The amendment is as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . FINDINGS.

(a) the Department of Defense budget is insufficient to fulfill all the requirements on the unfunded priorities lists of the military services and defense agencies;

(b) the documented printing expenses of the Department of Defense amount to several hundred million dollars per year, and a similar amount of undocumented printing expenses may be included in external defense contracts;

(c) printing in two or more colors generally increases costs;

(d) the Joint Committee on Printing of the Congress of the United States has established regulations intended to protect taxpayers from extravagant government printing expenses;

(e) the Government Printing and Binding Regulations published by the Joint Committee on Printing direct that, ''... it is the responsibility of the head of any department, independent office or establishment of the Government to assure that all multicolor printing shall contribute demonstrable value toward achieving a greater fulfillment of the ultimate end-purpose of whatever printed item in which it is included.''

(f) the Department of Defense publishes a large number of brochures, calendars, and other products in which the use of multicolor printing does not appear to meet the demonstrably valuable contribution requirement of the Joint Committee on Printing, but instead appears to be used primarily for decorative effect; and

(g) the Department of Defense could save resources for higher priority needs by reducing printing expenses:

Therefore, it is the sense of the Senate that:

(1) the Secretary of Defense should ensure that the printing costs of the Department of Defense and military services are the lowest amount possible;

(2) the Department of Defense should strictly comply with the Printing and Binding Regulations published by the Joint Committee on Printing of the Congress of the United States.

(3) that the Department of Defense budget submission for FY 1999 should reflect the savings that will result from the stricter printing guidelines in (1) and (2).

The PRESIDING OFFICER. Is there further debate on the Bumpers amendment?

If not, without objection, the amendment is agreed to.

The amendment (No. 858) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, it is my understanding that all of the amendments that were ordered to be called up, or had the right to be called up under order 108 entered into last night have now been disposed of. Is that the opinion of the Chair?

The PRESIDING OFFICER. It appears that the amendments on that list have been offered.

Mr. STEVENS. I know of no further amendments.

UNITED STATES MILITARY PRESENCE IN BERMUDA

Mr. DODD. Mr. President, last week I had worked out an amendment with the managers of the national defense authorization bill that provided for the Secretary of Defense to study and report on the status of environmental problems in Bermuda associated with the United States military presence on that island for more than 50 years. Senator INHOFE, the subcommittee chairman was particularly helpful in working with me.

Inadvertently that amendment was not included in the managers en bloc amendment package on Friday afternoon. However, I am very grateful to the chairman and ranking member of the Arms Services Committee that, by unanimous consent, they have agreed to include this amendment in the authorization bill.

Mr. President, for more than 50 years, United States military personnel were deployed to bases on the Island of Bermuda. In fact, United States bases occupied approximately one-tenth of Bermuda's land area. The 1941 Leased Bases Agreement formalized the conditions under which the United States military remained in Bermuda until 1995. The United States was not charged a penny in rent for its use of these properties during all of that period.

I know that the distinguished ranking member of the Defense Appropriations Subcommittee, Mr. INOUYE, is fully aware of the questions that have been raised related to the United States military presence in Bermuda. I would ask him whether he believes that this is something that the Secretary of Defense should look into?

Mr. INOUYE. Mr. President, I say to my distinguished colleague from Connecticut that I am aware of matters related to the bases in Bermuda. I know, for example, that the bases in Bermuda very effectively contributed to United States. national security during World War II and throughout the cold war. I am also aware that with changed world circumstances, it became clear during the 1990's, that it was no longer necessary for the U.S. military to continue to maintain bases there. And, on September 1, 1995, U.S. military forces formally withdrew from the island.

Certainly it seems very logicial for the Secretary of Defense to be asked to look into matters related to our presence there.

Mr. DODD. Mr President, I know that my distinguished colleague from Hawaii knows well that Bermuda is actually a tiny group of islands, 21 square miles in land area. Its environmental situation is unique in many respects—land is obviously scarce, fresh water resources are very limited, and storage capacity for hazardous waste disposal doesn't exist. It is also one of the most northerly coral reef areas, making the marine environment surrounding the island extremely fragile as well.

Mr. President, I call to the attention of my distinguished colleague from Hawaii that it would appear that the formerly United States occupied properties that have now reverted back to Bermudian authorities could pose a number of problems for that Government—problems that they are now seeking our help in ameliorating. These problems include soil and ground water pollution and asbestos hazards contained in now deserted U.S. military installations on the bases.

For example, most of the buildings on the bases will require demolition, if this property is to be useable again. That means that the hazardous asbestos must also be removed and appropriately stored. In addition, industrial wastes and raw sewage that were disposed of in Bassett's Cave over time will pose a threat to parts of the island's water system unless they are removed. Underground and above-ground petroleum storage tanks—many in poor condition—are leaking into surrounding soils and ground water. Left behind landfills are also causing environmental problems.

Mr. INOUYE. Mr. President, I say to my colleague from Connecticut that I believe that President Clinton, Vice President GORE, and others in this administration care deeply about environmental issues. Clearly the United States cannot resolve every environmental problem that exists in every part of the globe. However, under the circumstances, given the special relationship between the United States and Bermuda, it is particularly appropriate for the Secretary of Defense to study this problem and report back to the relevant committees. I will look forward to reading that report.

Mr. DODD. Mr. President, I thank my colleague from Hawaii for his interest in this matter. I too look forward to being kept informed about progress on this issue.

QDR IMPLEMENTATION

Mr. BENNETT. The Quadrennial Defense Review [QDR] outlined a direction for the Air Force to consolidate force structure and reduce manpower. Included in the QDR is a proposal to transfer one active duty fighter wing to the reserve forces. General Fogleman recently informed me that the Air Force was specifically exploring a number of options to accomplish this directive.

Because of the changes that may occur as the Department of Defense downsizes, I would expect the Air Force to alert Congress as important decisions are made, and will outline the rationale behind their conclusions. Is it the chairman's expectation that this will be the case?

Mr. STEVENS. The Senator raises a good point. I would expect the Air Force to inform Congress of major decisions, such as the one to which the Senator was referring. I would also expect the Air Force to be able to outline sound reasons for their actions.

Mr. BENNETT. Mr. Chairman, as the Air Force determines where fighter units will be located, these decisions will inevitably impact how our test and training ranges are utilized. Consequently, I believe it would also be reasonable for the Air Force to outline how changes in force structure will impact the use of test and training ranges.

Mr. STEVENS. I believe this is a reasonable request, and I expect the Air Force to outline impacts of test and training range utilization as a result of changes in force structure to the Congress.

DEPARTMENT OF DEFENSE LEGACY PROGRAM

Mr. LEAHY. Mr. President, Members of the Senate may have read in the papers a few weeks ago about the discovery of a Revolutionary War gunboat found in the waters of Lake Champlain, bordering my home State of Vermont. There, perfectly preserved in the cold, fresh, dark water, lying upright on the bottom, is a 54-foot gunboat, its mast still standing and its bow cannon in place.

This gunboat is one of eight led by Benedict Arnold against the British in the Battle of Valcour Island on October 11, 1776. Only four vessels survived the battle, but the British were forced to delay their invasion from Canada for an extra year, giving the Americans critical time to prepare defenses.

Mr. President, this historic find led the former curator of naval history at the Smithsonian's American History Museum, Mr. Philip Lundeberg, to say, ''This could prove to be the most significant maritime discovery in American history in the last half century.''

The exact location of the ship is a secret, and it will not be touched until maritime archeologists, working with the Navy and local authorities, develop a comprehensive management plan to preserve and protect this amazing discovery. The ship may be left as an underwater museum, or it may be feasible to raise and preserve it. We will not know until the management plan is completed.

In the bill before the Senate today, the Appropriations Committee funded a modest program called Legacy, which coordinates cultural resource management efforts among the four military services. I ask my friend from Alaska, will the Senator support my effort in conference with the other body to designate a small amount of Legacy funding to develop the management plan that will preserve and protect this important historical find?

Mr. STEVENS. This discovery is one of the great military history finds in memory, and I believe that we have an obligation to ensure that this ship is properly preserved. This type of discovery is why the committee created the Legacy Program in 1991, under the leadership of the senior Senator from Hawaii. I strongly support the proposal of the Senator from Vermont, and I am hopeful that his view will prevail in conference.

Mr. LEAHY. I thank the Senator for his consideration.

OPERATION AND MAINTENANCE ACCOUNT

Mr. SARBANES. Mr. President, I would like to engage the distinguished manager of this bill, Senator STEVENS, in a colloquy concerning the funding of the operation and maintenance account for the Department of the Army.

For some time, I have been concerned about the deteriorating conditions of the historic buildings at the Walter Reed Army Medical Center Annex at Forest Glen, MD. In response to my amendment to the National Defense Authorization Act last year, the Department of the Army recently submitted a Comprehensive Plan for the Basic Repair and Stabilization for the Historic District of the Forest Glen Annex. This plan identified the need for $9.8 million in fiscal 1998 to take care of the critical needs for stabilization of the historic buildings at the Forest Glen Annex.

I want to inquire whether there is sufficient funding within the Army's real property maintenance account to implement this plan.

Mr. STEVENS. Yes, the committee has provided additional funding in the amount of $87.5 million to address the funding shortfall in the Army's real property mainenance account. Recognizing that the Army has prioritized its real property maintenance shortfalls, I am confident that the Department will work with you to address your concerns regarding the Annex.

Mr. SARBANES. I thank the Senator.

Mr. BYRD. Mr. President, I support the recommendations of the defense subcommittee for the Department of Defense Appropriations measure for FY 1998. The $247.2 billion recommended for the programs under the jurisdiction of the Defense Subcommittee is within the subcommittee's allocation in both budget authority and outlays, and is $1.2 billion below the amount authorized by the Senate for these programs in the Authorization bill which was overwhelmingly approved by the Senate last week. The recommendations have been unanimously supported by all members of the Defense Subcommittee, an event which is noteworthy, and is a reflection on the judgment, experience and abilities of the distinguished leadership of the subcommittee, my friend, the Chairman, the Senator from Alaska, Mr. STEVENS, and the senior Senator from Hawaii, the distinguished ranking member, Mr. INOUYE.

The bill is noteworthy for the consensus that underlies it, and the Senate is fortunate to have these two senior Senators, with vast experience in defense matters, at the helm of our post-war defense spending. Central elements of American leadership in the post-cold-war world are the readiness, capabilities and further development of our military forces, present in all major regions of the world, exercising leadership in Europe, the Middle East, and the Pacific. While the agenda for American leadership will change, and is changing, we have witnessed, several times in this century, the risk that abdicating such a leadership role can entail. The need for such leadership is a jointly held responsibility of the Administration and the Congress. It is clear that America is not retrenching radically from its commitments and its far-flung presence as a result of the end of the cold war, in some historical variance with the practice of our nation in times of peace in the past.

Mr. President, the quality of life and the need to attract excellent, motivated people for the armed forces is a critical ingredient of our long-term success in carrying out our commitments. I note that the Subcommittee has produced recommendations with a top priority of fully supporting our men and women in uniform, including funding for a 2.8 percent pay raise for military personnel.

Mr. President, this is a good bill, worthy of the strong support of the Senate. It is the product of a truly bipartisan process, and comes with the unanimous support of the members of the Appropriations Committee. I commend the leadership of that Committee, and the capable staff of Chairman STEVENS and Senator INOUYE in putting this bill together.

ALLOWABILITY OF ESOP COSTS

Mr. SPECTER. Mr. President, I would like to engage the distinguished Senator from Alaska in a brief colloquy, not just in his capacity as floor manager of the fiscal year 1998 Defense appropriations bill, but also as a leading proponent of the legislation that created employee stock ownership plans [ESOP's].

Mr. President, the Defense Contract Audit Agency [DCAA] is threatening the viability of ESOP defense contractors by applying different determinations of ESOP costs than the Internal Revenue Service and the Department of Labor. It is my understanding that Congress intended that ESOP cost issues be governed by the tax and pension laws and regulations administered by those offices, not DCAA. If this matter is not resolved when the defense appropriations conference committee meets, would the distinguished chairman be willing to try to assist in resolving it at that point?

Mr. STEVENS. Mr. President, I thank the distinguished Senator from Pennsylvania for recalling that I was an original sponsor of the legislation that encouraged companies to become employee-owned by establishing ESOP's. I will certainly try to do what I can to help solve the situation the Senator has described.

RESEARCH AND DEVELOPMENT

Mr. SPECTER. Mr. President, I have sought recognition for the purpose of engaging my good friend, the distinguished chairman of the Defense Appropriations Subcommittee and the distinguished ranking minority member, in a colloquy regarding support for evolving telemedicine technologies, research and development on an advanced double hull ship design and research and development of the helicopter vectored trust ducted propeller.

Mr. President, we all recognize the need to continue efforts to develop telemedicine services for our Armed Forces. I note in particular, efforts by institutions in the Northeast to design a telemedicine trauma/emergency medical services system to provide necessary diagnostic and treatment interventions and improve medical outcomes.

Advanced research and development for the Navy is vital to ensure force readiness and capability for our Navy well into the future. The Navy is currently facing a technical challenge in design and manufacture of very large and complex structural systems that have historically been made of traditional steel materials but are now incorporating the use of more advanced materials like non-magnetic steels. Currently, there is no comprehensive initiative in the Navy to develop the most promising application of these new materials—a nonmagnetic, stainless steel advanced double hull warship design. The marriage of the advanced double hull concept with nonmagnetic steels offers the potential to reduce acquisition costs and improve survivability. I support a development program for the stainless steel advanced double hull concept that combines numerical analysis techniques with large-scale representative testing.

Mr. President, in another area of military research and development, I point out the survivability and cost-effectiveness benefits from use of vectored ducted propeller helicopter technology. Research and development of this design will ensure that our Armed Forces are prepared for the next century. I look forward to working with my two colleagues during conference to address these programs.

Mr. STEVENS. Mr. President, I thank the distinguished Senator from Pennsylvania. These are three very important and valuable programs for the readiness and capability of our Armed Forces. I have long been a supporter of telemedicine initiatives and its application to military objectives. In addition, I recognize the need to continue research and development of advanced technology for hull and aircraft design. I believe these programs deserve a thorough review and look forward to working with the Senator from Pennsylvania in conference.

Mr. INOUYE. Mr. President, I also thank the distinguished Senator from Pennsylvania. Telemedicine, particularly those initiatives focused on emergency and trauma care are essential for the highest quality medical care for our troops. I too look forward to working with the Senator from Pennsylvania in conference.

PERSIAN GULF WAR ILLNESSES AMENDMENT

Mr. DODD. Mr. President, I rise to commend my colleagues, Senator STEVENS and Senator INOUYE, for their work on this appropriations bill and the bipartisan spirit in which it was crafted.

I wish to speak for a moment on the amendment I offered on Persian Gulf war illnesses that was accepted by the chairman and ranking member.

The amendment will provide $4.5 million for the Department of Defense and the Veterans Administration to determine what treatments are working for those who are afflicted with Persian Gulf war illnesses.

The reasonableness and necessity for action along these lines seem so obvious that many of my colleagues probably find it difficult to believe that such action has not already been taken. To allay their doubts, let me quote directly from a GAO report released just last month: ''There is an absence of efforts to measure Gulf War veterans clinical progress. This leaves the government unable to promptly determine the quality and effectiveness of treatments currently being provided to Gulf War veterans.''

That's not an angry Senator making unsupported allegations. That's the objective, nonpartisan view of the General Accounting Office.

Mr. President, at this point, it seems to me that we've left our ailing troops on the battlefield. Here we are, 6 years after the end of the Persian Gulf war and it takes an act of Congress to begin an effective examination of which treatments are most effective in caring for our veterans with Persian Gulf war illnesses.

While I am heartened by the fact that we're offering examinations to those who served in the Persian Gulf War, I feel it's important to take the next step to determine what happens after that initial examination. Often I hear stories of families being forced to look outside the government agencies to get the care and compensation their Persian Gulf war veterans deserve.

So those are the reasons that I offered the amendments to the Defense authorization bill and the Defense appropriations bill. Mr. President, nearly 700,000 men and women served in our Armed Forces in the Persian Gulf war. Five thousand of them were constituents of mine. Depending on what reports you read, as many as 10 percent of those who served are today ailing from some form or another of these Persian Gulf war illnesses. That's far too many to be left out on the battlefield. One ailing veteran forgotten by this country is too many. I expect to see some progress now on finding and employing effective treatments for those with Persian Gulf war illnesses.

Let me again express my gratitude to the Senator from Alaska and the Senator from Hawaii for approving of this funding and accepting the amendment. I'm sure they feel equally compelled by the issues raised here.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time.

Mr. STEVENS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The rollcall vote will occur at 2:15.

RECESS

Mr. STEVENS. Mr. President, I now ask that we recess under the previous order.

Thereupon, the Senate, at 12:36 p.m., recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. COATS].

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1998

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The question occurs on final passage of S. 1005, the Defense appropriations bill. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Montana [Mr. BURNS] and the Senator from Rhode Island [Mr. CHAFEE] are necessarily absent.

The result was announced—yeas 94, nays 4, as follows:

[Rollcall Vote No. 176 Leg.]

YEAS—94

Abraham	Durbin	Lautenberg
Akaka	Enzi	Leahy
Allard	Faircloth	Levin
Ashcroft	Feinstein	Lieberman
Baucus	Ford	Lott
Bennett	Frist	Lugar
Biden	Glenn	Mack
Bingaman	Gorton	McCain
Bond	Graham	McConnell
Boxer	Gramm	Mikulski
Breaux	Grams	Moseley-Braun
Brownback	Grassley	Moynihan
Bryan	Gregg	Murkowski
Bumpers	Hagel	Murray
Byrd	Hatch	Nickles
Campbell	Helms	Reed
Cleland	Hollings	Reid
Coats	Hutchinson	Robb
Cochran	Hutchison	Roberts
Collins	Inhofe	Rockefeller
Conrad	Inouye	Roth
Coverdell	Jeffords	Santorum
Craig	Johnson	Sarbanes
D'Amato	Kempthorne	Sessions
Daschle	Kennedy	Shelby
DeWine	Kerrey	Smith (NH)
Dodd	Kerry	Smith (OR)
Domenici	Kyl	Snowe
Dorgan	Landrieu	Specter
Stevens	Thurmond	Wyden
Thomas	Torricelli	
Thompson	Warner	

NAYS—4

Feingold	Kohl
Harkin	Wellstone

NOT VOTING—2

Burns	Chafee

The bill (S. 1005), as amended, was passed, as follows:

S. 1005

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1998, for military functions administered by the Department of Defense, and for other purposes, namely:

TITLE I

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Army on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; $20,426,457,000.

MILITARY PERSONNEL, NAVY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Navy on active duty (except members of the Reserve provided for elsewhere), midshipmen, and aviation cadets; and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; $16,508,218,000.

MILITARY PERSONNEL, MARINE CORPS

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Marine Corps on active duty (except members of the Reserve provided for elsewhere); and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; $6,148,899,000.

MILITARY PERSONNEL, AIR FORCE

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Air Force on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to

the Department of Defense Military Retirement Fund; $17,206,056,000.

RESERVE PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army Reserve on active duty under sections 10211, 10302, and 3038 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $2,037,046,000.

RESERVE PERSONNEL, NAVY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Navy Reserve on active duty under section 10211 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $1,374,901,000.

RESERVE PERSONNEL, MARINE CORPS

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Marine Corps Reserve on active duty under section 10211 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Marine Corps platoon leaders class, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $384,770,000.

RESERVE PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air Force Reserve on active duty under sections 10211, 10305, and 8038 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Air Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $815,745,000.

NATIONAL GUARD PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army National Guard while on duty under section 10211, 10302, or 12402 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 12301(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $3,446,867,000.

NATIONAL GUARD PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air National Guard on duty under section 10211, 10305, or 12402 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 12301(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $1,334,712,000.

TITLE II

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, as authorized by law; and not to exceed $11,437,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army, and payments may be made on his certificate of necessity for confidential military purposes, as follows:

Budget Activity 1, Operating Forces, $8,394,122,000;

Budget Activity 2, Mobilization, $566,444,000;

Budget Activity 3, Training and Recruiting, $3,280,148,000; and

Budget Activity 4, Administration and Servicewide Activities, $5,029,759,000:

Provided, That a reduction of $357,000,000 shall be made to the total of these budget activities; in all; $16,913,473,000 and, in addition, $50,000,000 shall be derived by transfer from the National Defense Stockpile Transaction Fund.

OPERATION AND MAINTENANCE, NAVY

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, as authorized by law; and not to exceed $5,500,000, can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Navy, and payments may be made on his certificate of necessity for confidential military purposes, as follows:

Budget Activity 1, Operating Forces, $15,345,257,000, of which not less than $2,040,690,000 shall be obligated for ship depot maintenance;

Budget Activity 2, Mobilization, $1,226,985,000;

Budget Activity 3, Training and Recruiting, $1,681,931,000; and

Budget Activity 4, Administration and Servicewide Activities, $3,568,246,000:

Provided, That a reduction of $246,000,000 shall be made to the total of these budget activities; in all; $21,576,419,000 and, in addition, $50,000,000 shall be derived by transfer from the National Defense Stockpile Transaction Fund.

OPERATION AND MAINTENANCE, MARINE CORPS

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Marine Corps, as authorized by law, as follows:

Budget Activity 1, Operating Forces, $1,670,747,000;

Budget Activity 3, Training and Recruiting, $388,282,000; and

Budget Activity 4, Administration and Servicewide Activities, $278,506,000:

Provided, That a reduction of $9,000,000 shall be made to the total of these budget activities; in all; $2,328,535,000.

OPERATION AND MAINTENANCE, AIR FORCE

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Air Force, as authorized by law; and not to exceed $8,362,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Air Force, and payments may be made on her certificate of necessity for confidential military purposes, as follows:

Budget Activity 1, Operating Forces, $9,877,438,000;

Budget Activity 2, Mobilization, $3,122,848,000;

Budget Activity 3, Training and Recruiting, $1,613,047,000; and

Budget Activity 4, Administration and Servicewide Activities, $4,210,052,000:

Provided, That a reduction of $231,000,000 shall be made to the total of these budget activities; in all; $18,592,385,000 and, in addition, $50,000,000 shall be derived by transfer from the National Defense Stockpile Transaction Fund.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of activities and agencies of the Department of Defense (other than the military departments), as authorized by law; and not to exceed $28,850,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of Defense, and payments may be made on his certificate of necessity for confidential military purposes, as follows:

Budget Activity 1, Operating Forces, $454,007,000, of which not to exceed $25,000,000 may be available for the CINC initiative fund account;

Budget Activity 2, Mobilization, $27,260,000;

Budget Activity 3, Training and Recruiting, $159,155,000;

Budget Activity 4, Administration and Servicewide Activities, $8,716,689,000; and

Budget Activity 5, Special Operations, $1,123,527,000:

Provided, That a reduction of $81,000,000 shall be made to the total of these budget activities; in all; $10,399,638,000.

OPERATION AND MAINTENANCE, ARMY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Army Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $1,212,891,000.

OPERATION AND MAINTENANCE, NAVY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Navy Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $834,211,000.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and

administration, of the Marine Corps Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $110,366,000.

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Air Force Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $1,631,200,000.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

For expenses of training, organizing, and administering the Army National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, and repairs to structures and facilities; hire of passenger motor vehicles; personnel services in the National Guard Bureau; travel expenses (other than mileage), as authorized by law for Army personnel on active duty, for Army National Guard division, regimental, and battalion commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau; supplying and equipping the Army National Guard as authorized by law; and expenses of repair, modification, maintenance, and issue of supplies and equipment (including aircraft); $2,449,932,000: *Provided,* That not later than March 15, 1998, the Director of the Army National Guard shall provide a report to the congressional defense committees identifying the allocation, by installation and activity, of all base operations funds appropriated under this heading.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

For operation and maintenance of the Air National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, repair, and other necessary expenses of facilities for the training and administration of the Air National Guard, including repair of facilities, maintenance, operation, and modification of aircraft; transportation of things, hire of passenger motor vehicles; supplies, materials, and equipment, as authorized by law for the Air National Guard; and expenses incident to the maintenance and use of supplies, materials, and equipment, including such as may be furnished from stocks under the control of agencies of the Department of Defense; travel expenses (other than mileage) on the same basis as authorized by law for Air National Guard personnel on active Federal duty, for Air National Guard commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau; $3,010,282,000.

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

(INCLUDING TRANSFER OF FUNDS)

For expenses directly relating to Overseas Contingency Operations by United States military forces; $1,889,000,000: *Provided,* That the Secretary of Defense may transfer these funds only to operation and maintenance accounts within this title: *Provided further,* That the funds transferred shall be merged with and shall be available for the same purposes and for the same time period, as the appropriation to which transferred: *Provided further,* That the transfer authority provided in this paragraph is in addition to any other transfer authority contained elsewhere in this Act.

UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES

For salaries and expenses necessary for the United States Court of Appeals for the Armed Forces; $6,952,000, of which not to exceed $2,500 can be used for official representation purposes.

ENVIRONMENTAL RESTORATION, ARMY

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Army, $375,337,000, to remain available until transferred: *Provided,* That the Secretary of the Army shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Army, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Army, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: *Provided further,* That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: *Provided further,* That not more than twenty-five per centum of funds provided under this heading may be obligated for environmental remediation by the Corps of Engineers under total environmental remediation contracts.

ENVIRONMENTAL RESTORATION, NAVY

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Navy, $275,500,000, to remain available until transferred: *Provided,* That the Secretary of the Navy shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Navy, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Navy, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: *Provided further,* That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

ENVIRONMENTAL RESTORATION, AIR FORCE

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Air Force, $376,900,000, to remain available until transferred: *Provided,* That the Secretary of the Air Force shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Air Force, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Air Force, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: *Provided further,* That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

ENVIRONMENTAL RESTORATION, DEFENSE-WIDE

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Defense, $26,900,000, to remain available until transferred: *Provided,* That the Secretary of Defense shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of Defense, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of Defense, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: *Provided further,* That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

ENVIRONMENTAL RESTORATION, FORMERLY USED DEFENSE SITES

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Army, $242,300,000, to remain available until transferred: *Provided,* That the Secretary of the Army shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris at sites formerly used by the Department of Defense, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Army, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: *Provided further,* That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

For expenses relating to the Overseas Humanitarian, Disaster, and Civic Aid programs of the Department of Defense (consisting of the programs provided under sections 401, 402, 404, 2547, and 2551 of title 10, United States Code); $40,130,000, to remain available until September 30, 1999.

FORMER SOVIET UNION THREAT REDUCTION

For assistance to the republics of the former Soviet Union, including assistance provided by contract or by grants, for facilitating the elimination and the safe and secure transportation and storage of nuclear, chemical and other weapons; for establishing programs to prevent the proliferation of weapons, weapons components, and weapon-related technology and expertise; for programs relating to the training and support of defense and military personnel for demilitarization and protection of weapons, weapons components and weapons technology and expertise; $382,200,000, to remain available until expended: *Provided,* That of the amounts provided under this heading, $35,000,000 shall be available only to support the dismantling and disposal of nuclear submarines and submarine reactor components in the Russian Far East.

QUALITY OF LIFE ENHANCEMENTS, DEFENSE

For expenses, not otherwise provided for, resulting from unfunded shortfalls in the repair and maintenance of real property of the Department of Defense (including military housing and barracks); $100,000,000, for the maintenance of real property of the Department of Defense (including minor construction and major maintenance and repair), which shall remain available for obligation until September 30, 1998, as follows:

Army, $100,000,000.

TITLE III

PROCUREMENT

AIRCRAFT PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $1,356,959,000, to remain available for obligation until September 30, 2000.

MISSILE PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of missiles, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $1,173,081,000, to remain available for obligation until September 30, 2000.

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

For construction, procurement, production, and modification of weapons and tracked combat vehicles, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $1,156,506,000, to remain available for obligation until September 30, 2000.

PROCUREMENT OF AMMUNITION, ARMY

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854, title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $1,042,602,000, to remain available for obligation until September 30, 2000.

OTHER PROCUREMENT, ARMY

For construction, procurement, production, and modification of vehicles, including tactical, support, and non-tracked combat vehicles; communications and electronic equipment; other support equipment; spare parts, ordnance, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $2,783,735,000, to remain available for obligation until September 30, 2000: *Provided,* That of the amount appropriated under this heading, $15,708,000 is available for the Information System Security Program, of which $5,500,000 is available for procurement of Airterm KY–100 devices.

AIRCRAFT PROCUREMENT, NAVY

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; $6,312,937,000, to remain available for obligation until September 30, 2000.

WEAPONS PROCUREMENT, NAVY

For construction, procurement, production, modification, and modernization of missiles, torpedoes, other weapons, and related support equipment including spare parts, and accessories therefor; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; $1,138,393,000, to remain available for obligation until September 30, 2000.

PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854, title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $344,797,000, to remain available for obligation until September 30, 2000.

SHIPBUILDING AND CONVERSION, NAVY

For expenses necessary for the construction, acquisition, or conversion of vessels as authorized by law, including armor and armament thereof, plant equipment, appliances, and machine tools and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; procurement of critical, long leadtime components and designs for vessels to be constructed or converted in the future; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title, as follows:

For continuation of the SSN–21 attack submarine program, $153,440,000;

NSSN, $2,314,903,000;

NSSN (AP), $284,859,000;

CVN–77 (AP), $345,000,000;

CVN Refuelings, $1,615,003,000;

CVN Refuelings (AP), $92,855,000;

DDG–51 destroyer program, $3,385,767,000;

DDG–51 destroyer program (AP), $157,806,000;

Oceanographic ship program, $73,000,000;

LCAC landing craft air cushion program, $17,300,000; and

For craft, outfitting, post delivery, conversions, and first destination transportation, $83,177,000.

In all: $8,510,458,000, to remain available for obligation until September 30, 2004: *Provided,* That additional obligations may be incurred after September 30, 2004, for engineering services, tests, evaluations, and other such budgeted work that must be performed in the final stage of ship construction.

None of the funds provided under this heading for the construction or conversion of any naval vessel to be constructed in shipyards in the United States shall be expended in foreign facilities for the construction of major components of such vessel: *Provided,* That none of the funds provided under this heading shall be used for the construction of any naval vessel in foreign shipyards.

OTHER PROCUREMENT, NAVY

For procurement, production, and modernization of support equipment and materials not otherwise provided for, Navy ordnance (except ordnance for new aircraft, new ships, and ships authorized for conversion); the purchase of not to exceed 194 passenger motor vehicles for replacement only; and the purchase of one vehicle required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed $232,340 per vehicle; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; $2,832,800,000, to remain available for obligation until September 30, 2000.

PROCUREMENT, MARINE CORPS

For expenses necessary for the procurement, manufacture, and modification of missiles, armament, military equipment, spare parts, and accessories therefor; plant equipment, appliances, and machine tools, and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; vehicles for the Marine Corps, including the purchase of not to exceed 40 passenger motor vehicles for replacement only; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; $440,106,000, to remain available for obligation until September 30, 2000.

AIRCRAFT PROCUREMENT, AIR FORCE

For construction, procurement, and modification of aircraft and equipment, including armor and armament, specialized ground handling equipment, and training devices, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands

and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things; $6,390,847,000 to remain available for obligation until September 30, 2000.

MISSILE PROCUREMENT, AIR FORCE

For construction, procurement, and modification of missiles, spacecraft, rockets, and related equipment, including spare parts and accessories therefor, ground handling equipment, and training devices; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things; $2,411,741,000, to remain available for obligation until September 30, 2000.

PROCUREMENT OF AMMUNITION, AIR FORCE

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854, title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $400,984,000, to remain available for obligation until September 30, 2000.

OTHER PROCUREMENT, AIR FORCE

For procurement and modification of equipment (including ground guidance and electronic control equipment, and ground electronic and communication equipment), and supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of not to exceed 196 passenger motor vehicles for replacement only; the purchase of one vehicle required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed $232,340 per vehicle; and expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon, prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; $6,653,053,000, to remain available for obligation until September 30, 2000.

PROCUREMENT, DEFENSE-WIDE

For expenses of activities and agencies of the Department of Defense (other than the military departments) necessary for procurement, production, and modification of equipment, supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of not to exceed 381 passenger motor vehicles for replacement only; expansion of public and private plants, equipment, and installation thereof in such plants, erection of structures, and acquisition of land for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; $1,753,285,000, to remain available for obligation until September 30, 2000.

NATIONAL GUARD AND RESERVE EQUIPMENT

For procurement of aircraft, missiles, tracked combat vehicles, ammunition, other weapons, and other procurement for the reserve components of the Armed Forces; $653,000,000, to remain available for obligation until September 30, 2000: *Provided*, That the Chiefs of the Reserve and National Guard components shall, not later than 30 days after the enactment of this Act, individually submit to the congressional defense committees the modernization priority assessment for their respective Reserve or National Guard component.

TITLE IV

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment; $4,984,083,000 to remain available for obligation until September 30, 1999: *Provided*, That, of the amount appropriated under this heading, $4,500,000 is available for a joint Department of Defense-Department of Veterans Affairs program of cooperative clinical trials at multiple sites to assess the effectiveness of protocols for treating Persian Gulf veterans who suffer from ill-defined or undiagnosed conditions.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment; $7,532,846,000, to remain available for obligation until September 30, 1999: *Provided*, That funds appropriated in this paragraph which are available for the V–22 may be used to meet unique requirements of the Special Operations Forces.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment; $14,127,873,000, to remain available for obligation until September 30, 1999.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE-WIDE

For expenses of activities and agencies of the Department of Defense (other than the military departments), necessary for basic and applied scientific research, development, test and evaluation; advanced research projects as may be designated and determined by the Secretary of Defense, pursuant to law; maintenance, rehabilitation, lease, and operation of facilities and equipment; $9,608,689,000, to remain available for obligation until September 30, 1999: *Provided*, That of the funds appropriated under this heading $5,000,000 shall be available for a facial recognition technology program: *Provided further*, That, $2,000,000 shall be made available only for a joint service core research project to develop a prototype hybrid integrated sensor array for chemical and biological point detection: *Provided further*, That of the funds appropriated under this heading, $6,000,000 shall be available for a conventional munitions demilitarization demonstration program.

DEVELOPMENTAL TEST AND EVALUATION, DEFENSE

For expenses, not otherwise provided for, of independent activities of the Director, Test and Evaluation in the direction and supervision of developmental test and evaluation, including performance and joint developmental testing and evaluation; and administrative expenses in connection therewith; $251,183,000, to remain available for obligation until September 30, 1999.

OPERATIONAL TEST AND EVALUATION, DEFENSE

For expenses, not otherwise provided for, necessary for the independent activities of the Director, Operational Test and Evaluation in the direction and supervision of operational test and evaluation, including initial operational test and evaluation which is conducted prior to, and in support of, production decisions; joint operational testing and evaluation; and administrative expenses in connection therewith; $31,384,000, to remain available for obligation until September 30, 1999.

TITLE V

REVOLVING AND MANAGEMENT FUNDS

DEFENSE WORKING CAPITAL FUNDS

For the Defense Working Capital Funds; $871,952,000.

NATIONAL DEFENSE SEALIFT FUND

For National Defense Sealift Fund programs, projects, and activities, and for expenses of the National Defense Reserve Fleet, as established by section 11 of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1744); $516,126,000, to remain available until expended: *Provided*, That none of the funds provided in this paragraph shall be used to award a new contract that provides for the acquisition of any of the following major components unless such components are manufactured in the United States: auxiliary equipment, including pumps, for all ship-board services; propulsion system components (that is; engines, reduction gears, and propellers); shipboard cranes; and spreaders for shipboard cranes: *Provided further*, That the exercise of an option in a contract awarded through the obligation of previously appropriated funds shall not be considered to be the award of a new contract: *Provided further*, That the Secretary of the military department responsible for such procurement may waive these restrictions on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate, that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes.

TITLE VI

OTHER DEPARTMENT OF DEFENSE PROGRAMS

DEFENSE HEALTH PROGRAM

For expenses, not otherwise provided for, for medical and health care programs of the Department of Defense, as authorized by law; $10,317,675,000, of which $10,043,607,000 shall be for Operation and maintenance, of which not to exceed one per centum shall remain available until September 30, 1999, and of which $274,068,000, to remain available for obligation until September 30, 2000, shall be for Procurement.

CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE

For expenses, not otherwise provided for, necessary for the destruction of the United States stockpile of lethal chemical agents and munitions in accordance with the provisions of section 1412 of the Department of

Defense Authorization Act, 1986 (50 U.S.C. 1521), and for the destruction of other chemical warfare materials that are not in the chemical weapon stockpile, $609,700,000, of which $467,200,000 shall be for Operation and maintenance, $73,200,000 shall be for Procurement to remain available until September 30, 2000, and $69,300,000 shall be for Research, development, test and evaluation to remain available until September 30, 1999: *Provided,* That of the funds available under this heading, $1,000,000 shall be available until expended each year only for a Johnston Atoll off-island leave program: *Provided further,* That the Secretaries concerned shall, pursuant to uniform regulations, prescribe travel and transportation allowances for travel by participants in the off-island leave program.

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

(INCLUDING TRANSFER OF FUNDS)

For drug interdiction and counter-drug activities of the Department of Defense, for transfer to appropriations available to the Department of Defense for military personnel of the reserve components serving under the provisions of title 10 and title 32, United States Code; for Operation and maintenance; for Procurement; and for Research, development, test and evaluation; $691,482,000: *Provided,* That the funds appropriated under this head shall be available for obligation for the same time period and for the same purpose as the appropriation to which transferred: *Provided further,* That the transfer authority provided in this paragraph is in addition to any transfer authority contained elsewhere in this Act.

OFFICE OF THE INSPECTOR GENERAL

For expenses and activities of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended; $135,380,000, of which $133,380,000 shall be for Operation and maintenance, of which not to exceed $500,000, is available for emergencies and extraordinary expenses to be expended on the approval or authority of the Inspector General, and payments may be made on his certificate of necessity for confidential military purposes; and of which $2,000,000, to remain available until September 30, 2000, shall be for Procurement.

TITLE VII

RELATED AGENCIES

CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM FUND

For payment to the Central Intelligence Agency Retirement and Disability System Fund, to maintain proper funding level for continuing the operation of the Central Intelligence Agency Retirement and Disability System; $196,900,000.

INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT

For necessary expenses of the Intelligence Community Management Account; $122,580,000.

PAYMENT TO KAHO'OLAWE ISLAND CONVEYANCE, REMEDIATION, AND ENVIRONMENTAL RESTORATION FUND

For payment to Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Fund, as authorized by law; $35,000,000, to remain available until expended.

NATIONAL SECURITY EDUCATION TRUST FUND

For the purposes of title VIII of Public Law 102–183, $2,000,000, to be derived from the National Security Education Trust Fund, to remain available until expended.

TITLE VIII

GENERAL PROVISIONS

SEC. 8001. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

SEC. 8002. During the current fiscal year, provisions of law prohibiting the payment of compensation to, or employment of, any person not a citizen of the United States shall not apply to personnel of the Department of Defense: *Provided,* That salary increases granted to direct and indirect hire foreign national employees of the Department of Defense funded by this Act shall not be at a rate in excess of the percentage increase authorized by law for civilian employees of the Department of Defense whose pay is computed under the provisions of section 5332 of title 5, United States Code, or at a rate in excess of the percentage increase provided by the appropriate host nation to its own employees, whichever is higher: *Provided further,* That this section shall not apply to Department of Defense foreign service national employees serving at United States diplomatic missions whose pay is set by the Department of State under the Foreign Service Act of 1980: *Provided further,* That the limitations of this provision shall not apply to foreign national employees of the Department of Defense in the Republic of Turkey.

SEC. 8003. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year, unless expressly so provided herein.

SEC. 8004. No more than 20 per centum of the appropriations in this Act which are limited for obligation during a single fiscal year shall be obligated during the last two months of such fiscal year: *Provided,* That this section shall not apply to obligations for support of active duty training of reserve components or summer camp training of the Reserve Officers' Training Corps.

(TRANSFER OF FUNDS)

SEC. 8005. Upon determination by the Secretary of Defense that such action is necessary in the national interest, he may, with the approval of the Office of Management and Budget, transfer not to exceed $2,000,000,000 of working capital funds of the Department of Defense or funds made available in this Act to the Department of Defense for military functions (except military construction) between such appropriations or funds or any subdivision thereof, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred: *Provided,* That such authority to transfer may not be used unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which funds are requested has been denied by Congress: *Provided further,* That the Secretary of Defense shall notify the Congress promptly of all transfers made pursuant to this authority or any other authority in this Act: *Provided further,* That no part of the funds in this Act shall be available to prepare or present a request to the Committees on Appropriations for reprogramming of funds, unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which reprogramming is requested has been denied by the Congress: *Provided further,* That of the authority provided under this section, not to exceed $20,000,000 shall be available to meet requirements for termination of the Reserve Mobilization Insurance Program, notwithstanding Chapter 1214 of Title 10 of the United States Code.

(TRANSFER OF FUNDS)

SEC. 8006. During the current fiscal year, cash balances in working capital funds of the Department of Defense established pursuant to section 2208 of title 10, United States Code, may be maintained in only such amounts as are necessary at any time for cash disbursements to be made from such funds: *Provided,* That transfers may be made between such funds: *Provided further,* That transfers may be made between working capital funds and the ''Foreign Currency Fluctuations, Defense'' appropriation and the ''Operation and Maintenance'' appropriation accounts in such amounts as may be determined by the Secretary of Defense, with the approval of the Office of Management and Budget, except that such transfers may not be made unless the Secretary of Defense has notified the Congress of the proposed transfer. Except in amounts equal to the amounts appropriated to working capital funds in this Act, no obligations may be made against a working capital fund to procure or increase the value of war reserve material inventory, unless the Secretary of Defense has notified the Congress prior to any such obligation.

SEC. 8007. Funds appropriated by this Act may not be used to initiate a special access program without prior notification 30 calendar days in session in advance to the congressional defense committees.

SEC. 8008. None of the funds contained in this Act available for the Civilian Health and Medical Program of the Uniformed Services shall be available for payments to physicians and other non-institutional health care providers in excess of the amounts allowed in fiscal year 1996 for similar services, except that: (a) for services for which the Secretary of Defense determines an increase is justified by economic circumstances, the allowable amounts may be increased in accordance with appropriate economic index data similar to that used pursuant to title XVIII of the Social Security Act; and (b) for services the Secretary determines are overpriced based on allowable payments under title XVIII of the Social Security Act, the allowable amounts shall be reduced by not more than 15 per centum (except that the reduction may be waived if the Secretary determines that it would impair adequate access to health care services for beneficiaries). The Secretary shall solicit public comment prior to promulgating regulations to implement this section. Such regulations shall include a limitation, similar to that used under title XVIII of the Social Security Act, on the extent to which a provider may bill a beneficiary an actual charge in excess of the allowable amount.

SEC. 8009. None of the funds provided in this Act shall be available to initiate (1) a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year of the contract or that includes an unfunded contingent liability in excess of $20,000,000, or (2) a contract for advance procurement leading to a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year, unless the congressional defense committees have been notified at least thirty days in advance of the proposed contract award: *Provided,* That no part of any appropriation contained in this Act shall be available to initiate a multiyear contract for which the economic order quantity advance procurement is not funded at least to the limits of the Government's liability: *Provided further,* That no part of any appropriation contained in this Act shall be available to initiate multiyear procurement contracts for any systems or component thereof if the value of the multiyear contract would exceed $500,000,000 unless specifically provided in this Act: *Provided further,* That no multiyear procurement contract can be terminated without 10-day prior notification to the congressional defense committees: *Provided further,* That the execution of multiyear authority shall require the use of

a present value analysis to determine lowest cost compared to an annual procurement.

Funds appropriated in title III of this Act may be used for multiyear procurement contracts as follows:

Apache Longbow radar;

T–45 aircraft; and

AV–8B aircraft.

SEC. 8010. Within the funds appropriated for the operation and maintenance of the Armed Forces, funds are hereby appropriated pursuant to section 401 of title 10, United States Code, for humanitarian and civic assistance costs under chapter 20 of title 10, United States Code. Such funds may also be obligated for humanitarian and civic assistance costs incidental to authorized operations and pursuant to authority granted in section 401 of chapter 20 of title 10, United States Code, and these obligations shall be reported to Congress on September 30 of each year: *Provided,* That funds available for operation and maintenance shall be available for providing humanitarian and similar assistance by using Civic Action Teams in the Trust Territories of the Pacific Islands and freely associated states of Micronesia, pursuant to the Compact of Free Association as authorized by Public Law 99–239: *Provided further,* That upon a determination by the Secretary of the Army that such action is beneficial for graduate medical education programs conducted at Army medical facilities located in Hawaii, the Secretary of the Army may authorize the provision of medical services at such facilities and transportation to such facilities, on a nonreimbursable basis, for civilian patients from American Samoa, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, Palau, and Guam.

SEC. 8011. (a) During fiscal year 1998, the civilian personnel of the Department of Defense may not be managed on the basis of any end-strength, and the management of such personnel during that fiscal year shall not be subject to any constraint or limitation (known as an end-strength) on the number of such personnel who may be employed on the last day of such fiscal year.

(b) The fiscal year 1999 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 1999 Department of Defense budget request shall be prepared and submitted to the Congress as if subsections (a) and (b) of this provision were effective with regard to fiscal year 1999.

(c) Nothing in this section shall be construed to apply to military (civilian) technicians.

SEC. 8012. Notwithstanding any other provision of law, none of the funds made available by this Act shall be used by the Department of Defense to exceed, outside the fifty United States, its territories, and the District of Columbia, 125,000 civilian workyears: *Provided,* That workyears shall be applied as defined in the Federal Personnel Manual: *Provided further,* That workyears expended in dependent student hiring programs for disadvantaged youths shall not be included in this workyear limitation.

SEC. 8013. None of the funds made available by this Act shall be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before the Congress.

SEC. 8014. (a) None of the funds appropriated by this Act shall be used to make contributions to the Department of Defense Education Benefits Fund pursuant to section 2006(g) of title 10, United States Code, representing the normal cost for future benefits under section 3015(c) of title 38, United States Code, for any member of the armed services who, on or after the date of enactment of this Act—

(1) enlists in the armed services for a period of active duty of less than three years; or

(2) receives an enlistment bonus under section 308a or 308f of title 37, United States Code,

nor shall any amounts representing the normal cost of such future benefits be transferred from the Fund by the Secretary of the Treasury to the Secretary of Veterans Affairs pursuant to section 2006(d) of title 10, United States Code; nor shall the Secretary of Veterans Affairs pay such benefits to any such member: *Provided,* That in the case of a member covered by clause (1), these limitations shall not apply to members in combat arms skills or to members who enlist in the armed services on or after July 1, 1989, under a program continued or established by the Secretary of Defense in fiscal year 1991 to test the cost-effective use of special recruiting incentives involving not more than nineteen noncombat arms skills approved in advance by the Secretary of Defense: *Provided further,* That this subsection applies only to active components of the Army.

(b) None of the funds appropriated by this Act shall be available for the basic pay and allowances of any member of the Army participating as a full-time student and receiving benefits paid by the Secretary of Veterans Affairs from the Department of Defense Education Benefits Fund when time spent as a full-time student is credited toward completion of a service commitment: *Provided,* That this subsection shall not apply to those members who have reenlisted with this option prior to October 1, 1987: *Provided further,* That this subsection applies only to active components of the Army.

SEC. 8015. None of the funds appropriated by this Act shall be available to convert to contractor performance an activity or function of the Department of Defense that, on or after the date of enactment of this Act, is performed by more than ten Department of Defense civilian employees until a most efficient and cost-effective organization analysis is completed on such activity or function and certification of the analysis is made to the Committees on Appropriations of the House of Representatives and the Senate: *Provided,* That this section shall not apply to a commercial or industrial type function of the Department of Defense that: (1) is included on the procurement list established pursuant to section 2 of the Act of June 25, 1938 (41 U.S.C. 47), popularly referred to as the Javits-Wagner-O'Day Act; (2) is planned to be converted to performance by a qualified nonprofit agency for the blind or by a qualified nonprofit agency for other severely handicapped individuals in accordance with that Act; or (3) is planned to be converted to performance by a qualified firm under 51 per centum Native American ownership.

(TRANSFER OF FUNDS)

SEC. 8016. Funds appropriated in title III of this Act for the Department of Defense Pilot Mentor-Protege Program may be transferred to any other appropriation contained in this Act solely for the purpose of implementing a Mentor-Protege Program developmental assistance agreement pursuant to section 831 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 2301 note), as amended, under the authority of this provision or any other transfer authority contained in this Act.

SEC. 8017. None of the funds in this Act may be available for the purchase by the Department of Defense (and its departments and agencies) of welded shipboard anchor and mooring chain 4 inches in diameter and under unless the anchor and mooring chain are manufactured in the United States from components which are substantially manufactured in the United States: *Provided,* That for the purpose of this section manufactured will include cutting, heat treating, quality control, testing of chain and welding (including the forging and shot blasting process): *Provided further,* That for the purpose of this section substantially all of the components of anchor and mooring chain shall be considered to be produced or manufactured in the United States if the aggregate cost of the components produced or manufactured in the United States exceeds the aggregate cost of the components produced or manufactured outside the United States: *Provided further,* That when adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis, the Secretary of the service responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations that such an acquisition must be made in order to acquire capability for national security purposes.

SEC. 8018. None of the funds appropriated by this Act available for the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) shall be available for the reimbursement of any health care provider for inpatient mental health service for care received when a patient is referred to a provider of inpatient mental health care or residential treatment care by a medical or health care professional having an economic interest in the facility to which the patient is referred: *Provided,* That this limitation does not apply in the case of inpatient mental health services provided under the program for the handicapped under subsection (d) of section 1079 of title 10, United States Code, provided as partial hospital care, or provided pursuant to a waiver authorized by the Secretary of Defense because of medical or psychological circumstances of the patient that are confirmed by a health professional who is not a Federal employee after a review, pursuant to rules prescribed by the Secretary, which takes into account the appropriate level of care for the patient, the intensity of services required by the patient, and the availability of that care.

SEC. 8019. Funds available in this Act may be used to provide transportation for the next-of-kin of individuals who have been prisoners of war or missing in action from the Vietnam era to an annual meeting in the United States, under such regulations as the Secretary of Defense may prescribe.

SEC. 8020. Notwithstanding any other provision of law, during the current fiscal year, the Secretary of Defense may, by Executive Agreement, establish with host nation governments in NATO member states a separate account into which such residual value amounts negotiated in the return of United States military installations in NATO member states may be deposited, in the currency of the host nation, in lieu of direct monetary transfers to the United States Treasury: *Provided,* That such credits may be utilized only for the construction of facilities to support United States military forces in that host nation, or such real property maintenance and base operating costs that are currently executed through monetary transfers to such host nations: *Provided further,* That the Department of Defense's budget submission for fiscal year 1999 shall identify such sums anticipated in residual value settlements, and identify such construction, real property maintenance or base operating costs that shall be funded by the host nation through such credits: *Provided further,* That all military construction projects to be executed from such accounts must be previously approved in a prior Act of Congress: *Provided further,* That each such Executive Agreement with a NATO member host nation shall be

reported to the congressional defense committees, the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate thirty days prior to the conclusion and endorsement of any such agreement established under this provision.

SEC. 8021. None of the funds available to the Department of Defense may be used to demilitarize or dispose of M–1 Carbines, M–1 Garand rifles, M–14 rifles, .22 caliber rifles, .30 caliber rifles, or M–1911 pistols.

SEC. 8022. Notwithstanding any other provision of law, none of the funds appropriated by this Act shall be available to pay more than 50 per centum of an amount paid to any person under section 308 of title 37, United States Code, in a lump sum.

SEC. 8023. A member of a reserve component whose unit or whose residence is located in a state which is not contiguous with another state is authorized to travel in a space required status on aircraft of the Armed Forces between home and place of inactive duty training, or place of duty in lieu of unit training assembly, when there is no road or railroad transportation (or combination of road and railroad transportation between those locations: *Provided,* That a member traveling in that status on a military aircraft pursuant to the authority provided in this section is not authorized to receive travel, transportation, or per diem allowances in connection with that travel.

SEC. 8024. In addition to funds provided elsewhere in this Act, $8,000,000 is appropriated only for incentive payments authorized by section 504 of the Indian Financing Act of 1974, 25 U.S.C. 1544: *Provided,* That these payments shall be available only to contractors which have submitted subcontracting plans pursuant to 15 U.S.C. 637(d), and according to regulations which shall be promulgated by the Secretary of Defense within 90 days of the passage of this Act.

SEC. 8025. Notwithstanding any other provision of law, of the revenue collected by the Department of Defense Working Capital Funds, such amounts as may be required shall be made available for obligation and expenditure for indemnification of the leasing entity or entities to accomplish the lease of aircraft for the VC–137 mission: *Provided,* That the funds made available pursuant to this section shall remain available until expended.

SEC. 8026. During the current fiscal year, none of the funds available to the Department of Defense may be used to procure or acquire (1) defensive handguns unless such handguns are the M–9 or M–11 9mm Department of Defense standard handguns, or (2) offensive handguns except for the Special Operations Forces: *Provided,* That the foregoing shall not apply to handguns and ammunition for marksmanship competitions.

SEC. 8027. No more than $500,000 of the funds appropriated or made available in this Act shall be used during a single fiscal year for any single relocation of an organization, unit, activity or function of the Department of Defense into or within the National Capital Region: *Provided,* That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the congressional defense committees that such a relocation is required in the best interest of the Government.

SEC. 8028. During the current fiscal year, funds appropriated or otherwise available for any Federal agency, the Congress, the judicial branch, or the District of Columbia may be used for the pay, allowances, and benefits of an employee as defined by section 2105 of title 5 or an individual employed by the government of the District of Columbia, permanent or temporary indefinite, who—

(1) is a member of a Reserve component of the Armed Forces, as described in section 261 of title 10, or the National Guard, as described in section 101 of title 32;

(2) performs, for the purpose of providing military aid to enforce the law or providing assistance to civil authorities in the protection or saving of life or property or prevention of injury—

(A) Federal service under sections 331, 332, 333, or 12406 of title 10, or other provision of law, as applicable, or

(B) full-time military service for his or her State, the District of Columbia, the Commonwealth of Puerto Rico, or a territory of the United States; and

(3) requests and is granted—

(A) leave under the authority of this section; or

(B) annual leave, which may be granted without regard to the provisions of sections 5519 and 6323(b) of title 5, if such employee is otherwise entitled to such annual leave:

Provided, That any employee who requests leave under subsection (3)(A) for service described in subsection (2) of this section is entitled to such leave, subject to the provisions of this section and of the last sentence of section 6323(b) of title 5, and such leave shall be considered leave under section 6323(b) of title 5.

SEC. 8029. None of the funds appropriated by this Act shall be available to perform any cost study pursuant to the provisions of OMB Circular A–76 if the study being performed exceeds a period of twenty-four months after initiation of such study with respect to a single function activity or forty-eight months after initiation of such study for a multi-function activity.

SEC. 8030. Funds appropriated by this Act for the American Forces Information Service shall not be used for any national or international political or psychological activities.

SEC. 8031. Notwithstanding any other provision of law or regulation, the Secretary of Defense may adjust wage rates for civilian employees hired for certain health care occupations as authorized for the Secretary of Veterans Affairs by section 7455 of title 38, United States Code.

SEC. 8032. None of the funds appropriated or made available in this Act shall be used to reduce or disestablish the operation of the 53rd Weather Reconnaissance Squadron of the Air Force Reserve, if such action would reduce the WC–130 Weather Reconnaissance mission below the levels funded in this Act.

SEC. 8033. (a) Of the funds for the procurement of supplies or services appropriated by this Act, qualified nonprofit agencies for the blind or other severely handicapped shall be afforded the maximum practicable opportunity to participate as subcontractors and supplies in the performance of contracts let by the Department of Defense.

(b) During the current fiscal year, a business concern which has negotiated with a military service or defense agency a subcontracting plan for the participation by small business concerns pursuant to section 8(d) of the Small Business Act (15 U.S.C. 637(d)) shall be given credit toward meeting that subcontracting goal for any purchases made from qualified nonprofit agencies for the blind or other severely handicapped.

(c) For the purpose of this section, the phrase ''qualified nonprofit agency for the blind or other severely handicapped'' means a nonprofit agency for the blind or other severely handicapped that has been approved by the Committee for the Purchase from the Blind and Other Severely Handicapped under the Javits-Wagner-O'Day Act (41 U.S.C. 46–48).

SEC. 8034. During the current fiscal year, net receipts pursuant to collections from third party payers pursuant to section 1095 of title 10, United States Code, shall be made available to the local facility of the uniformed services responsible for the collections and shall be over and above the facility's direct budget amount.

SEC. 8035. During the current fiscal year, the Department of Defense is authorized to incur obligations of not to exceed $350,000,000 for purposes specified in section 2350j(c) of title 10, United States Code, in anticipation of receipt of contributions, only from the Government of Kuwait, under that section: *Provided,* That, upon receipt, such contributions from the Government of Kuwait shall be credited to the appropriations or fund which incurred such obligations.

SEC. 8036. Of the funds made available in this Act, not less than $27,200,000 shall be available for the Civil Air Patrol, of which $22,600,000 shall be available for Operation and maintenance.

SEC. 8037. (a) None of the funds appropriated in this Act are available to establish a new Department of Defense (department) federally funded research and development center (FFRDC), either as a new entity, or as a separate entity administrated by an organization managing another FFRDC, or as a nonprofit membership corporation consisting of a consortium of other FFRDCs and other non-profit entities.

(b) LIMITATION ON COMPENSATION—FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTER (FFRDC).—No member of a Board of Directors, Trustees, Overseers, Advisory Group, Special Issues Panel, Visiting Committee, or any similar entity of a defense FFRDC, and no paid consultant to any defense FFRDC, may be compensated for his or her services as a member of such entity, or as a paid consultant, except under the same conditions, and to the same extent, as members of the Defense Science Board: *Provided,* That a member of any such entity referred to previously in this subsection shall be allowed travel expenses and per diem as authorized under the Federal Joint Travel Regulations, when engaged in the performance of membership duties.

(c) Notwithstanding any other provision of law, none of the funds available to the department from any source during fiscal year 1998 may be used by a defense FFRDC, through a fee or other payment mechanism, for charitable contributions, for construction of new buildings, for payment of cost sharing for projects funded by government grants, or for absorption of contract overruns.

(d) Notwithstanding any other provision of law, of the funds available to the department during fiscal year 1998, not more than 6,206 staff years of technical effort (staff years) may be funded for defense FFRDCs: *Provided,* That of the specific amount referred to previously in this subsection, not more than 1,105 staff years may be funded for the defense studies and analysis FFRDCs.

(e) Notwithstanding any other provision of law, the Secretary of Defense shall control the total number of staff years to be performed by defense FFRDCs during fiscal year 1998 so as to reduce the total amounts appropriated in titles II, III, and IV of this Act by $71,800,000: *Provided,* That the total amounts appropriated in titles II, III, and IV of this Act are hereby reduced by $71,800,000 to reflect savings from the use of defense FFRDCs by the department.

(f) Within 60 days after enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report presenting the specific amounts of staff years of technical effort to be allocated by the department for each defense FFRDC during fiscal year 1998: *Provided,* That, after the submission of the report required by this

subsection, the department may not reallocate more than five per centum of an FFRDC's staff years among other defense FFRDCs until 30 days after a detailed justification for any such reallocation is submitted to the congressional defense committees.

(g) The Secretary of Defense shall, with the submission of the department's fiscal year 1999 budget request, submit a report presenting the specific amounts of staff years of technical effort to be allocated for each defense FFRDC during that fiscal year.

(h) The reductions specified in subsection (e) of this section shall be applied only to funds budgeted to purchase defense FFRDC activities and shall be applied on a pro-rata basis to each program, project and activity which included budget funds for defense FFRDC activities.

(i) Not later than 90 days after enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report listing the specific funding reductions allocated to each category listed in subsection (h) above pursuant to this section.

SEC. 8038. None of the funds in this or any other Act shall be available for the preparation of studies on—

(a) the cost effectiveness or feasibility of removal and transportation of unitary chemical weapons or agents from the eight chemical storage sites within the continental United States to Johnston Atoll: *Provided,* That this prohibition shall not apply to General Accounting Office studies requested by a Member of Congress or a Congressional Committee; and

(b) the potential future uses of the nine chemical disposal facilities other than for the destruction of stockpile chemical munitions and as limited by section 1412(c)(2), Public Law 99–145: *Provided,* That this prohibition does not apply to future use studies for the CAMDS facility at Tooele, Utah.

SEC. 8039. None of the funds appropriated or made available in this Act shall be used to procure carbon, alloy or armor steel plate for use in any Government-owned facility or property under the control of the Department of Defense which were not melted and rolled in the United States or Canada: *Provided,* That these procurement restrictions shall apply to any and all Federal Supply Class 9515, American Society of Testing and Materials (ASTM) or American Iron and Steel Institute (AISI) specifications of carbon, alloy or armor steel plate: *Provided further,* That the Secretary of the military department responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes: *Provided further,* That these restrictions shall not apply to contracts which are in being as of the date of enactment of this Act.

SEC. 8040. For the purposes of this Act, the term ''congressional defense committees'' means the National Security Committee of the House of Representatives, the Armed Services Committee of the Senate, the Subcommittee on Defense of the Committee on Appropriations of the Senate, and the Subcommittee on National Security of the Committee on Appropriations of the House of Representatives.

SEC. 8041. During the current fiscal year, the Department of Defense may acquire the modification, depot maintenance and repair of aircraft, vehicles and vessels as well as the production of components and other Defense-related articles, through competition between Department of Defense depot maintenance activities and private firms: *Provided,* That the Senior Acquisition Executive of the military department or defense agency concerned, with power of delegation, shall certify that successful bids include comparable estimates of all direct and indirect costs for both public and private bids: *Provided further,* That Office of Management and Budget Circular A–76 shall not apply to competitions conducted under this section.

SEC. 8042. The total amounts appropriated in titles II, III, and IV of this Act are hereby reduced by $300,000,000 to reflect savings from the use of advisory and assistance services by the Department of Defense: *Provided,* That the savings shall be applied to the following titles in the following amounts:

Title II, Operation and Maintenance, $112,000,000;

Title III, Procurement, $62,000,000; and

Title IV, Research, Development, Test and Evaluation, $126,000,000:

Provided further, That the savings specified shall be applied only to funds budgeted to purchase advisory and assistance services: *Provided further,* That the savings shall be applied on a pro-rata basis to each program, project and activity which included budget funds for advisory and assistance services.

SEC. 8043. Appropriations contained in this Act that remain available at the end of the current fiscal year as a result of energy cost savings realized by the Department of Defense shall remain available for obligation for the next fiscal year to the extent, and for the purposes, provided in section 2865 of title 10, United States Code.

SEC. 8044. To provide funds for additional required aviation depot level repairables in the Air Force Operation and Maintenance account, the amounts appropriated elsewhere in this Act for the following appropriation accounts are reduced by 1.0 per centum: Aircraft Procurement, Air Force; Missile Procurement, Air Force; Procurement of Ammunition, Air Force; Other Procurement, Air Force; and Research, Development, Test and Evaluation, Air Force. These reductions shall be applied on a pro-rata basis to each line item, program element, program, project, subproject, and activity within each appropriation account.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8045. Amounts deposited during the current fiscal year to the special account established under 40 U.S.C. 485(h)(2) and to the special account established under 10 U.S.C. 2667(d)(1) are appropriated and shall be available until transferred by the Secretary of Defense to current applicable appropriations or funds of the Department of Defense under the terms and conditions specified by 40 U.S.C. 485(h)(2) (A) and (B) and 10 U.S.C. 2667(d)(1)(B), to be merged with and to be available for the same time period and the same purposes as the appropriation to which transferred.

SEC. 8046. During the current fiscal year, appropriations available to the Department of Defense may be used to reimburse a member of a reserve component of the Armed Forces who is not otherwise entitled to travel and transportation allowances and who occupies transient government housing while performing active duty for training or inactive duty training: *Provided,* That such members may be provided lodging in kind if transient government quarters are unavailable as if the member was entitled to such allowances under subsection (a) of section 404 of title 37, United States Code: *Provided further,* That if lodging in kind is provided, any authorized service charge or cost of such lodging may be paid directly from funds appropriated for operation and maintenance of the reserve component of the member concerned.

SEC. 8047. The President shall include with each budget for a fiscal year submitted to the Congress under section 1105 of title 31, United States Code, materials that shall identify clearly and separately the amounts requested in the budget for appropriation for that fiscal year for salaries and expenses related to administrative activities of the Department of Defense, the military departments, and the Defense Agencies.

SEC. 8048. To provide funds for additional required aviation depot level repairables in the Navy Operation and Maintenance account, the amounts appropriated elsewhere in this Act for the following appropriation accounts are reduced by 1.1 per centum: Aircraft Procurement, Navy; Weapons Procurement, Navy; Procurement of Ammunition, Navy and Marine Corps; Shipbuilding and Conversion, Navy; Other Procurement, Navy; Procurement, Marine Corps; and Research, Development, Test and Evaluation, Navy. These reductions shall be applied on a pro-rata basis to each line item, program element, program, project, subproject, and activity within each appropriation account.

SEC. 8049. During the current fiscal year, amounts contained in the Department of Defense Overseas Military Facility Investment Recovery Account established by section 2921(c)(1) of the National Defense Authorization Act of 1991 (Public Law 101–510; 10 U.S.C. 2687 note) shall be available until expended for the payments specified by section 2921(c)(2) of that Act.

SEC. 8050. Of the funds appropriated or otherwise made available by this Act, not more than $119,200,000 shall be available for payment of the operating costs of NATO Headquarters: *Provided,* That the Secretary of Defense may waive this section for Department of Defense support provided to NATO forces in and around the former Yugoslavia.

SEC. 8051. During the current fiscal year, appropriations which are available to the Department of Defense for operation and maintenance may be used to purchase items having an investment item unit cost of not more than $100,000.

SEC. 8052. (a) During the current fiscal year, none of the appropriations or funds available to the Department of Defense Working Capital Funds shall be used for the purchase of an investment item for the purpose of acquiring a new inventory item for sale or anticipated sale during the current fiscal year or a subsequent fiscal year to customers of the Department of Defense Working Capital Funds if such an item would not have been chargeable to the Department of Defense Working Capital Funds during fiscal year 1994 and if the purchase of such an investment item would be chargeable during the current fiscal year to appropriations made to the Department of Defense for procurement.

(b) The fiscal year 1999 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 1999 Department of Defense budget shall be prepared and submitted to the Congress on the basis that any equipment which was classified as an end item and funded in a procurement appropriation contained in this Act shall be budgeted for in a proposed fiscal year 1999 procurement appropriation and not in the supply management business area or any other area or category of the Department of Defense Working Capital Funds.

SEC. 8053. None of the funds provided in this Act shall be available for use by a Military Department to modify an aircraft, weapon, ship or other item of equipment, that the Military Department concerned plans to retire or otherwise dispose of within five years after completion of the modification: *Provided,* That this prohibition shall

not apply to safety modifications: *Provided further,* That this prohibition may be waived by the Secretary of a Military Department if the Secretary determines it is in the best national security interest of the United States to provide such waiver and so notifies the congressional defense committees in writing.

SEC. 8054. None of the funds appropriated by this Act for programs of the Central Intelligence Agency shall remain available for obligation beyond the current fiscal year, except for funds appropriated for the Reserve for Contingencies, which shall remain available until September 30, 1999.

SEC. 8055. Notwithstanding any other provision of law, funds made available in this Act for the Defense Intelligence Agency may be used for the design, development, and deployment of General Defense Intelligence Program intelligence communications and intelligence information systems for the Services, the Unified and Specified Commands, and the component commands.

SEC. 8056. Of the funds appropriated by the Department of Defense under the heading ''Operation and Maintenance, Defense-Wide'', not less than $8,000,000 shall be made available only for the mitigation of environmental impacts, including training and technical assistance to tribes, related administrative support, the gathering of information, documenting of environmental damage, and developing a system for prioritization of mitigation, on Indian lands resulting from Department of Defense activities.

SEC. 8057. Amounts collected for the use of the facilities of the National Science Center for Communications and Electronics during the current fiscal year pursuant to section 1459(g) of the Department of Defense Authorization Act, 1986, and deposited to the special account established under subsection 1459(g)(2) of that Act are appropriated and shall be available until expended for the operation and maintenance of the Center as provided for in subsection 1459(g)(2).

SEC. 8058. None of the funds appropriated in this Act may be used to fill the commander's position at any military medical facility with a health care professional unless the prospective candidate can demonstrate professional administrative skills.

SEC. 8059. (a) None of the funds appropriated in this Act may be expended by an entity of the Department of Defense unless the entity, in expending the funds, complies with the Buy American Act. For purposes of this subsection, the term ''Buy American Act'' means title III of the Act entitled ''An Act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes'', approved March 3, 1933 (41 U.S.C. 10a et seq.).

(b) If the Secretary of Defense determines that a person has been convicted of intentionally affixing a label bearing a ''Made in America'' inscription to any product sold in or shipped to the United States that is not made in America, the Secretary shall determine, in accordance with section 2410f of title 10, United States Code, whether the person should be debarred from contracting with the Department of Defense.

(c) In the case of any equipment or products purchased with appropriations provided under this Act, it is the sense of the Congress that any entity of the Department of Defense, in expending the appropriation, purchase only American-made equipment and products, provided that American-made equipment and products are cost-competitive, quality-competitive, and available in a timely fashion.

SEC. 8060. None of the funds appropriated by this Act shall be available for a contract for studies, analysis, or consulting services entered into without competition on the basis of an unsolicited proposal unless the head of the activity responsible for the procurement determines—

(1) as a result of thorough technical evaluation, only one source is found fully qualified to perform the proposed work, or

(2) the purpose of the contract is to explore an unsolicited proposal which offers significant scientific or technological promise, represents the product of original thinking, and was submitted in confidence by one source, or

(3) the purpose of the contract is to take advantage of unique and significant industrial accomplishment by a specific concern, or to insure that a new product or idea of a specific concern is given financial support:

Provided, That this limitation shall not apply to contracts in an amount of less than $25,000, contracts related to improvements of equipment that is in development or production, or contracts as to which a civilian official of the Department of Defense, who has been confirmed by the Senate, determines that the award of such contract is in the interest of the national defense.

SEC. 8061. Funds appropriated by this Act for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414).

SEC. 8062. None of the funds available to the Department of Defense in this Act may be used to establish additional field operating agencies of any element of the Department during fiscal year 1998, except for field operating agencies funded within the National Foreign Intelligence Program: *Provided,* That the Secretary of Defense may waive this section by certifying to the House and Senate Committees on Appropriations that the creation of such field operating agencies will reduce either the personnel and/or financial requirements of the Department of Defense.

SEC. 8063. Notwithstanding section 303 of Public Law 96–487 or any other provision of law, the Secretary of the Navy is authorized to lease real and personal property at Naval Air Facility, Adak, Alaska, pursuant to 10 U.S.C. 2667(f), for commercial, industrial or other purposes.

(RESCISSIONS)

SEC. 8064. Of the funds provided in Department of Defense Appropriations Acts, the following funds are hereby rescinded from the following accounts in the specified amounts:

''Aircraft Procurement, Navy, 1997/1999'', $40,000,000;

''Research, Development, Test and Evaluation, Defense-Wide, 1997/1998'', $29,700,000;

''Research, Development, Test and Evaluation, Air Force, 1997/1998'', $25,000,000.

SEC. 8065. None of the funds available in this Act may be used to reduce the authorized positions for military (civilian) technicians of the Army National Guard, the Air National Guard, Army Reserve and Air Force Reserve for the purpose of applying any administratively imposed civilian personnel ceiling, freeze, or reduction on military (civilian) technicians, unless such reductions are a direct result of a reduction in military force structure.

SEC. 8066. None of the funds appropriated or otherwise made available in this Act may be obligated or expended for assistance to the Democratic People's Republic of North Korea unless specifically appropriated for that purpose.

SEC. 8067. During the current fiscal year, funds appropriated in this Act are available to compensate members of the National Guard for duty performed pursuant to a plan submitted by a Governor of a State and approved by the Secretary of Defense under section 112 of title 32, United States Code: *Provided,* That during the performance of such duty, the members of the National Guard shall be under State command and control: *Provided further,* That such duty shall be treated as full-time National Guard duty for purposes of sections 12602 (a)(2) and (b)(2) of title 10, United States Code.

SEC. 8068. Funds appropriated in this Act for operation and maintenance of the Military Departments, Unified and Specified Commands and Defense Agencies shall be available for reimbursement of pay, allowances and other expenses which would otherwise be incurred against appropriations for the National Guard and Reserve when members of the National Guard and Reserve provide intelligence support to Unified Commands, Defense Agencies and Joint Intelligence Activities, including the activities and programs included within the General Defense Intelligence Program and the Consolidated Cryptologic Program: *Provided,* That nothing in this section authorizes deviation from established Reserve and National Guard personnel and training procedures.

SEC. 8069. During the current fiscal year, none of the funds appropriated in this Act may be used to reduce the civilian medical and medical support personnel assigned to military treatment facilities below the September 30, 1996 level: *Provided,* That the Service Surgeons General may waive this section by certifying to the congressional defense committees that the beneficiary population is declining in some catchment areas and civilian strength reductions may be consistent with responsible resource stewardship and capitation-based budgeting.

SEC. 8070. All refunds or other amounts collected in the administration of the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) shall be credited to current year appropriations.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8071. None of the funds appropriated in this Act may be transferred to or obligated from the Pentagon Reservation Maintenance Revolving Fund, unless the Secretary of Defense certifies that the total cost for the planning, design, construction and installation of equipment for the renovation of the Pentagon Reservation will not exceed $1,118,000,000.

(TRANSFER OF FUNDS)

SEC. 8072. Appropriations available in this Act under the heading ''Operation and Maintenance, Defense-Wide'' for increasing energy and water efficiency in Federal buildings may, during their period of availability, be transferred to other appropriations or funds of the Department of Defense for projects related to increasing energy and water efficiency, to be merged with and to be available for the same general purposes, and for the same time period, as the appropriation or fund to which transferred.

SEC. 8073. None of the funds appropriated by this Act may be used for the procurement of ball and roller bearings other than those produced by a domestic source and of domestic origin: *Provided,* That the Secretary of the military department responsible for such procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate, that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes.

SEC. 8074. Notwithstanding any other provision of law, funds available to the Department of Defense shall be made available to provide transportation of medical supplies

and equipment, on a nonreimbursable basis, to American Samoa: *Provided,* That notwithstanding any other provision of law, funds available to the Department of Defense shall be made available to provide transportation of medical supplies and equipment, on a nonreimbursable basis, to the Indian Health Service when it is in conjunction with a civil-military project.

SEC. 8075. None of the funds in this Act may be used to purchase any supercomputer which is not manufactured in the United States, unless the Secretary of Defense certifies to the congressional defense committees that such an acquisition must be made in order to acquire capability for national security purposes that is not available from United States manufacturers.

(TRANSFER OF FUNDS)

SEC. 8076. In addition to amounts appropriated or otherwise made available by this Act, $300,000,000 is hereby appropriated to the Department of Defense and shall be available only for transfer to the United States Coast Guard.

SEC. 8077. Notwithstanding any other provision of law, each contract awarded by the Department of Defense during the current fiscal year for construction or service performed in whole or in part in a State which is not contiguous with another State and has an unemployment rate in excess of the national average rate of unemployment as determined by the Secretary of Labor, shall include a provision requiring the contractor to employ, for the purpose of performing that portion of the contract in such State that is not contiguous with another State, individuals who are residents of such State and who, in the case of any craft or trade, possess or would be able to acquire promptly the necessary skills: *Provided,* That the Secretary of Defense may waive the requirements of this section, on a case-by-case basis, in the interest of national security.

SEC. 8078. (a) The Secretary of Defense shall submit, on a quarterly basis, a report to the congressional defense committees, the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate setting forth all costs (including incremental costs) incurred by the Department of Defense during the preceding quarter in implementing or supporting resolutions of the United Nations Security Council, including any such resolution calling for international sanctions, international peacekeeping operations, and humanitarian missions undertaken by the Department of Defense. The quarterly report shall include an aggregate of all such Department of Defense costs by operation or mission.

(b) The Secretary of Defense shall detail in the quarterly reports all efforts made to seek credit against past United Nations expenditures and all efforts made to seek compensation from the United Nations for costs incurred by the Department of Defense in implementing and supporting United Nations activities.

SEC. 8079. (a) LIMITATION ON TRANSFER OF DEFENSE ARTICLES AND SERVICES.—Notwithstanding any other provision of law, none of the funds available to the Department of Defense for the current fiscal year may be obligated or expended to transfer to another nation or an international organization any defense articles or services (other than intelligence services) for use in the activities described in subsection (b) unless the congressional defense committees, the Committee on International Relations of the House of Representatives, and the Committee on Foreign Relations of the Senate are notified 15 days in advance of such transfer.

(b) COVERED ACTIVITIES.—(1) This section applies to—

(A) any international peacekeeping or peace-enforcement operation under the authority of chapter VI or chapter VII of the United Nations Charter under the authority of a United Nations Security Council resolution; and

(B) any other international peacekeeping, peace-enforcement, or humanitarian assistance operation.

(c) REQUIRED NOTICE.—A notice under subsection (a) shall include the following:

(1) A description of the equipment, supplies, or services to be transferred.

(2) A statement of the value of the equipment, supplies, or services to be transferred.

(3) In the case of a proposed transfer of equipment or supplies—

(A) a statement of whether the inventory requirements of all elements of the Armed Forces (including the reserve components) for the type of equipment or supplies to be transferred have been met; and

(B) a statement of whether the items proposed to be transferred will have to be replaced and, if so, how the President proposes to provide funds for such replacement.

SEC. 8080. To the extent authorized by subchapter VI of Chapter 148 of title 10, United States Code, the Secretary of Defense shall issue loan guarantees in support of U.S. defense exports not otherwise provided for: *Provided,* That the total contingent liability of the United States for guarantees issued under the authority of this section may not exceed $15,000,000,000: *Provided further,* That the exposure fees charged and collected by the Secretary for each guarantee, shall be paid by the country involved and shall not be financed as part of a loan guaranteed by the United States: *Provided further,* That the Secretary shall provide quarterly reports to the Committees on Appropriations, Armed Services and Foreign Relations of the Senate and the Committees on Appropriations, National Security and International Relations in the House of Representatives on the implementation of this program: *Provided further,* That amounts charged for administrative fees and deposited to the special account provided for under section 2540c(d) of title 10, shall be available for paying the costs of administrative expenses of the Department of Defense that are attributable to the loan guarantee program under subchapter VI of Chapter 148 of title 10.

SEC. 8081. None of the funds available to the Department of Defense shall be obligated or expended to make a financial contribution to the United Nations for the cost of an United Nations peacekeeping activity (whether pursuant to assessment or a voluntary contribution) or for payment of any United States arrearage to the United Nations.

SEC. 8082. None of the funds available to the Department of Defense under this Act shall be obligated or expended to pay a contractor under a contract with the Department of Defense for costs of any amount paid by the contractor to an employee when—

(1) such costs are for a bonus or otherwise in excess of the normal salary paid by the contractor to the employee; and

(2) such bonus is part of restructuring costs associated with a business combination.

SEC. 8083. (a) None of the funds appropriated or otherwise made available in this Act may be used to transport or provide for the transportation of chemical munitions or agents to the Johnston Atoll for the purpose of storing or demilitarizing such munitions or agents.

(b) The prohibition in subsection (a) shall not apply to any obsolete World War II chemical munition or agent of the United States found in the World War II Pacific Theater of Operations.

(c) The President may suspend the application of subsection (a) during a period of war in which the United States is a party.

SEC. 8084. None of the funds provided in title II of this Act for ''Former Soviet Union Threat Reduction'' may be obligated or expended to finance housing for any individual who was a member of the military forces of the Soviet Union or for any individual who is or was a member of the military forces of the Russian Federation.

SEC. 8085. During the current fiscal year, no more than $15,000,000 of appropriations made in this Act under the heading ''Operation and Maintenance, Defense-Wide'' may be transferred to appropriations available for the pay of military personnel, to be merged with, and to be available for the same time period as the appropriations to which transferred, to be used in support of such personnel in connection with support and services for eligible organizations and activities outside the Department of Defense pursuant to section 2012 of title 10, United States Code.

SEC. 8086. For purposes of section 1553(b) of title 31, United States Code, any subdivision of appropriations made in this Act under the heading ''Shipbuilding and Conversion, Navy'' shall be considered to be for the same purpose as any subdivision under the heading ''Shipbuilding and Conversion, Navy'' appropriations in any prior year, and the one per centum limitation shall apply to the total amount of the appropriation.

SEC. 8087. Notwithstanding 31 U.S.C. 1552(a), not more than $14,000,000 appropriated under the heading ''Aircraft Procurement, Air Force'' in Public Law 102–396 which was available and obligated for the B–2 Aircraft Program shall remain available for expenditure and for adjusting obligations for such program until September 30, 2003.

SEC. 8088. During the current fiscal year, in the case of an appropriation account of the Department of Defense for which the period of availability for obligation has expired or which has closed under the provisions of section 1552 of title 31, United States Code, and which has a negative unliquidated or unexpended balance, an obligation or an adjustment of an obligation may be charged to any current appropriation account for the same purpose as the expired or closed account if—

(1) the obligation would have been properly chargeable (except as to amount) to the expired or closed account before the end of the period of availability or closing of that account;

(2) the obligation is not otherwise properly chargeable to any current appropriation account of the Department of Defense; and

(3) in the case of an expired account, the obligation is not chargeable to a current appropriation of the Department of Defense under the provisions of section 1405(b)(8) of the National Defense Authorization Act for Fiscal Year 1991, Public Law 101–510, as amended (31 U.S.C. 1551 note): *Provided,* That in the case of an expired account, if subsequent review or investigation discloses that there was not in fact a negative unliquidated or unexpended balance in the account, any charge to a current account under the authority of this section shall be reversed and recorded against the expired account: *Provided further,* That the total amount charged to a current appropriation under this section may not exceed an amount equal to one per centum of the total appropriation for that account.

(TRANSFER OF FUNDS)

SEC. 8089. Upon enactment of this Act, the Secretary of Defense shall make the following transfers of funds: *Provided,* That the amounts transferred shall be available for the same purposes as the appropriations to which transferred, and for the same time period as the appropriation from which transferred: *Provided further,* That the amounts shall be transferred between the following appropriations in the amount specified:

From:

Under the heading, ''Shipbuilding and Conversion, Navy 1989/2000'':

SSN–688 attack submarine program, $3,000,000;

DDG–51 destroyer program, $1,500,000;

LHD–1 amphibious assault ship program, $8,000,000;

T–AO fleet oiler program, $3,453,000;

AOE combat support ship program, $3,600,000;

For craft, outfitting, and post delivery, $2,019,000;

To:

Under the heading, ''Shipbuilding and Conversion, Navy 1989/2000'':

SSN–21 attack submarine program, $21,572;

From:

Under the heading, ''Shipbuilding and Conversion, Navy 1991/2001'':

DDG–51 destroyer program, $1,060,000;

LHD–1 amphibious assault ship program, $1,600,000;

LSD–41 cargo variant ship program, $2,666,000;

AOE combat support ship program, $7,307,000;

For craft, outfitting, and post delivery, $12,000,000;

To:

Under the heading, ''Shipbuilding and Conversion, Navy 1991/2001'':

SSN–21 attack submarine program, $24,633,000;

From:

Under the heading, ''Shipbuilding and Conversion, Navy 1996/2000'':

LHD–1 amphibious assault ship program, $10,654,000;

To:

Under the heading, ''Shipbuilding and Conversion, Navy 1996/2000'':

SSN–21 attack submarine program, $6,907,000;

DDG–51 destroyer program, $3,747,000;

From:

Under the heading, ''Shipbuilding and Conversion, Navy 1994/1998'':

LHD–1 amphibious assault ship program, $400,000;

DDG–51 destroyer program, $1,054,000;

From:

Under the heading, ''Shipbuilding and Conversion, Navy 1995/1999'':

For craft, outfitting, and post delivery, conversions, and first destination transportation, $715,000;

From:

Under the heading, ''Shipbuilding and Conversion, Navy 1996/2000'':

LHD–1 amphibious assault ship program, $12,451,000;

LPD amphibious transport dock ship program, $5,062,000;

For craft, outfitting, and post delivery, conversions, and first destination transportation, $878,000;

From:

Under the heading, ''Shipbuilding and Conversion, Navy 1997/2001'':

For craft, outfitting, and post delivery, conversions, and first destination transportation, $3,600,000;

To:

Under the heading, ''Shipbuilding and Conversion, Navy 1997/2001'':

DDG–51 destroyer program, $24,160,000.

SEC. 8090. None of the funds available to the Department of Defense under this Act may be obligated or expended to reimburse a defense contractor for restructuring costs associated with a business combination of the defense contractor that occurs after the date of enactment of this Act unless—

(1) the auditable savings for the Department of Defense resulting from the restructuring will exceed the costs allowed by a factor of at least two to one, or

(2) the savings for the Department of Defense resulting from the restructuring will exceed the costs allowed and the Secretary of Defense determines that the business combination will result in the preservation of a critical capability that might otherwise be lost to the Department, and

(3) the report required by Section 818(e) of Public Law 103–337 to be submitted to Congress in 1996 is submitted.

SEC. 8091. Notwithstanding any other provision of law, none of the funds appropriated in this Act may be used to purchase, install, replace, or otherwise repair any lock on a safe or security container which protects information critical to national security or any other classified materials and which has not been certified as passing the security lock specifications contained in regulation FF–L–2740 dated October 12, 1989, and has not passed all testing criteria and procedures established through February 28, 1992: *Provided,* That the Director of Central Intelligence may waive this provision, on a case-by-case basis only, upon certification that the above cited locks are not adequate for the protection of sensitive intelligence information.

SEC. 8092. Funds appropriated in title II of this Act for supervision and administration costs for facilities maintenance and repair, minor construction, or design projects may be obligated at the time the reimbursable order is accepted by the performing activity: *Provided,* That for the purpose of this section, supervision and administration costs includes all in-house Government cost.

SEC. 8093. The Secretary of Defense may waive reimbursement of the cost of conferences, seminars, courses of instruction, or similar educational activities of the Asia-Pacific Center for Security Studies for military officers and civilian officials of foreign nations if the Secretary determines that attendance by such personnel, without reimbursement, is in the national security interest of the United States: *Provided,* That costs for which reimbursement is waived pursuant to this subsection shall be paid from appropriations available for the Asia-Pacific Center.

SEC. 8094. (a) Notwithstanding any other provision of law, the Chief of the National Guard Bureau may permit the use of equipment of the National Guard Distance Learning Project by any person or entity on a space-available, reimbursable basis. The Chief of the National Guard Bureau shall establish the amount of reimbursement for such use on a case-by-case basis.

(b) Amounts collected under subsection (a) shall be credited to funds available for the National Guard Distance Learning Project and be available to defray the costs associated with the use of equipment of the project under that subsection. Such funds shall be available for such purposes without fiscal year limitation.

SEC. 8095. Notwithstanding 31 U.S.C. 3902, during the current fiscal year, interest penalties may be paid by the Department of Defense from funds financing the operation of the military department or defense agency with which the invoice or contract payment is associated.

SEC. 8096. The Secretary of the Army may exchange or sell one Army C–20 aircraft and may apply the exchange allowance or sale proceeds in whole or in part payment for the acquisition of one C–37 aircraft: *Provided,* That in addition to such exchange allowance or sale proceeds, of the amount appropriated for fiscal year 1998 for Aircraft Procurement, Air Force, not more than $6,000,000 shall be made available for acquisition of the C–37 for the United States Army: *Provided further,* That in addition to such exchange allowance or sale proceeds, of the amount appropriated for fiscal year 1997 for Aircraft Procurement, Air Force, not more than $27,100,000 shall be made available for acquisition of the C–37 for the United States Army.

SEC. 8097. From funds made available by this Act for the Maritime Technology Program up to $250,000 shall be made available to assist with a pilot project that will facilitate the transfer of commercial cruise ship shipbuilding technology and expertise to U.S. yards, utilize the experience and expertise of existing U.S.-flag cruise ship operators, and enable the operation of a U.S.-flag foreign-built cruise ship, and two newly-constructed U.S.-flag cruise ships: *Provided,* That a person (including a related person with respect to that person) who, within 18 months after the date of enactment, enters into a binding contract for construction in the United States of two cruise ships, which contract shall provide for the construction of two cruise ships of equal or greater size than the cruise ship being operated by such person on the date of enactment and shall require the delivery of the first cruise ship no later than January 1, 2005 and the second cruise ship no later than January 1, 2008, may document with a coastwise endorsement a foreign-built cruise ship otherwise in compliance with 46 U.S.C. Sections 289, 883 and 12106 until such date which is twenty-four (24) months after the delivery of the second cruise ship or any subsequently delivered cruise ship: *Provided further,* That a person (including a related person with respect to that person) within the meaning of 46 U.S.C. Section 801 may not operate a U.S.-flag foreign-built cruise ship, or any other cruise ship, in coastwise trade between or among the islands of Hawaii, upon execution of the contract referred to in this section and continuing throughout the life expectancy (as that term is used in 46 U.S.C. App 1125) of a newly constructed U.S. flag cruise ship referred to in this section, unless the cruise ship is operated by a person (including a related person with respect to that person) that is operating a cruise ship in coastwise trade between or among the islands of Hawaii on the date of enactment, except if any cruise ship constructed pursuant to this section operates in regular service other than between or among the islands of Hawaii: *Provided further,* That for purposes of this section the term ''cruise ship'' means a vessel that is at least 10,000 gross tons (as measured under Chapter 143 of Title 46, United States Code) and has berth or stateroom accommodations for at least 275 passengers: *Provided further,* That for purposes of this section, unless otherwise defined in this section, the term ''person'' means a corporation, partnership or association the controlling interest of which is owned by citizens of the United States within the meaning of 46 U.S.C. Section 802(b): *Provided further,* That for purposes of this section the term ''related person'' means with respect to a person (i) a holding company, subsidiary, affiliate or association of the person and (ii) an officer, director, or agent of the person or of an entity referred to in (i): *Provided further,* That none of the funds provided in this or any other Act may be obligated for the tooling to construct or the construction of vessels addressed by this section.

SEC. 8098. Notwithstanding any other provision of law, the Secretary of Defense shall obligate the funds provided for University Research Initiatives in the Department of Defense Appropriations Act, 1997 (titles I through VIII under section 101(b) of Public Law 104–208) for the projects and in the amounts provided for in House Report 104–863 of the House of Representatives, 104th Congress, second session.

SEC. 8099. Effective on June 30, 1998, section 8106(a) of the Department of Defense Appropriations Act, 1997 (titles I through VIII of

the matter under section 101(b) of Public Law 104–208; 110 Stat. 3009–111; 10 U.S.C. 113 note), is amended by striking out ''$3,000,000'' and inserting in lieu thereof ''$1,000,000''.

SEC. 8100. It is the sense of the Senate that—

(1) international efforts to bring indicted war criminals to justice in Bosnia and Herzegovina consistent with the 1995 Dayton Accords should be supported as an important element in creating a self-sustaining peace in the region;

(2) the Administration should consult closely with the Congress on all efforts to bring indicted war criminals to justice in Bosnia and Herzegovina consistent with the 1995 Dayton Accords; and

(3) the Administration should consult closely and in a timely manner with the Congress on the NATO-led Stabilization Force's mission concerning the apprehension of indicted war criminals, including any changes in the mission which could affect American forces.

SEC. 8101. Up to $4,500,000 of funds available to the Department of Defense may be available for the payment of claims for loss and damage to personal property suffered as a direct result of the flooding in the Red River Basin during April and May 1997 by members of the Armed Forces residing in the vicinity of Grand Forks Air Force Base, North Dakota, without regard to the provisions of section 3721(e) of title 31, United States Code.

SEC. 8102. Of the total amount appropriated under title II for the Navy, the Secretary of the Navy shall make $36,000,000 available for a program to demonstrate expanded use of multitechnology automated reader cards throughout the Navy and the Marine Corps, including demonstration of the use of the so-called ''smartship'' technology of the ship-to-shore work load/off load program.

SEC. 8103. (a) FINDINGS.—(1) The North Atlantic Treaty Organization, at the Madrid summit, decided to admit three new members, the Czech Republic, Poland and Hungary.

(2) The President, on behalf of the United States endorsed and advocated the expansion of the North Atlantic Treaty Organization to include three additional members.

(3) The Senate will consider the ratification of instruments to approve the admissions of new members to the North Atlantic Treaty Organization.

(4) The United States has contributed more than $20,000,000,000 since 1952 for infrastructure and support of the Alliance.

(5) In appropriations Acts likely to be considered by the Senate for fiscal year 1998, $449,000,000 has been requested by the President for expenditures in direct support of United States participation in the Alliance.

(6) In appropriations Acts likely to be considered by the Senate for fiscal year 1998, $9,983,300,000 has been requested by the President in support of United States military expenditures in North Atlantic Treaty Organization countries.

(b) REPORT TO CONGRESS.—The Secretary of Defense shall identify and report to the congressional defense committees not later than October 1, 1997—

(1) the amounts necessary, by appropriation account, for all anticipated costs to the United States for the admission of the Czech Republic, Poland and Hungary to the North Atlantic Treaty Organization for the fiscal years 1998, 1999, 2000, 2001 and 2002; and

(2) any new commitments or obligations entered into or assumed by the United States in association with the admission of new members to the Alliance, to include the deployment of United States military personnel, the provision of defense articles or equipment, training activities and the modification and construction of military facilities.

SEC. 8104. (a) The Secretary of Defense shall waive generally with respect to a foreign country each limitation on procurements from foreign sources provided in law if the Secretary determines that the application of the limitation with respect to that country would impede cooperative programs entered into between the Department of Defense and the foreign country, or would impede arrangements for the reciprocal procurement of defense items entered into under section 2531 of title 10, United States Code, or under any other provision of law, and the country does not discriminate against defense items produced in the United States to a greater degree than the United States discriminates against defense items produced in that country.

(b) Subsection (a) applies with respect to—

(1) contracts and subcontracts entered into on or after the date of the enactment of this Act; and

(2) options for the procurement of items that are exercised after such date under contracts that are entered into before such date if the option prices are adjusted for any reason other than the application of a waiver granted under subsection (a).

(c) Subsection (a) does not apply to a limitation regarding construction of warships.

SEC. 8105. It is the sense of Congress that should the Senate ratify NATO enlargement, that the proportional cost of the United States share of the NATO common budget should not increase, and that if any NATO member does not pay its share, the United States shall not pay either.

SEC. 8106. Congress finds that the Defense Base Closure and Realignment Commission directed the transfer of only 10 electro-magnetic test environment systems from Eglin Air Force Base, Florida, to Nellis Air Force Base, Nevada.

SEC. 8107. (a) FINDINGS.—(1) The Department of Defense budget is insufficient to fulfill all the requirements on the unfunded priorities lists of the military services and defense agencies;

(2) the documented printing expenses of the Department of Defense amount to several hundred million dollars per year, and a similar amount of undocumented printing expenses may be included in external defense contracts;

(3) printing in two or more colors generally increases costs;

(4) the Joint Committee on Printing of the Congress of the United States has established regulations intended to protect taxpayers from extravagant Government printing expenses;

(5) the Government Printing and Binding Regulations published by the Joint Committee on Printing direct that ''. . . it is the responsibility of the head of any department, independent office or establishment of the Government to assure that all multicolor printing shall contribute demonstrable value toward achieving a greater fulfillment of the ultimate end-purpose of whatever printed item in which it is included.'';

(6) the Department of Defense publishes a large number of brochures, calendars, and other products in which the use of multicolor printing does not appear to meet the demonstrably valuable contribution requirement of the Joint Committee on Printing, but instead appears to be used primarily for decorative effect; and

(7) the Department of Defense could save resources for higher priority needs by reducing printing expenses.

(b) SENSE OF THE SENATE.—Therefore, it is the sense of the Senate that—

(1) the Secretary of Defense should ensure that the printing costs of the Department of Defense and military services are held to the lowest amount possible;

(2) the Department of Defense should strictly comply with the Printing and Binding Regulations published by the Joint Committee on Printing of the Congress of the United States;

(3) the Department of Defense budget submission for fiscal year 1999 should reflect the savings that will result from the stricter printing guidelines in paragraphs (1) and (2).

This Act may be cited as the ''Department of Defense Appropriations Act, 1998''.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I ask unanimous consent that this bill, S. 1005, not be engrossed, that it remain at the desk pending the receipt of the House companion measure. I further ask unanimous consent that when the House companion measure is passed pursuant to the previous order, the passage of S. 1005 be vitiated and that S. 1005 be indefinitely postponed.

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

Mr. STEVENS. Mr. President, I have a list of a portion of my staff that I would like to have access and have floor privileges through July 23.

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

The list is as follows:

SENATOR STEVENS' HIGH SCHOOL AND COLLEGE INTERNS FOR FLOOR PRIVILEGES

Tuesday, July 15—Antonette Advincula, Kai Binkley, and Sarah Wood.

Wednesday, July 16—Carolyn Coghill, Clint Hess, and James Eklund.

Thursday, July 17—Daniel Cope, Wendi Dow, and Jennifer Burgess.

Friday, July 18—Kelly Eningowuk, Matt Johnson, and Bronwyn Rick.

Monday, July 21—Matt Hopper, Larissa Sommer, and Melissa Kassier.

Tuesday, July 22—James Hayes and Jay McAlpin.

Wednesday, July 23—Jessica Huddleston and Kate Williams.

Mr. INOUYE. Mr. President, I commend my chairman, the distinguished Senator from Alaska, for his extraordinary brilliance in managing the bill before us, and to commend Mr. Steve Cortese and Mr. Charles Houy for assisting us in this happy journey.

Mr. STEVENS. Mr. President, I thank the Senator from Hawaii particularly for congratulating our mutual staff, but I think the Senate knows that this partnership between the Senator from Hawaii and myself has gone on now for 29 years, and I consider that to be a formidable friendship and partnership. I am delighted to have the benefit of his advice, counsel, and assistance. He really is a true partner.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1998

Mr. STEVENS. Mr. President, I now ask unanimous consent the Senate turn to the consideration of Calendar No. 107, S. 1004, the energy and water appropriations bill.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1004) making appropriations for energy and water development for the fiscal year ending September 30, 1998, and for other purposes.

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

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

Mr. REID. I ask unanimous consent that while this bill is on the floor, Bill Perret, a congressional fellow, be extended floor privileges.

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

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, obviously, with the distinguished chairman of the full committee, Senator STEVENS, taking care of the defense of our Nation in 1 day in the Chamber, I am challenged and challenge the Senate to do likewise in this very important bill. I hope we can finish tonight. Senators who are within earshot or their staffs, clearly we intend to move right ahead. We know of only two amendments—there may be many, many more, but we know of only two, and we expect Senators who have those amendments to come down here as soon as possible. It is not beyond reason that we can finish this this evening.

I have some brief opening remarks, Mr. President, that I will make at this point. And, again, I ask that Senators who have amendments, whether they be add-ons or deletions, come to the floor and we can accommodate them almost forthwith.

I wonder whether Senator REID would not agree with that statement with reference to anyone on that side who has an amendment. We are ready.

Mr. REID. Yes. I have communicated by telephone with the chief of staff of one of the Senators who is going to offer an amendment, and she indicated that that Senator would be available any time after 3 o'clock today.

Mr. DOMENICI. I thank the Senator.

Mr. President, S. 1004 was reported by a vote of 28 to zero from the Senate Committee on Appropriations on Thursday, July 10, was filed that evening, and it has been available for Members since Friday, July 11.

Senator REID, who this year became the ranking member of the subcommittee, and I have worked closely together to craft a balanced bill. We believe it addresses the concerns of the Members of the Senate and the concerns of the President of the United States.

The recommendation before the Senate provides $20.7 billion in new budget authority, $11.7 billion within the defense function, and $8.9 billion of that is within the domestic discretionary program. In this appropriations bill, in essence, a little over half of its total money is for defense purposes, and most of that, not all of it but most of it, has to do with the preservation and retaining the fidelity of the nuclear arsenal that the United States has in these very difficult times when we are building down and we are no longer doing underground testing.

The recommendation is $1.9 billion in budget authority below the request of the President. That reduction results from the subcommittee's recommendation that we not provide for full asset acquisition, which saved about $800 million in budget authority, and provide only $300 million of a requested $1 billion for an initiative to privatize a portion of the Department of Energy's cleanup work.

Now, Mr. President, I might explain, in no way are we doing less in cleanup. There is an effort to go at this waste cleanup program—which is very, very difficult, very cumbersome, very bureaucratic and costing a lot of money—there is an effort of the administration to move in another direction and to try to come in with privatization, which would permit somebody powerful of resources and of talent to bid a total cleanup project for a certain amount of money and then the Federal Government, when they are finished, would pay them for that.

The Department knows that this is a very big venture requiring some very new management skills, and we in our bill are saying let us take one-third of this new effort, not the whole thing. It was all budget authority with no outlay request attendant to it to speak of. And we said let us go with $300 million instead of $1 billion to see how the program works.

It has been modified and language has been supplied in this bill so that the major one that they wanted to go out to privatization bid probably on the west coast will probably fit.

Now, it is interesting that while much time is spent on the defense nuclear aspects, and we could spend this afternoon in debate on the floor on that aspect, there is a large portion of this bill that has to do with funding that is not defense. The discretionary function is $103 million less than the request.

However, within the lower amount, the subcommittee has increased spending for water projects by $229.5 million above requests. The offsetting savings were derived principally from the Department of Energy's nondefense functions.

I must tell Senators that of all the subcommittees I have been on that garner comments and letters and requests from fellow members, this small portion of the bill, the water projects of America, brings us more requests than any subcommittee I have served on, because all the water projects in America, the flood protection projects that have the Federal Government involved, the Bureau of Reclamation, and all the Corps of Engineers projects across this land are all in this section—the dredging, the ports that we maintain, and so it is not easy to make ends meet here. Senators are not going to get everything they think their projects need because we cannot afford them anymore, and two very large projects that are ready to go through the Corps of Engineers, one in West Virginia and one in the State of Kentucky, we cannot start them because of all of the programs that are still backed up in terms of available resources.

The time might come when perhaps a large bipartisan group might want to tell the executive branch, in its next budget, that they better do a little better in this field because we are going to have to take money away from something else in Government to satisfy these needs because so many Senators feel so strongly about them.

The savings that we have put in our bill with reference to the domestic part are $43 million from solar and renewable energy. The committee recommends $301 million, a $35 million increase over last year. That is a $35 million increase. Mr. President, $67 million was saved from the Nuclear Regulatory Commission, where it recommends $243 million, a $24 million increase over the current year; $20 million saved from the nondefense cleanup, but we provide $437.6 million, a $109 million increase over current year; $25 million is saved from science by not providing for the next generation of Internet programs—we believe that can wait a year—and $30 million for the Yucca Mountain program; leaving $160 million on the nondefense side and $190 million in the defense function.

We believe this is adequate to move ahead in a steady, go-as-you-can approach that has been taking place for at least the last 3 years. Mr. President, $18 million was saved from uranium decommissioning and decontamination programs. The committee has protected science funding. And, while it was unable to provide an increase, as many Members requested, it did provide $2.2 billion of the $2.3 billion requested in this field. Within the atomic energy defense activities budget, this committee included $4.3 billion for weapons activities and $5.3 billion for environmental restoration and waste management.

I think it is noteworthy that we are now beginning to spend more, and this is in billions of dollars, on the environmental restoration and waste management in this country, the result of our nuclear programs with reference to our defense and the use of the various facilities for atomic and hydrogen bombs—we are spending more than we are in the actual weapons activities. And we are moving in a brand new direction in terms of weapons activities, in that we no longer test our nuclear weapons underground. Since we do not, because Congress has said let us not do that, obviously we have to assure the fidelity, trustworthiness, and safety of these weapons another way. And we are busy doing that under the title of ''science-based stockpile stewardship,'' something new. We hope in the next 4 or 5 years we can display to everyone that indeed we can continue to certify

the well-being of this weapons system without underground testing through the use of new devices and new science at the three major nuclear Laboratories, Livermore, Los Alamos, and Sandia.

The committee reduced the Department of Energy's privatization proposal. I have expressed that in my opening remarks. We continue to maintain the ability to manage a technically challenged fixed-priced contract. As a result, the House and Senate committee proposed significant reductions for the $1 billion requested. That is because there is general concern about whether the Department has the ability to manage the technical part. The Committee on Appropriations recommends $343 million, to be exact, with reference to this work.

The leadership has expressed its intent that the Senate this week complete consideration of three appropriations bills: defense, which we just completed; energy and water, a small bill compared to the defense bill but a very important one from the standpoint of our defenses; science, and our water resources.

I understand we want to go ahead and do foreign operations also. We would like very much to finish tonight so we can move right along on this schedule.

So, I want to say to everyone, I am very hopeful we can handle this bill in the manner that the chairman and Senator INOUYE, the ranking member, handled the previous bill.

My remarks are completed. I understand my good friend, the ranking member from Nevada, wants to make opening remarks, and then we will be ready for any other Senators.

I yield the floor.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. Mr. President, this bill is the only one of the 13 appropriations bills that every dollar that is in the bill is discretionary funding. It is extremely important, every dollar that we have in this bill, that it go to the right source or sources. As the ranking member of this subcommittee, I have worked very closely with the chairman of the subcommittee. He has been very open, invited me to meetings with Cabinet officers, and this has been a joint venture, this legislation, as well it should be.

I know the chairman of the subcommittee worked very closely for many, many years with the then chairman of the subcommittee, Senator Bennett Johnston, and then when the roles reversed, they also worked very closely together. This is a bill that cries out for bipartisanship. It is a bill that affects very important aspects of this, our Federal Government.

The bill can be supported by the entire Senate because we have approached it on this basis. It has been a difficult bill, but I think what we have arrived at is equitable and good public policy, despite very difficult circumstances. One of the difficulties the subcommittee faced is one that cannot be solved easily and that is the significance of these water projects around the Nation. The Corps of Engineers programs, both general investigations and construction, received balanced increases over last year's budget while the operation and maintenance aspect of their program was reduced by some $200 million.

The budget for the Bureau of Reclamation, which for western Senators is extremely important because the Bureau of Reclamation is principally responsible for the arid States of the West, increased by $2 million over last year despite the budget proposal that would reduce the program account. The Bureau of Reclamation's first project ever in this country was in Nevada. In 1902 that program started, named after a Nevada Congressman named Newlands, who eventually became a Senator. So we are very familiar in Nevada with the good that the Bureau of Reclamation does and the bad they have done in years gone by.

During the process of their developing programs in this country, some of the things they did simply have not worked out very well. But it was not because there was any ulterior motive. It was simply the arid West they were trying to make blossom like a rose. In some places they did, in some places they didn't.

Water projects are often maligned as excessive and unnecessary items in appropriations bills. Being from probably the most arid State in the United States, I disagree. Water projects are extremely important. If it were not for water projects, the city of Las Vegas, the county of Clark, simply would not be the most rapidly growing area in the Union. It is because of water programs sponsored by the Federal Government that that area has been able to grow the way it has, because of the Southern Nevada Water Project, funded by this Congress.

Our country has been described as a fortress nation with two large coasts and waterways throughout the continent playing a role in commerce, recreation and education as well as other functions. Communities around the Nation are directly affected by water projects that do, in fact, have Federal interests. I have given one example. I want this Senate to know that what we have done has taken a great deal of thought, the expertise of our very good staffs, and a lot of time.

Starting with the largest water concern in the Nation, I would like to direct the Members' attention to a section of this bill dealing with the U.S. Army Corps of Engineers program entitled ''Flood Control, Mississippi River and Tributaries.'' This is a so-called earmark. I guess we could call it that. A lot of people deride this earmark. This is for almost $300 million.

We know the Mississippi River is the most important waterway in this country and has been for more than a century. The Mississippi River has the third largest drainage basin in the world, draining over 41 percent of the United States and covering 1,245,000 square miles.

The $289 million we have appropriated is probably not enough, but it's the best we could do. The Mississippi River has flooded over the years, but due to the flood control levee system as put in place by the Corps of Engineers, over $8 billion in flood damages were averted in the 1993 flood alone. So, I think, by anyone's estimate, we should receive a passing grade on a cost/benefit scale. This is an earmark, a huge one, that is important.

Let's take a smaller earmark, what some people direct their attention to, the extensive coastline America has and other smaller drainage basins and locations such as Assateague Island in Maryland. We have recognized the importance of Assateague Island in Maryland, and since 1935, when a Federal navigation project was first started and disrupted natural sand distribution, the shoreline has been eroding. There is now a severe threat of unnatural erosion and accelerated shoreline migration. We have appropriated money in this bill to stop this damage from occurring. Because, if the damage occurred without Federal intervention, the bays, commercial routes, the recreational island and the mainland would be irreparably damaged.

This is an earmark. It is important for one of the States of the Nation, and we have stepped forward and the Corps of Engineers has developed a comprehensive water resources investigation in this area, and we will complete the preconstruction engineer design recommendations for this project. This is important.

There are numerous other projects just like this. Let me talk, though, about a number that are important, I think, in this bill. Because water is a precious commodity in the West, as I have already talked about, the use and study of water impacts every community. Water reclamation and desalinization projects, authorized in the last Congress, are of vital importance to lower Colorado River communities, the Columbia-Snake River area and to rural communities.

We know that desalinization is important. Senator Paul Simon, who has recently retired, believed in this significantly. He asked me to make sure that we did not forget about the things that he tried to do in this Congress. I think we have done that in this bill. Desalinization is important. It is more than finding out if we can change the ocean water to fresh water. It is dealing with rivers that have become very polluted and have too much salt in them. So, this is important.

We have done things dealing with desalinization in this bill. Of particular note in this legislation, the importance of funding for the CALFED Bay Delta Ecosystem Restoration Project, another earmark, $50 million, which is to

assist California to understand the water systems and developing a balance to the uses of the vast California water system.

But the State of California has stepped forward. They have a multiyear funding program that they are going to work on with us. Theirs is almost $1 billion, the voters of the State of California approved. We have an obligation to come forward, I believe, as does this committee, and help them with this project. So I appreciate the concerns expressed in the report language about the CALFED Project. I think the concerns are fair and constructive, and I hope the Bureau and many proponents recognize the necessity to design this project and activities so we can feel confident in the use of taxpayers' moneys. There is no mistake, this is important to California. I support the committee in their efforts to fund this.

I have mentioned four or five projects in this bill. There are some who come and say, ''Why do you earmark these?'' We earmark them because that's our obligation. We have three separate but equal branches of Government. I think we would be foolhardy and it would not make our Founding Fathers smile if we just accepted everything that the administration wanted. We have our own voice, our own concerns, and they are expressed in this bill.

I support the subcommittee in the work that has been done dealing with renewable projects. The chairman of the subcommittee has talked about some of them, but I want to repeat, we have an almost $15 million increase in this bill for solar energy—for solar energy. We have a $4 million increase for hydrogen energy development. We have almost $6 million for wind energy development. And we have geothermal energy development at a slight increase. Alternative fuels are the answer to the problem in the world to come in the United States. We have recognized that.

I would have liked to give solar much, much more and hydrogen and wind and geothermal. But we have increased these in spite of a budget that is very spartan in nature.

Before we go to the energy side of the bill, I would like to say, considering the many demands on the Corps and the Bureau, nobody received all the moneys they wanted or requested, but we tried to be evenhanded about the projects, as well as taking into consideration the position of the agencies themselves.

The nondefense programs in the Department of Energy were also stretched due to the outlays and allocations, as well as the demands of the activities.

The work at Yucca Mountain is continuing. I don't like Yucca Mountain. I wish it weren't there. But I felt in fairness and being a constructive member of this committee that we should continue the funding. I think, though, for example, the latest work they did there, building a 4½-mile tunnel through a mountain which cost $60,000 a foot, the subcommittee was very responsive in setting the workload that should take place with this facility at Yucca Mountain.

The budget authority and outlays do not provide for the entire privatization effort but does support continued waste management and cleanup at a level that will maintain a scheduled cleanup of sites that have served the Nation in the past and now should be taken care of.

The atomic energy defense activities of this bill is, I feel, a grave and momentous responsibility, and the chairman of the subcommittee and I have recognized that. We may talk of these amounts as dollars, but we recognize that literally the work we do here is the difference between having a safe and reliable nuclear arsenal and one that is more prone to accidental problems. We understand how important this is.

So, Mr. President, this appropriations bill is important, because it provides a transition between a world in which we tested nuclear devices—we tested almost 1,000 nuclear devices at the Nevada test site. That program is over with, we hope. We hope that nothing occurs that the President will have to exercise his emergency powers to again start nuclear testing at the test site. What this bill has done is take into consideration that for 50 years of brinkmanship, we can now look at a world that is relatively safe. With these tens of thousands of nuclear warheads, we have to make sure that they are, I repeat, safe and reliable, and we have taken that into consideration with this legislation that is now before the Senate.

The world still provides no safe haven from international conflict, and some of our potential enemies remain armed with the most destructive weapons in mankind's history. So we must remain ready and capable of responding to many threats from those or other weapons of mass destruction, not because we want or should wage war with these demonic weapons, but because we want to wage peace by deterring their use by any government forever.

If we could put the nuclear genie back in the bottle, we would do it. But I am sure of one thing, and that is the nuclear threat still exists and will continue for an indefinite period. Experience has shown the best response to this threat is to remain so capable that no government will ever perceive any advantage from a nuclear attack. So we must retain indefinitely a safe and reliable nuclear stockpile.

Although we must remain ready, we want to reduce the incentive for other countries to increase their arsenals. We want to stop the unending spiral of development of increasingly dangerous weapons by those nations that already have nuclear arsenals. I think this legislation does that.

This country has advocated, through the President, a Comprehensive Test Ban Treaty to stop that developmental spiral and remove that incentive.

So now, for the foreseeable future, our country must maintain its nuclear deterrent in a completely different way compared to past practice and experience. No longer can we test new designs for their safety and reliability. No longer can we test new designs of weapons, we can only test weapons for safety and reliability. That is important.

No longer can we assure stockpile safety and reliability by replacing old designs and weapons with new ones. We must get along with what we have, and we have to make sure they are safe and reliable. We must rely on present designs and weapons in the stockpile, so we have to develop the understanding of how age will affect their safety and reliability, and we must acquire this knowledge while testing the weapons and designs.

The Department of Energy, in consultation with its National Weapons Laboratories and with the Department of Defense, has concluded that the only assured way of certifying an aging stockpile without testing in the traditional fashion is to understand the science of weapons materials, components and systems, and, with that understanding, to use computer-based simulator performance to evaluate safety and reliability, and that is what this legislation which is now before the Senate does.

This so-called Science Based Stockpile Stewardship Program has been reviewed completely by experts from inside and outside the program and experts both inside and outside the Government. These experts have conditionally agreed the science-based program can succeed. It can succeed provided appropriate investments are made in scientific research, in experimental facilities and in advance computational capabilities. These conditions are faithfully reflected by the atomic defense activities budget and in the energy and water development appropriations bill.

When this program was originally conceived, its budget dimensions were estimated under a variety of assumptions, some of which have not been realized. For example, it was assumed that START II ratification by Russia would have been achieved. It hasn't. Failure to ratify START II has required greater investments in weapons surveillance and maintenance, causing unexpected costs for both the national laboratories and the plants.

In addition, more weapons in the stockpile has accelerated the required schedule for tritium production which is one of the elements in a weapon that lasts a little over 10 years and must thereafter be replaced. So we must periodically look at this product in our active stockpile.

Guaranteeing tritium production capability on this new schedule has required simultaneous exploration of two research options, neither of which is

cheap. Furthermore, the greater maintenance load on our plants has delayed our planned progress toward downsizing and has required investments in plant infrastructure that we did not anticipate.

Finally, reductions in administration costs by the Department of Energy has not been realized as quickly as expected.

The future will be defined by progress toward ratification and implementation of the Comprehensive Test Ban Treaty, and it depends critically on our confidence and reliability and safety of our enduring strategic nuclear stockpile.

A principal discussion that has taken place is the role of the stockpile stewardship and the science activities that need to occur to maintain a certified state of readiness. Because we studied these defense issues closely, this subcommittee has provided sufficient funding for the national ignition facility as a cornerstone of the science-based stewardship, and we integrated the Nevada test site and national laboratories in the defense program to assure a certifiable stockpile.

Mr. President, I wish it were possible for every Member of the U.S. Senate to take a tour through our national laboratories to find out how essential they are to the literal safety of this world. They do tremendous work with little fanfare. I have become a real fan of our national laboratories.

This bill is fair and reasonable. I support the efforts of this bill to seek more efficiency within the Department of Energy.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The Senator from New Mexico.

Mr. DOMENICI. Mr. President, we are in the process of clearing a number of amendments. I, once again, ask Senators who have any amendments that they are certain have to be offered if they would get down here as soon as possible. If they are the only two amendments, it would seem to me it would be reasonable for us to be telling the Senators and our leadership that we could finish tonight, provided we don't have to just wait here with nothing to do. I understand the schedules and other subcommittee hearings and the like. But I, once again, urge either of the two Senators who have an amendment that we understand might be offered that they get down here as soon as possible.

Mr. President, I say to fellow Senators, I thought I would discuss a little bit about this bill I think is interesting and might make it easier for those who are wondering, as you look at the Department of Energy's role—and it has a lot of roles, a lot of missions, it might be a little easier to identify what we are doing as a Nation in various areas.

So what we have done is we have kind of reorganized the way the bill shows the functions at the Department of Energy. I call to anyone's attention who is interested the report accompanying this bill at page 88, title III, the Department of Energy, because we have broken it down into the energy research, we have broken it down into what we call science.

I would just like to talk about science for a minute, because across this country—incidentally, the science portion of this bill costs $2.2 billion. We hear, and I am sure the occupant in the Chair in his capacity from his State with INL there and a lot of science going on, our academic and business leaders say, if you are going to reduce spending, don't reduce what we are spending on basic science. We are all hearing that. We funded the President's request in basic science. If you look in this reorganization effort, science is made up of high-energy physics, nuclear physics, biological and environmental research, basic energy sciences, and other energy research.

It is very, very important that everybody understand that this is not just a Department of Energy bill that has to do with petroleum and natural gas. It has to do with subjects I spoke about, some of the most profound and deep science that America is doing anywhere with reference to physics, with reference to biological and environmental research.

For instance, this Department has one-third of the budget, Mr. President, of the human genome research project. The human genome research project is about 7 years old, maybe 8, and two-thirds of it is run by the National Institutes of Health and one-third by the Department of Energy. Many scientists have said it is mankind's most serious and potentially effective research project for wellness. For what we have been doing with the genome project is to map all of the chromosomes of the human body and to discern from within those chromosomes where the dread diseases are located. It doesn't mean we know how to cure them because we know how to locate them, but for most of our adult life, we heard every 3 or 4 or 5 years a group of great scientists would announce they had located the genes for multiple sclerosis. They were in an effort that might have taken 20 years to locate that, because they had to do it without regard to the relevancy of doing all of the chromosomes of the human body.

Because of computers and other things, we are well on the way to handing to the scientists of the future the chromosome locations inside us for all of the dread diseases, and then it will be up to pharmaceutical researchers and basic researchers to find if there is some way that we can effect cures. That is why it is seen as the biggest wellness effort, and one-third of that lies within the Department of Energy. It is interesting, it is there for a number of reasons. I won't talk about the parochial interests which I had something to do with. But essentially, this Department was doing a great deal of genetic work, as the occupant of the Chair knows. Because of Hiroshima, Nagasaki, some of the most indepth preservation of radioactive impacts on the human genetic system and research on that, instruments to do the research were within this Department. So when Senators wonder what the Department of Energy does, that is one. That is $1.2 billion.

Mr. REID. Will the Senator yield?

Mr. DOMENICI. I will be pleased to yield.

Mr. REID. While we are waiting for amendments to come, I will also ask the Senator, I was struck after having become the ranking member of the committee going to one of the national laboratories not in your State—I want to make sure everybody understands the national laboratories are important. They are important because they are in New Mexico, California and other places. Let's talk about the one in California.

Much of the research we hear so much about dealing with genomes, trying to determine what our bodies are made of started in national laboratories.

Mr. DOMENICI. That is correct.

Mr. REID. The work we are doing in Lawrence Livermore in California is mind-boggling work done there.

I ask the Senator, what would the state of scientific research be in our country today if it were not for the national laboratories?

Mr. DOMENICI. I say to the Senator, you know, everybody around would say you asked the right person, because I am absolutely convinced that the national laboratories—and there are more than the big three we have just alluded to that are part of this, the Department of Energy—while they may not have been created in their inception to do the kind of research they are doing today, or the three we speak to, they were created and started up because of atomic bombs and hydrogen bombs and nuclear energy. And everybody related to that, the design, the making, the disarming, huge assemblages of the greatest physicists and scientists that America has ever brought up, ended up in these laboratories doing this kind of work.

The result of that is they are doing all kinds of basic research because they are there and they have big equipment to do their jobs. I would surmise that as many breakthroughs in science have come about because of the national laboratory system as any other single institution or entity in America's modern history.

Mr. REID. If the Senator would yield, maybe even in the history of the world.

Mr. DOMENICI. Could be.

Mr. REID. For example, at Lawrence Livermore, I spent some time with a Dr. Campbell, who is one of the leading experts in the world on lasers. Lasers were invented in 1917 by Albert Einstein. It took scientists 43 years, and it was finally proven at Lawrence Livermore that he was right, that the formula he came up with in 1917 dealing

with laser technology, that he really knew what he was talking about.

But for the work done in our laboratories, things like this, they may have come to be, but it would have been years in the future. If you talk about great scientific minds in the last 50 years, they have all worked in these laboratories.

Mr. DOMENICI. That is right.

I want to, again, if there is a little bit of time, to remind fellow Senators of another thing.

You know, a very large group of Senators, just speaking of our body, our Senate, are always very concerned about the adequacy of defense spending. And I think we see that in the bill that just passed with very large support. We see it in the willingness of the U.S. Senate to set up a wall and say the appropriations for defense are separate from the domestic appropriations, and you cannot take from defense to spend in domestic. You need a supermajority to do that because we think it is so important that we do right by defense.

But I think what happens is that sometimes many of the Senators do not realize, and maybe it is because we have not done a very good job of telling them, that a portion of the defense of our Nation is done not in the defense budget but in this budget, by the Department of Energy in its nuclear weapons work. All of the money for that comes out of this defense pot of money that I just talked about, with a wall saying this money cannot be used for anything else; it is transferred for that part of Government to this subcommittee and to the Department of Energy to do the nuclear deterrent work in the broadest sense of the word.

Now we have decided to engage in a big, vast experiment regarding the preservation of these nuclear weapons in terms of their safety, reliability, and trustworthiness. We have said no more underground testing, which my friend from Nevada had a very major parochial interest in and which went on in his State for many, many decades, that offered direct objective proof of the reliability and the qualitative capability and quantitative capability of the weapons. We decided as a Congress, and the President agreed, that we would not do that anymore.

Now, it is obvious that we have not gotten rid of our nuclear weapons, and we will not for a long time, even though we are hopeful that with the various treaties we will get this number down, and hopefully there may be even a giant effort to get it down even more. But in the meantime, what nobody seems to understand—or, I should say, few understand—is that we have to spend money on some new techniques to make sure the weaponry is safe and trustworthy and that it will be faithful to its mission because we cannot test it anymore.

So we are engaged in a major transition. I have alluded to it, my ranking member has. It is called science-based stockpile stewardship. The greatest scientists and physicists and others have joined together with the Department of Energy saying, ''Since we can't test, we have got to find some other ways based on science.'' And, Mr. President, we are engaged in very large computer experiments. In fact, we are pushing the threshold of computer capability more by this requirement than any other requirement in America. The push for bigger and faster computers is being done by our response to the science-based stockpile stewardship.

In addition, each of the major laboratories, since we will no longer make new bombs, no longer design new bombs, are engaged in their part of trying to make sure that the weapons are reliable. If, indeed, there is a dispute today on the floor on whether we are spending too much for this, I am prepared to go into a lot of detail, none of which is secret, about the certification process as to the well-being of the weapons.

These three laboratories, headed by civilians, have essentially maintained our nuclear deterrent position for all these decades because they surround themselves with the best; we fund the best equipment, and they have always kept us from having a war. They have kept us highly, highly competitive so that nobody, including the Soviet Union, dared venture anything in the field of nuclear weapons.

These same laboratories must continue to certify the reliability of these weapons. It is not just some figment of someone's imagination that they are important. The truth of the matter is, the Joint Chiefs of Staff, in agreeing to no more underground testing, studied it and worked with the best scientists around and concluded that they would go along if, in fact, the national laboratories were given sufficient resources and the lab directors could certify to them and the President regularly that we were able to verify the effectiveness, the safety of these weapons systems in ways that did not need underground testing as a quantifier or objective determinator.

That makes the work of this Department in this regard as important, in my opinion, as anything within the defense budget of the United States. I do not believe, properly presented to any legislator and any policymaker, they could disagree.

In this bill, there is about $4.3 billion—and remember, we just passed a defense budget an hour ago, about $250 billion. So let us put it in perspective. The science-based stockpile stewardship, the maintenance of and attesting to the reliability of the nuclear weapons, is being done for about $4.3 billion by essentially three national laboratories who work for us.

It seems to me that when it comes to these budgets, we ought to not fail to understand that it is part of the defense of our Nation. When it comes to maintaining these science-based efforts, some of them are new and very major. A whole new device and system will be established at Lawrence Livermore. A lesser facility is almost completed to do an x-ray type activity at Los Alamos. And all three laboratories are beginning to do, with early completion dates, major, major computer programs so that many of the tests can be done by simulation that were done before by actual tests.

So I hope, when it comes to where does the money go from the Defense Department, that everyone will understand it is very, very important that we adequately fund defense, but it is probably even more important that we properly allocate money to the laboratories of this Nation which are doing the deterrent work with reference to our nuclear arsenal.

Now, there are many other great laboratories—one is in the State of the occupant of the chair—that do great science work for the Department of Energy. One could stand here and go through each one and say how important it is, and much of it is not discernible easily as being directly related to energy because it is science of some very special quality that can be done by the people and the other things that are present in these various facilities.

So the Comprehensive Test Ban Treaty, which I have not yet mentioned, is the natural next episode that follows on the American Government's agreement not to do any more nuclear underground testing. And the next thing will be, can the world agree to it? That treaty is going to be called the Comprehensive Test Ban Treaty. Obviously, it is ready. It is in the possession of the executive branch. And soon—I do not know when, but it cannot be a long way off—it will be submitted to the Senate for its approval and ratification and/or amendment, I assume.

I think it is important that everyone know that the questions that are going to be asked have to do with this appropriations bill, questions like, are we adequately funding what is required by the laboratory directors of the laboratories that are nuclear weapons laboratories? Are we funding the program properly for the next 5-year interval so that we can say with confidence that the international test ban treaty can be entered into?

Obviously, I am putting the Senate on notice, in a way, that some work has to be done clearly to make sure that the Joint Chiefs and the lab directors, the three laboratory directors, can be assured there will be adequate funding. We are working on that now with the administration and the Departments of Defense and Energy so we are able to come to the floor and say with as much certainty as we can, considering our democratic processes, that we are funding the basic institutional thrusts required to make an international treaty a valid and good thing for America set up alongside of the test ban that we have passed.

There will be many other ramifications to that test ban treaty, and I

think one is obvious. If we find out that we absolutely cannot get along without it, what happens? I think that will be addressed, too. These scientists will tell us whether this science-based stewardship is working or not. And if they end up saying it cannot work, it cannot do the job, then what happens if we are bound in a treaty? And I think that will be addressed in due course.

I still do not see any Senators present who want to offer amendments, so I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

PRIVILEGE OF THE FLOOR

Mr. REID. Mr. President, I ask unanimous consent that the privileges of the floor be granted to Dr. Robert M. Simon, on detail from the Department of Energy on the staff of Senator JEFF BINGAMAN, during the pendency of S. 1104 and any votes occurring thereon.

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

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

AMENDMENTS NOS. 859 THROUGH 866, EN BLOC

Mr. DOMENICI. Mr. President, while no amendments have been offered, we have been doing our very best to work with any amendments that we are aware of, and starting late yesterday and today we have had some amendments that we have cleared on both sides. There are eight in number. I am going to send these eight amendments to the desk shortly. They are an amendment on behalf of Senator BYRD regarding Stonewall Jackson Lake, an amendment on behalf of Senator DASCHLE regarding the Cheyenne River Sioux Reservation, Senator KEMPTHORNE regarding a McCall area waste water reclamation and reuse, an amendment on behalf of Senators BINGAMAN and DOMENICI regarding the Butte Reservoir pipeline, an amendment on behalf of Senator WYDEN regarding watershed agreements, Senator BIDEN and Senator ROTH regarding the Delaware coast, an amendment on behalf of Senator BUMPERS regarding the Southwest experimental fast oxide reactor, and an amendment on behalf of Senator BOXER regarding Greenville Road.

I send the amendments to the desk and ask that they be considered en bloc, Mr. President.

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

The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] proposes amendments numbered 859 through 866, en bloc.

Mr. DOMENICI. I ask that further reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 859

Following Section 503, insert the following new section:

SEC. 504. (a) The State of West Virginia shall receive credit towards its required contribution under Contract No. DACW59–C–0071 for the cost of recreational facilities to be constructed by a joint venture of the State in cooperation with private interests for recreation development at Stonewall Jackson Lake, West Virginia, except that the State shall receive no credit for costs associated with golf course development and the amount of the credit may not exceed the amount owed by the State under the Contract.

(b) The Corps of Engineers shall revise both the 1977 recreation cost-sharing agreement and the Park and Recreation Lease dated October 2, 1995 to remove the requirement that such recreation facilities are to be owned by the Government at the time of their completion as contained in Article 2–06 of the cost-sharing agreement and Article 36 of the lease.

(c) Nothing in this section shall reduce the amount of funds owed the United States Government pursuant to the 1977 recreation cost-sharing agreement.

AMENDMENT NO. 860

On page 15, line 10, insert the following before the period: ": *Provided further*, That the Secretary of the Interior may use $80,000 of funding appropriated herein to complete the feasibility study of alternatives for meeting the drinking water needs on the Cheyenne River Sioux Reservation and surrounding communities in South Dakota".

AMENDMENT NO. 861

On page 15, line 10, insert the following before the period: ": *Provided further*, That the Secretary of the Interior may use $2,500,000 of funds appropriated herein to initiate construction of the McCall Area Wastewater Reclamation and Reuse, Idaho project".

AMENDMENT NO. 862

On page 15, line 10, insert the following before the period: ": *Provided further*, That the Secretary of the Interior may use $300,000 of funding appropriated herein to undertake feasibility planning studies and other activities for the Ute Reservoir Pipeline (Quay County portion), New Mexico project".

AMENDMENT NO. 863

At the appropriate place, insert the following new general provision:

SEC. . (a) IN GENERAL.—For fiscal year 1998 and each fiscal year thereafter, appropriations made for the Bureau of Reclamation may be used by the Secretaries of Interior for the purpose of entering into cooperative agreements with willing private landowners for restoration and enhancement of fish, wildlife, and other resources on public or private land or both that benefit the water and lands within a watershed that contains a Bureau of Reclamation project.

(b) DIRECT AND INDIRECT WATERSHED AGREEMENTS.—The Secretary of Interior may enter into a watershed restoration and enhancement agreement.—

(1) directly with a willing private landowner, or

(2) indirectly through an agreement with a state, local, or tribal government or other public entity, educational institution, or private non-profit organization.

(c) TERMS AND CONDITIONS.—In order for the Secretary to enter into a watershed restoration and enhancement agreement—

(1) the agreement shall—

(A) include such terms and conditions mutually agreed to by the Secretary and the landowners;

(B) improve the viability of and otherwise benefit the fish, wildlife, and other resources in the watershed;

(C) authorize the provision of technical assistance by the Secretary in the planning of activities that will further the purposes of the agreement;

(D) provide for the sharing of costs of implementing the agreement among the Federal government, the landowners, and other entities, as mutually agreed on by the affected interests, and

(E) ensure that any expenditures by the Secretary pursuant to the agreement is determined by the Secretary to be in the public interest, and

(2) the Secretary may require such other terms and conditions as are necessary to protect the public investment on private lands, provided such terms and conditions are mutually agreed to by the Secretary and the landowner.

AMENDMENT NO. 864

On page 2, line 26, insert the following before the period: ": *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, may use $200,000 of funding appropriated herein to initiate preconstruction engineering and design for the Delaware Coast from Cape Henlopen to Fenwick Island, Delaware project".

AMENDMENT NO. 865

On page 19, line 7, insert before the period the following: ": *Provided*, That from funds available herein, the Department of Energy will assess the cost of decommissioning the Southwest Experimental Fast Oxide Reactor site".

AMENDMENT NO. 866

On page 23 of the bill, line 5, insert the following before the colon: ", of which $2,000,000 is provided for improvements to Greenville Road in Livermore, California".

Mr. DOMENICI. I understand these amendments have been cleared by Senator REID on behalf of the Democratic Members.

Mr. REID. They have been.

The PRESIDING OFFICER. Without objection, the amendments are agreed to.

The amendments (Nos. 859 through 866) were agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. REID. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, once again I would like to repeat and urge that our fellow Senators come down here if they have amendments. I know we have to protect Senators and we

have rules, but it would not be too far-fetched for third reading to occur here any time if no amendments are in order. And I do not want to pursue that very vigorously even under regular order or the rules, but I do think there are a number of Senators and a lot of people waiting on the floor for what may be one or two amendments.

I certainly once again urge and beg my fellow Senators to get them down here so we can finish this work. All of us have many things to do, and we are very cognizant of your responsibilities, I say that to those Senators who have amendments, but we ought to try to keep the Senate busy when we are open and this would help us very much.

I yield the floor.

Mr. REID. Mr. President, I have told the Democratic Senators who have indicated they may offer amendments that we are going to go to third reading in the near future, and I do not know when that will be, but I told them it would be relatively soon. I do not have nearly the experience that the chairman of the full committee has, the manager of the bill, but I have been here going on 15 years, and that is one of the things that is really concerning to me, that is, how long we wait until we wrap these things up. I know the Senator would use good judgment in that regard, but I think all good things must come to an end, and I think in a reasonable period of time we should go to third reading.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. BUMPERS. Mr. President, is there anything pending? What is the parliamentary situation?

The PRESIDING OFFICER. There are no amendments pending.

AMENDMENT NO. 867

(Purpose: To fund the Department of Energy's Weapons Activities Account at the level requested by the Administration)

Mr. BUMPERS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS] proposes an amendment numbered 867.

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

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

The amendment is as follows:

Reduce the amount on line 4 of page 23 by $258,000,000.

Mr. BUMPERS. Mr. President, we discussed this for just a moment the other day in the full Appropriations Committee, but here is my concern. I want to voice those concerns both for the RECORD and for a response by the chairman of the subcommittee dealing with weapons activities.

Now, for the RECORD and people who read it and may not know, the Energy Department not only tries to develop solar energy and better ways to explore for oil and gas and that sort of thing, the Energy Department is also charged with the responsibility of developing and maintaining our nuclear weapons. They build them, they stockpile them, they guarantee to the people of this country their safety and reliability. They guarantee the safety of them for our benefit; they guarantee the reliability of them for the benefit of the Defense Department which is going to put these nuclear weapons on submarines, missiles, and so on.

But I have been concerned about the amount of money we are spending on that. What I wanted to do was to engage the chairman in a discussion of why we are spending the kind of money we are on this project.

For example, this year, 1997, the year we are in right now, we are spending somewhere around $120 million to $200 million more on the so-called DOE weapons activities account than we did in 1996. Senator HARKIN and I offered an amendment last year to strike that or to lower it. I forget exactly how the amendment read, but we tried to cut this last year, as the chairman will recall. We got 37 votes.

You know, I am tired of jousting with windmills around here. I have enough sense to know when you are going to prevail, when you have a fighting chance and when you do not.

But in any event, this year the President requested—these figures blow your mind—the President requested $4.044 billion for this so-called DOE weapons activities account—$4.044 billion. And this bill contains $258 million more than the President requested.

This is a very arcane account, very difficult for laymen to understand. I must say, I am a layman from the standpoint of the complexities of testing or trying to make sure that our weapons stockpile is safe and reliable. I am a layman in that regard. I am not a layman in regard to money. I understand that $258 million is a lot of money. When we appropriate $258 million more than the President requested—and the President asked for a fairly substantial increase—when we go above that by $258 million, then I think I am within my right and, as a matter of fact, my duty to raise the question of why we are spending this much money when you consider the fact that there is no Soviet Union. They do not exist anymore, and so far as I know, they do not represent a nuclear threat to this country at this point and, hopefully, never will again. By the same token, Mr. President, we do not represent a nuclear threat to the people of Russia today.

If I had asked this question—I do not want to go too far afield from the specifics of what I want the chairman to address, but I daresay, in 1987, for example—the Soviet Union essentially folded in 1990, 1991; and for all the years after World War II until that point, the defense budget was driven, driven almost exclusively, by the threat of the Soviet Union. I daresay, if I had asked any Chairman of the Joint Chiefs during that period, from 1947 to 1948 until 1990, how much could we cut the defense budget if the Soviet Union suddenly went away, I would guess that the smallest number I would have gotten would have been $50 billion and the maximum number at least $100 billion. I am talking about from generals and admirals.

So, all of a sudden, here we are 7 years after the demise of the Soviet Union, and the defense budget we approved in the authorization bill that we just passed yesterday is $268 billion. Now, I voted for it—but I felt it was way too much money—because there were some things in it that I thought were fairly important, and we are always trying to balance things. Anybody can pick one thing out of a bill they do not like and vote no. I dislike this so much I am tempted to vote against energy and water, but I am not going to vote against the bill because there are a lot of good things in it.

I am not going to accord, indulge, myself the luxury of saying, simply because there are half a dozen things in there I object to I am not going to vote for it. There are all sorts of water projects and energy things that are very important to me. This is about a $21 billion bill. I am not objecting to the $4 billion in weapons development. I am only objecting to what I consider excessive increases.

Now, having said all of that to the Senate, I am a strong believer in the test ban treaty. The Senator from Nevada may correct me on this, but I believe 1993 was the last year we had underground tests of nuclear weapons in Nevada. When we quit testing in Nevada, I considered that a hallelujah day in this country. I had been fighting for a long time, even before the Soviet Union disappeared, to stop nuclear testing, underground testing, in Nevada. I thought it was senseless. I thought there must be other ways that we could test and determine the reliability of weapons without actually setting off those explosions.

Mr. President, here we are now. We are still talking about a comprehensive test ban treaty, which I strongly favor. We do not have it. There are a lot of people in this body who would not vote for it if the Russians unilaterally disarmed tomorrow. But I happen to think it would take us a long way further than we are right now down the path toward the kinds of, what shall I say, comfort and good feeling we have about the future of nuclear weapons.

So, Mr. President, when I look at these figures, this $4.302 billion account, which is $258 million more than the President requested, considerably

more, over $300 million more than the House bill provides—let me repeat that. While we are at $4.302 billion, the House is at $3.943 billion, or $350-plus million less than the Senate; and both the House and Senate authorizing bills are less—are less—than the Senate appropriations bill which we are considering on the floor at this moment.

So, Mr. President, I intended to offer this amendment as much as for any other reason to engage the distinguished Senator from New Mexico in a colloquy and let him explain. I know he has an explanation. He is very knowledgeable on these things. Let him explain to the Senate why these rather unusual increases, when everybody else is taking a hit—there are a lot of water projects in this bill that he could not fund because they do not have the money to do it. Of course you couldn't.

Before I finish, I ask the Senator from New Mexico, do the firewalls that we have in place apply to the Department of Energy's defense activities?

Mr. DOMENICI. I say to the Senator, only in this respect. The money for the DOE defense work comes out of the total amount available for defense under the budget, and that total amount is subject to a firewall. Whatever you take out of it, like the money you are describing, the firewall carries with it, so that in this bill you could not move defense money to water projects because there is a firewall around the subdefense money, which is exactly the same as the big defense 050 function called defense.

Mr. BUMPERS. Let me say, the $268 billion defense authorization bill we passed last evening, does that include the roughly $17 billion in this bill for nuclear weapons?

Mr. DOMENICI. There is not $17 billion in here.

Mr. BUMPERS. I think $17 billion is the right figure, roughly $17 billion in nuclear, is there not, in the bill?

Mr. DOMENICI. There is $11.8 billion in total defense money in this bill.

Mr. BUMPERS. OK.

Mr. DOMENICI. And $4.3 billion is weapons.

Mr. BUMPERS. So $11.8 billion. Is that all in the $268 billion authorization bill?

Mr. DOMENICI. It is. There will not be more money spent. There will not be any accumulation. The total amount we put in the budget will include the bill Senator STEVENS passed and this money. It will equal the total amount of defense money. There is no add-on for this.

Mr. BUMPERS. Let me close with one observation, because I did not have the correct figure a while ago.

Last year's bill, last year's Senate energy and water bill, the same bill we have on the floor right now, provided $270 million more than the President asked for and $300 million more than the House provided. So we had $270 million more last year than the President requested and $258 million more this year than the President requested. That is well over half a billion dollars in 2 years, as I say, when everybody else has suffered.

So I ask the Senator from New Mexico if he would care to respond to my complaints about what I consider excessive increases in the DOE weapons development activities.

Mr. DOMENICI. Let me first say to you, I believe that this discussion and what you have done in the past in an effort to make sure that we can answer and respond to inquiries about the sufficiency or whether we appropriated too much are good for the Senate and good for the American people. So from my standpoint, I am glad you are here on the floor. And I am glad you in the past have challenged us.

I have tried very hard to answer up to a responsibility that almost no one understands, and that is that the entire safety of the nuclear arsenal is funded in this bill. Most people think it is in that big defense bill. It is in this bill.

Let me move on to a couple of other things. The overall expenditures in this bill, compared to the present, the overall amount in budget authority is $1.9 billion less between defense, nondefense, water and everything else. But we had increased water projects, which you alluded to, on their own by $229 million. You have been an advocate, and we worked with you, on many of those. They are tough to fund. But they did not come out of the defense money anyway. You quite appropriately asked, are they walled off? They are. That is a big part of this bill, and growing in difficulty.

If you would have come down and said, ''I would like to engage you, Senator, in about an hour discussion on whether we're going to be able to pay for water projects,'' I would be a little more concerned, because I am not sure we can, because we are not putting any more money in this domestic part of this bill, and we are asking for more and more water projects.

One part of our Government says, we do not want to do any more, we want to increase the ratio of support locally. And we keep saying we have to keep doing them because they are needed.

So I want to establish those fundamental issues.

Now, let me move on. If I were the only one, singularly, who thought we had to have an increase of about $300 million in the defense part of this bill for nuclear weapons safety, I would probably be a little frightened here on the floor because you are very persuasive. But I worked with the ranking member, who is a diligent Senator. He started saying, ''I want to learn everything I can. I want to meet with everybody you meet with. When you bring the Secretary of Defense in, I want to be there. When you bring in the DOE, I want to be there. When you bring in the security people out at Berger's office, I want to be there.''

We have both concluded that there have been some things that have occurred since the President submitted his idea of about $4 billion a year for the safety, well-being, and fidelity of the nuclear arsenal. We are going to discuss those with you here in a minute.

But let me first say, that $4.3 billion is not to manufacture a single new weapon. I think everybody should know that. People keep saying we are making nuclear weapons. You know we are not—no nuclear weapons and no nuclear weapons designs. But what we have, Senator—and this is not a secret number, and it is not subject to my call—is we have a minimum of 6,500 nuclear weapons. That is the allowable under START II.

Now, I am not, in this bill, permitted to challenge whether we need them or not. I am only permitted to respond to lab directors and the national security advisers on how much do we need to make sure they are safe, and some of them are running out of their durability. A number of them will be old in 5 years, sufficient for us to wonder what we should do with them.

Now, what we used to do, Senator, is perform some rather objective tests in Nevada. On this floor, the three of us probably have discussed that as much as anyone else, and the Senator from Nevada knows about all that testing. That used to be an objective way of measuring certain things. Now, before we entered into that agreement, before the President said let's cut off underground testing and sent up his proposal and started lobbying for it, and before Congress would approve it, the Joint Chiefs of Staff had a lot of questions. Essentially, believe it or not, they literally had to do with, how do we maintain the arsenal without the tests?

Frankly, Senator, I didn't make that deal either, although I am glad to live with it. I will say what you have said. I hope the whole world joins us now. In fact, I am leaning strongly in support of the international treaty banning it. But I guarantee you that it has no chance of passing, if Senators can come to the floor and have credible information that those who are in charge of making sure those weapons are safe, the parts are replaceable, if they are broken down. If anybody in the security department of our country can say we don't have enough money in there to do that, that treaty will go down in flames. And I can tell you there will be Senators who are going to say that, regardless of what we put in this bill.

But I am not convinced that $4 billion, which was in the President's budget, and $4 billion for the next 5 years, will do that. Now, it seems simple, Mr. President, that we ought to just go from underground testing, get a few scientists and a few machines ordered, and we ought to test these weapons. But I tell you, if you want me to, I will read you the definition of safety that has been in existence regarding nuclear weapons since 1968.

Mr. BUMPERS. I wish you would do that.

(Mr. GREGG assumed the chair.)

Mr. DOMENICI. They are incredible. America wants them safe. In 1968, the then President of the United States entered into the following understanding, and the criteria are summarized as follows:

One, in the event of a detonation, initiated at any one point in the high-explosive system——

That is not the bomb——

the probability of achieving nuclear yield of greater than 4 pounds of TNT shall not exceed 1 in a million.

Not that it will cause a bomb. Just 4 pounds of TNT, a chance of 1 in a million.

The probability of premature nuclear detonation of a bomb due to bomb component malfunction shall not exceed one in a billion in any environment the bomb is designed to experience, or one in a million for accident when the weapon is exposed to an environment outside its designed parameters. Quantitative criteria are also used to certify weapon reliability.

Now, Senator BUMPERS, the answer to your question is that the scientists who developed them, the scientists who designed them, the scientists who supervised their building and their destruction are now asked to try a whole new approach and come up with a science-based stockpile stewardship initiative. And they are not going to be absolutely certain that it is going to work. But we have to give them what is necessary for them to say we are moving toward making sure that it will work.

Now, I am not going to go into any more detail about the Nevada Test Site or anything else. I am merely going to say that we have concluded that a number of things must be done in order to achieve this stockpile stewardship relationship. One—and you will understand this in a minute—massive new supercomputer capability to model, in three dimensions, the workings of the nuclear weapon is required in these laboratories. Massive. In fact, it will be the driving force for supercomputing in the future, because you need so much computer capability. Facilities that improve our understanding of how material behaves at very high temperatures and pressures found within nuclear weapons, and the enhanced diagnostic capability.

See, now we have to have some diagnostic capability to look into the bombs and into the explosives and see how things are working. We didn't have those like we now are going to have in the next 5-year program.

And then I add, Senator, five things that have happened since the President and many of us—in fact, I will confess to you that I worked with the administration on this $4 billion idea, which was $4 billion a year. Let's see if it will make that stockpile stewardship solid. But there are five things that haven't come to fruition that cost more money.

One—and you know this—START II has not been ratified. So the laboratories are having to maintain a larger number of weapons of more designs than they anticipated.

Second, the plants that we have to produce more spare parts and replacements are not being built down because we haven't built down the stockpile. And the delay in reducing the stockpile has increased the need and the schedule for tritium production. All of these were discussed, incidentally, in your absence, not only by me, but by Senator REID when we explained what was in our bill during the introduction of it today.

And then there have been some very expensive, unexpected maintenance costs. I trust we will leave it at that. DOE's administrative costs have not declined as were envisioned in 1992.

I would like, if the Senator would agree, to let Senator REID take a few moments to also address your inquiry. Before I do that, I wonder, on the Democrat side, if the Senator knows of any additional amendments besides the amendment that is expected to be voted on. We are not ready yet. We would like to make a list so we know there are no further amendments.

I yield the floor.

Mr. REID. Mr. President, I say to my friend from Arkansas that I think he has rendered service to the Senate and this country by coming here today and allowing us to speak about something that the manager of the bill and I feel is the most important obligation we have, and that is to make sure that our nuclear deterrent is safe and reliable. There is no better spokesperson for that than the senior Senator from Arkansas, who not only has, over his many years in the Senate, been concerned about the weapons system of this country, but also, I say, with the greatest respect, his wife Betty Bumpers has worldwide fame as a result of the organization she formed called Peace Links and has been involved for many, many years in making our world a more peaceful place. So I think it is very appropriate that the Senator would come and talk about this issue today.

I say to my friend from Arkansas that the appropriations for atomic energy defense activities aren't driven by any parochial interests or State interests. These appropriations are driven by the program requirements to provide for the national and strategic security of our country.

Mr. President, we have the stockpile. We are going to have it for the foreseeable future. We must continually study it and assess it for safety and reliability. The Senator from Arkansas said in his statement that when the moratorium came on underground nuclear testing, as we have known in the past, that he anticipated there would be other ways of testing. That is absolutely right. The scientists have come up with other ways than the underground testing that we had for so many years.

The first such test was conducted in Nevada just a few weeks ago. It was called a sub-critical test. It is just as stated. They start conducting an experiment using nuclear materials, but the experiment is controlled so that a critical mass is never achieved. That means that no significant nuclear reaction, no nuclear chain reaction can occur.

That is what Senator DOMENICI was talking about. The computers take over. There is no explosion, but they are able to determine, through the computers, what would have happened had the test gone critical. And the first test was extremely successful. They had 140 optical channels to acquire data from the experiment, and they were able to get information from 139 of those.

The reason those tests are important, I say to my friend from Arkansas, is we have to manage the stockpile because it is continually changing as it gets older. We have to look at some of the nuclear materials that decay with time and need periodic replacement. Some of the bonding materials that hold the components together, or in place, change chemically over time and become less effective as bonding agents. Some of the products of chemical change inside the weapon are caustic and attack or corrode other materials and components. It's like when you go to a drugstore and you go to the pharmacist and you order a medication. Right now, many of the big drugstore chains are able to determine if you are taking other medication that might interact with the stuff that you are getting from the drugstore. Well, the same basic function is performed here. We need to know what happens when these chemicals react because this is one of the main aging effects that might make the weapon unsafe or unreliable.

Some materials corrode from other effects, including exposure to the atmosphere and to radioactivity that is unavoidable in these kinds of terrible weapons of destruction.

So the safety and reliability of the stockpile will change with time. Deterrence requires that we understand these processes and their consequences far better now because the stockpile will never again be tested under the new international agreements we have sponsored.

When I first came to the House of Representatives, one of the first votes I cast was a very controversial vote for the Congressman from the State of Nevada, and that was regarding the nuclear freeze. I voted for that nuclear freeze when I was in the House of Representatives because I believe the problem in the world today is not nuclear testing, it's nuclear weapons; we have too many of them. The manager and I have worked on a way of reasonably testing these weapons. I refer the Senator from Arkansas, and everybody within the sound of my voice, to the report filed with this bill. I am not going to read all of the language in the report, but I am going to read a few things because I think it answers many of the questions that the Senator propounded.

The second paragraph:

The mission of defense programs is to maintain the safety, security, and reliability of the Nation's enduring nuclear weapons stockpile within the constraints of a comprehensive test ban, utilizing a science-based approach—

I repeat that: ''a science-based approach''

—to stockpile stewardship and management in a smaller, more efficient weapons complex infrastructure. The future weapons complex will rely on scientific understanding and expert judgment, rather than on underground nuclear testing and the development of new weapons, [We are not going to rely on that anymore] to predict, identify, and correct problems affecting the safety and reliability of the stockpile. Enhanced environmental capabilities, and new tools in computation, surveillance, and advanced manufacturing will become necessary to certify weapon safety performance and reliability without underground nuclear testing.

That is what this money is for:

Weapons will be maintained, modified, retired, and dismantled as needed to meet arms control objectives or remediate potential safety and reliability issues. As new tools are developed and validated, they will be incorporated into a smaller, more flexible and agile weapons complex infrastructure for the future.

I think the Senator will agree that is a great goal for us to obtain:

The Stockpile Stewardship and Management Program is a single, highly integrated technical program for maintaining the safety and reliability of the U.S. nuclear stockpile in an era without underground nuclear testing and without new nuclear weapons development . . .

Skipping on, I say to my friend from Arkansas:

There are three primary goals of the Stockpile Stewardship Management Program:

Reading from page 100 of our report:

(1) provide high confidence in the safety, security, and reliability of the U.S. stockpile to ensure the continuing effectiveness of the U.S. nuclear deterrent while simultaneously supporting U.S. arms control and nonproliferation policy;

(2) provide a small, affordable, and effective production complex to provide component and weapon replacements when needed, including limited lifetime components and tritium;

and (3) provide the ability to reconstitute U.S. nuclear testing and weapon production capacities, consistent with Presidential directives and the ''Nuclear Posture Review,'' should national security so demand in the future.

So I say to my friend from Arkansas, we are doing not only what is required for national security but we are also following the directives of the President of the United States. That is what is so sensitive with the obligation that we have been given.

On this same page, skipping down to the bottom of another paragraph:

The President has also requested a new annual certification process to certify that the stockpile is safe and reliable in the absence of underground nuclear testing, and to produce a statement about the future confidence in the safety and reliability of the stockpile.

So that is what this is all about. There has to be a certification, required by the President, that the stockpile is safe and reliable. It is not easy. It takes money.

One of the programs that the Senator from Arkansas should be aware of is that there is going to be a new National Ignition Facility built that we talked about earlier today that will be the foundation for this new science-based stockpile stewardship program.

It is expensive to do that. When underground nuclear testing stopped, we had no idea that to build a facility like that would cost $1 billion. That is for brick and mortar. Work is beginning. The funding of that is in this bill. It will be developed in the State of California. We are appropriating about $187 million in this bill for that program that we never anticipated would be constructed.

So what we are doing in this bill regarding our weapons systems, in my opinion, I say to my friend from Arkansas, is a relatively small amount compared to the Defense appropriations bill which we just passed, but it is just as important, even though it involves a very, very small amount of money compared to the Defense appropriations bill. What we are doing here deals with weapons of mass destruction. It doesn't deal with whether we are going to build an F–22, or a joint strike fighter, or whether we are going to have an aircraft carrier. It deals with weapons of mass destruction.

What this subcommittee has done within its best ability, and with the best judgment we have, is we have come up with funding to provide the President and this Nation with a safe and reliable nuclear stockpile.

Mr. BUMPERS. Mr. President, let me say to both the Senator from New Mexico and to the Senator from Nevada, for whom I have the utmost respect and friendship, that I do not disagree with very much of anything either of them just got through saying. And they said it very well. I would like to say to the Senator from Nevada that that was indeed a courageous vote when he voted for the nuclear freeze, particularly as the Senator from Nevada. It was a very courageous vote. But, as he knows, correct votes around here are often very courageous. Sometimes we lose Senators because they cast too many courageous votes. It doesn't happen very often. Probably it ought to happen more often than it does.

But, in any event, I compliment him on that. I have always been in support of the nuclear freeze. I have been for 2½ years standing at this desk back here talking about the insanity of the number of nuclear weapons in both our stockpile and the Soviet Union's, now Russia's, stockpile when both countries always had hundreds of times more weapons than it would take to destroy the planet. So I have fought with some small measure of success to bring some sanity to the whole thing.

I just close out by this question that, as I say, troubles me. And the reason that I came over here to offer this amendment to this bill which we are now debating, the Energy and Water Appropriations bill, is that it contains $4.302 billion for nuclear weapons, for weapons activities, and the uses, which the Senators have described, to provide for the safety and reliability of our nuclear stockpile. Nobody would question that for a moment. I mean we have enough problems about how we are going to dispose of all of this stuff. That is one of hottest debates we have had so far in the Senate: How we are going to get rid of nuclear materials. But here we have a $4.302 billion bill. And this is the thing that causes me some considerable concern: that it is $284 million above what the Senate authorizing committee just authorized yesterday.

When I first came here, and up until recently, you could not appropriate more money than the authorizing committee authorized. And we are reaching the point where we don't need authorizing committees anymore because we routinely exceed what they recommend.

So this bill is $284 million above the Senate authorized amount, $258 million more than the President recommended, $336 million more than the House authorized, and $359 million more than the House Appropriations Committee approved.

Here are three authorizations, plus the President's request. And the President's request is supposed to reflect what DOD, the Defense Department, wants. We don't separate the two. When we talk about the President's request, we are speaking for the Defense Department. Here we are appropriating $258 million more than the President and DOD asked for.

So here we are $250 million-plus above everybody—the President, the authorizing committee, the House authorizing committee, and the House Appropriations Committee.

So I know the Senator can understand why that piqued my curiosity.

I would be delighted to yield the floor to the Senator, if he would like to respond to that.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I think maybe if the Senator from Arkansas ever thought that bringing down an amendment or discussion like this was futile, I believe this is the best explanation of what we are doing in the Department of Energy with reference to nuclear weapons. Maybe I have not been here for every discussion. But I think he has pushed us to discuss things that should have been discussed regularly, and more people should understand it. I can tell you that everybody knows that I have a lot of this activity in my State. But I am firmly convinced that we had better not come in on the short side of dollar expenditures on this process which is going to end up —and this ought to be dear to

the Senator from Arkansas because he is one of the leaders in trying to stop the testing. But if we are going to keep these people who are in charge of these laboratories able to certify that these weapons aren't going to go awry, or become unsafe, or deteriorate, then we had better not come on the short side of appropriating for their core staffers, and for the equipment and science research that they need.

Frankly, I laud those experts within the Department of Defense, Energy, and outsiders who came up with the substitute transition approach to move from testing to this science-based stockpile stewardship. But I can tell you from visiting the laboratories, talking to the directors, and talking to the people in charge of the divisions that are most contentious regarding having the right staff to do this new job, I am convinced that they have one tough job.

Like I said to the Senator from Arkansas. I wish we could say we don't have this arsenal to maintain. And the Senator knows we had more than we needed. I think we have to say about our laboratories and their responsibilities that they kept us in a state of readiness when nobody dared to do anything. And I think we all agree with that. Thus, the world has not had a nuclear device exploded intentionally to harm people or things since the ones that happened in Japan. That is because we had great laboratories with the greatest scientists we could put together keeping us out there.

I think we must do the same on this transition in 5 to 10 years. I worked very hard at this. I want to tell you that I don't believe that we know yet whether this 4.32 is the right number.

And, in answer to the last inquiry, we are not finished. We have to go through a House that has less. In answer to the question about the defense authorization versus appropriations, they are not finished yet. The House has different approaches. In fact, the Senator might have asked why they appropriated less than was authorized in the previous bill. That is because we are not through yet. There are disagreements.

But I thank the Senator for the dialog today. And I am very pleased that I was able to contribute to it. I hope I was, and I thank the Senator for his questions.

Mr. BUMPERS. Mr. President, I have the utmost respect for both managers of this bill, the chairman and ranking member.

Let me just say that the Senator brought this up. I deliberately did not mention Sandia and Los Alamos and the fact that Nevada receives a substantial part of this money because I don't really care where the money is spent. This is an issue to me that transcends the parochial interests of jobs. It is not that that isn't important to the Senator. Of course it is. It is important to me when I am fighting for something for my State. But, as I say, there is something here that transcends that; that is, how much money we are spending on this.

I tell you that I share the Senator's concern for the same reasons that the Senator stated. My only concern is whether or not we are appropriating way too much money to accomplish what is, indeed, a very, very legitimate end.

Mr. President, I withdraw my amendment.

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

The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I would like to address the issue of the additional funds provided to the Department of Energy for stockpile stewardship and stockpile maintenance under this appropriation bill. I do so both as someone who has followed nuclear weapons' issues for many years and as the ranking member of the Senate Armed Services Subcommittee on Strategic Forces, which has authorizing jurisdiction over these funds.

In testimony before the Subcommittee on Strategic Forces, two compelling points were made about these programs.

First, we are only beginning to learn how to certify the safety and reliability of the stockpile in the absence of nuclear testing. This Spring was the first time that the Department of Defense and the Department of Energy jointly made this certification. This procedure is now required by law to be completed each year. As time goes on and the nuclear weapons stockpile continues to age, our ability to certify the stockpile without testing will become more and more dependent on new science and technology that will emerge from the stockpile stewardship and stockpile management program. This conclusion was agreed to by all concerned—by Assistant Secretary Vic Reis on behalf of the Department of Energy and by General Habiger on behalf of the Strategic Command.

Second, there is considerable skepticism here in the Senate and in the defense community that the science-based stockpile stewardship can succeed over the long term. There are many who believe that the design of nuclear weapons relies so much on art as opposed to science that we will inevitably have to return to underground nuclear testing. I hope that this is not true, and I believe that ending underground nuclear testing is so important a policy objective that we must give science-based stockpile stewardship every chance to succeed. While the President shares this concern, it must also be recognized that his budget request had to strike a balance on many different dimensions and that even within the Department of Energy programmatic tradeoffs had to be made. We received strong testimony in the Armed Services Committee that the President's request was not adequate in a number of areas receiving extra funds in this bill, and I think that there is a good case to be made for keeping those funds in this bill.

For example, on the stockpile stewardship side, we had the following testimony from the Director of the Sandia National Laboratories:

> The costs of stockpile stewardship are not a linear function of stockpile size. A threshold capability will be needed to support the stockpile as long as it numbers in thousands, especially with the sophistication and demand for reliability that is associated with the systems on which deterrence rests today. I believe that we are near that threshold now, especially in light of the closures and changes that have occurred in recent years.

I don't believe that we ought to be addressing the question of the safety and reliability of the nuclear stockpile by seeing how close we can get to the threshold at which we can no longer certify the safety and reliability of the stockpile.

Another Director of a nuclear weapons laboratory, Dr. Bruce Tartar of Lawrence Livermore National Laboratory, had this to say:

> The greatest challenges [to stockpile stewardship] lie ahead. The demands on the Stockpile Stewardship and Management Program will grow as weapons in the enduring stockpile continue to age. The U.S. nuclear weapons stockpile is now older on average than it has ever been. And, the reservoir of nuclear test and design experience at the laboratories continues to diminish.

Further, on the stockpile management side, the DOE production plants that make nonnuclear components for the enduring stockpile are in sorry physical shape. Some 80 percent of the nonnuclear components in nuclear weapons wear out and have to be replaced, during the lifetime of that weapon. Thus, there is an important continuing role for the DOE production plants in maintaining the enduring stockpile. The Armed Services Committee received credible testimony that the President's budget request was inadequate to do so. The budget request, for example, would result in a budget shortfall for one plant alone, the Kansas City plant, of nearly $56 million—$30 million for production operations and $26 million for capital equipment and infrastructure requirements. The president of the division of Allied Signal who is responsible for the Kansas City plant had this to say before the Armed Service Committee, in regard to the President's budget:

> In my view, diminishing support for the production plants would be extremely shortsighted and dangerous for the complex. For plants to be effective members of the team, we must have current and future capabilities to participate fully . . . [Implementation of the programmatic environmental impact statement for stockpile stewardship and management] will require future funding to downsize the plants physically, funding to recapitalize the plants so they are able to function properly once they are fully downsized, and adequate short-term funding to carry out production missions for current requirements.

I believe that the additional funding in this bill is necessary and appropriate, and I can assure the Senator

from Arkansas that as we go to conference on both this bill and the Defense authorization bill, we will arrive at final totals for funds authorized and appropriated that will result in the best possible, and most cost-effective program for maintaining the safety and reliability of the stockpile.

Mr. DOMENICI. Might I just state that I think Senator FEINGOLD is ready to go with an amendment. Is that correct? Then we are working on a list of amendments. We will have it momentarily on all of the other amendments, most of which we think we have resolved.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is S. 1004.

AMENDMENT NO. 868

Mr. FEINGOLD. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD], for himself, Mr. BROWNBACK, and Mr. MCCAIN, proposes an amendment numbered 868.

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

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

The amendment is as follows:

On page 15, line 10, after ''appropriated'', insert the following: ''*Provided further,* That the Secretary of the Interior shall, not later than November 15, 1997, provide a report to Congress on a revised project plan for the Animas-LaPlata project that reduces the total cost of the program to the Federal Government, limits the diversion of water from the Animas River to an amount recommended by the U.S. Fish and Wildlife Service, and ensures the project will be designed and implemented in the most cost-effective manner for the federal government: *Provided further,* That none of the funds appropriated in this or any prior act may be expended for construction until a project has been authorized at a date subsequent to the enactment of this appropriations act''.

Mr. FEINGOLD. Mr. President, I send this amendment to the desk on behalf of myself and the distinguished Senator from Kansas [Mr. BROWNBACK] and the senior Senator from Arizona [Mr. MCCAIN]. This amendment is the product of negotiations of a number of Senators and provides that none of the funds appropriated in this bill for the Animas-La Plata project can be expended for construction until the Secretary of Interior submits a report on a new scaled-down project design and the new project is actually authorized by Congress at a date subsequent to the date of the enactment of this bill.

Mr. President, what this amendment means is that we will stop and evaluate what should be done before we spend more Federal dollars on this project. As colleagues may recall from my statement last year on this matter, the currently authorized Animas-La Plata project is a taxpayer-funded water development project planned for southwest Colorado and northwest New Mexico. The project is designed to supply 191,230 feet of water. The Animas-La Plata project consists of two major reservoirs, 7 pumping plants and 20 miles of canals and pipes and will pump water over 1,000 feet uphill, consuming enough power to run a city of 60,000 people to supply municipal, industrial and irrigation interests.

Last Tuesday, Mr. President, prior to the Energy and Water Appropriations Subcommittee markup of the legislation that is before this body, those who support the construction of the Animas-La Plata project announced that they have developed what they believe to be a cheaper and scaled-down alternative. The announcement of an alternative sends a clear signal to this body. After 30 years and $71 million in appropriations to date, the project costs of Animas-La Plata are too great and there are too many lingering substantive questions to proceed with the original design.

As I indicated during the discussion over the fiscal year 1997 energy and water appropriations legislation, I do support the search for an alternative to Animas-La Plata. In fact, legislation that I introduced on March 13, 1997, cosponsored also by the Senator from Kansas [Mr. BROWNBACK] and also by the Presiding Officer, the Senator from New Hampshire [Mr. GREGG] and sponsored in the other body by my colleague from Wisconsin [Mr. PETRI] and the Congressman from New York [Mr. DEFAZIO], deauthorizes the current Animas-La Plata reclamation project and directs the Secretary of the Interior to work with the Southern Ute and Ute Mountain Ute tribes to find an alternative to satisfy their water rights needs.

However, the taxpayers should not continue to be asked to sock money away in Bureau of Reclamation construction accounts as a placeholder for an option that has not yet fully been analyzed and authorized.

This new alternative by the proponents has not had a full cost evaluation by the Department of Interior and, of greater concern to me, requires statutory changes to be implemented that I think should be reviewed by the authorizing committee in question.

It is the jurisdiction of this body's Energy Committee to determine the benefits of a reclamation project, and it is the responsibility of the Interior Department to make certain that the Federal Government's legal responsibilities to the Ute tribes under any sort of an agreement are met.

This revised project, which would be evaluated by the Department of Interior under our amendment, at a minimum may require major changes to several relevant laws and agreements. The 1986 Ute Settlement Agreement may have to be renegotiated to reflect changes in water allocations among parties to the agreement, particularly the reduced quantity of water, changes in contract and repayment requirements and obligations and changes in cost-sharing requirements. The 1988 Colorado Ute Indian Water Rights Settlement Act may also need changes to conform to a new agreement and new requirements.

Finally, the Water Supply Act of 1958 would need to be changed to modify or waive current requirements that the beneficiaries of municipal and industrial water repay the Federal Government for construction costs with interest and pay for the Bureau of Reclamation operations and maintenance costs that are attributable to the amount of water they receive.

Let me make it clear, Mr. President, because we will be reauthorizing this project at some date in the future, the language in this amendment allows the Secretary to explore and recommend any appropriate alternative, including nonstructural alternatives, in developing a revised plan for submission to Congress.

These issues will all be assessed under the amendment we are offering before any funds can be expended in the construction of a new project. I think this is a responsible way to proceed, and I am pleased that so many Members of the Senate have worked together toward this amendment.

Mr. President, I yield the floor.

Mr. BROWNBACK addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. BROWNBACK. Mr. President, I rise in support of the Feingold amendment, of which I am a cosponsor, and associate myself with the Senator's comments.

I would like to note first that the Senator from Colorado [Mr. CAMPBELL], has done an outstanding job in representing his State in the work he has done on this particular project, and I realize I come late to this project and this proposal that he has worked on for a number of years. But as a new Senator looking at it, I have some questions about this particular project and this particular proposal, and that is why I join in this amendment. I know it has gone on for some period of time, and this has been a fight that has existed for some long period of time. But I think there are some questions that need to be answered. I think we have now started to take some of the tentative steps toward resolving those issues.

No. 1, this ought to be scrutinized by the authorizing committee rather than going through the appropriations process. That seems to be the legitimate way to go for us. It should first and foremost proceed through the authorizing committee, and this will give us a chance to better develop an alternative plan.

There are significant environmental questions regarding the issue of this particular project. Those have been in

existence for some period of time, and they are the product of a lot of these studies that have been going on, and yet they still remain. There is a great deal of division about the impact on the environment, the impact on endangered species. That is why it seems to me, again, it is wise to go back to the authorizing committee, to have an authorization process to take place with this particular bill.

That is what this amendment does. It directs the Department of Interior to take certain steps toward what will lead to a legally binding agreement that will secure the tribes' water rights and will enable us to make certain that our tax dollars are spent wisely and we keep any environmental impacts small. So I agree with the Senator from Wisconsin that while these are very difficult things to do because there is a lot at stake in what various people want for their particular States, for their particular areas, in looking at these projects they may well at the end of the day prove to be very wise projects. This one, I think, has proceeded in the wrong fashion. It needs to go back to the authorizing committee. I think the amendment we have put forward here has some strong bipartisan support. It is a sensible project. It does not kill the project. It simply says let us go back and take it through the right and appropriate steps. I think that is prudent in answering the difficult questions that exist.

So I rise in support of this amendment and urge my colleagues to vote in favor of this amendment.

Mr. CAMPBELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. CAMPBELL. I thank the Chair. I rise in opposition to this amendment.

Mr. President, in the years I have been in the Senate, what has always interested me is the history of these desks. If you open these desks, as many of my colleagues have and most people who are students of history of the Senate know, inside the drawer literally every Senator who has served in the Senate has signed his name and noted the State from which he came. I often wonder, when I read the names of those Senators in the drawers and the little accompanying booklet that goes with it, how they voted on issues that affected the American Indian.

In this particular desk, we will probably not know without extensive research how Senator Townsend or Senator Kean or Senator Goldsborough or Senator Brown or Senator Case or Senator Duff, to mention just a few who have used this desk, voted on American Indian issues. But during the days when ''Manifest Destiny'' was the national watchword, I wonder if they voted with the pack to take away the last remaining land and water possessions and freedom of the American Indian, or did at least a few show courage and stand up for fairness by protecting a people who could no longer defend themselves. I wonder, did they subscribe to Abraham Lincoln's creed that ''all men are created equal,'' or was the jingo of Andrew Jackson's day, ''The only good Indian is a dead Indian,'' their guiding principle?

Today, I stand at the desk of my friend and colleague, Senator PETE DOMENICI, from New Mexico, who is managing this bill on the majority side. Senator DOMENICI is known nationwide in Indian country for his fairness and leadership in making sure that the lives of the American Indians are just a little better. And to my left, Senator REID of Nevada, who is managing for the minority side, has the same reputation. I am very gratified that they are here in the Chamber with us today. I am hopeful that the attitude exemplified by these two outstanding senators, the new enlightened attitude, marks a change for the entire senate from that attitude of those forgotten Senators whom I mentioned earlier and upon which they made their decision concerning the first Americans.

We do not intentionally kill Indians with bullets or disease anymore. But it seems clear that some of our brothers still want to kill their livelihood, kill their opportunity, kill their future, kill their culture, and kill their natural resources that we promised them in every one of the 472 treaties that we then broke as an arm of the U.S. Government. And, by the way, Mr. President, American Indians broke none of them.

I guess what amazes me the most about those who advocate taking away what little American Indians have left are often Senators who neither have the institutional memory of the 1968 authorizing act of the Animas-La Plata or the 1988 bill that I carried 10 years ago which implemented a compromise agreement that was signed into law and has been supported by every President since 1988. These Senators are often ones who have never even seen an Indian reservation.

To them, I would say go out and spend some time in an Indian community that has a 75-percent unemployment rate, as one reservation in Senator REID's State, in Owyhee, NV, does have. Speak to families whose children have dropped out of school and then committed suicide as an escape from a hopeless, dark future.

One out of every two teenage girls and one out of every three teenage boys try suicide in their teenage years in some reservations. This is not a Third World country I am speaking about. It is a daily experience for many American Indians in this, the greatest country on the face of the Earth.

Go out and speak to the social workers inundated with problems of a depressed culture and little resources to help. Listen to the frustrated tribal council members who try to cope with fetal alcohol syndrome, a rate so bad that on some reservations one out of every four Indian babies born suffers from some degree of fetal alcohol syndrome, some to such a degree that they have to be institutionalized for life at the taxpayer's expense.

All of those problems, Mr. President, were inherited as side effects of what was called ''westward expansion,'' and the ensuing lack of opportunity continues to this day. I would tell my colleagues to go out there and experience hunger and sickness that is a daily experience for all too many American Indians. And then come back here to this floor and tell their colleagues how we do not owe Indians anything. But do not tell us that you are doing it in their best interest or in the interest of saving taxpayers' money.

Mr. President, all they have to do is look at the amount we spend now in Federal programs, about $1.5 billion through the Bureau of Indian Affairs last year and about $2 billion through the Indian Health Service. Almost all of it is to help a people who have become dependent on Federal programs through no cause of their own.

We will soon debate in this Chamber, Mr. President, the expansion of NATO and the billions of dollars that expansion will cost the American taxpayer, and as sure as I am standing here, some on this floor will support that expenditure of all those billions and still vote to take away the last best chance for economic independence for the Southern Utes and the Ute Mountain Utes right here in my State of Colorado.

When we speak of spending taxpayers' money, where is it written that all those billions that go to foreign countries are justified when we cannot find a pittance to help American Indians?

The Animas-La Plata is an agreement that must be honored. Not only did the tribes agree to the project but the States of Colorado and New Mexico did, too, a number of water conservancy districts did, and nine Federal agencies all agreed to the compromise of 1988. We are now being asked to compromise a compromise of the original 1968 authorization. Congress approved the settlement agreement in the Colorado Ute Indian Water Settlement Act of 1988 and President Reagan signed it into Public Law, and it has been supported by every President since.

The only thing we are asking in this appropriations bill is what the President has in his budget. Too many people are dependent on this project, both Indian and non-Indian, to simply disregard it. Anyone from the American West can tell you, and particularly the American Indian, water is life. Water is the lifeblood of our future. This settlement fulfills the rights of tribes for water on the reservation. It settles disputes and removes causes for future litigation. It secures the tribes' opportunity to generate revenue from the use of reserve rights obtained under the agreement and authorizes them to sell or exchange or lease some of their water.

Construction of the Animas-La Plata water project is essential to that settlement. If the project is not completed

by the year 2000—and it is highly likely it may not be now, since the agreement was 1988 and the agreement stipulated they would start construction by 1990 and we are already behind by 7 years—the tribes have the option to go back to court to pursue their original claims in both the Animas and La Plata Rivers. Their victory in court would be certain and would trigger years of costly litigation among the United States, the State of Colorado, and water right holders throughout the region, wreaking havoc on the economies and water administration in Colorado.

I might also point out that when we get into that expensive litigation at taxpayers' expense, it is going to be one Federal agency suing the other Federal agency, because the Bureau of Indian Affairs is responsible for protecting the Indian people, as you know. They will be suing the Bureau of Reclamation for noncompliance. Guess who pays for the expensive attorneys on both sides of the equation?

The Supreme Court has held, in Winters versus the United States, that the United States, if the United States enters into a treaty with an Indian tribe creating a reservation, it impliedly reserves sufficient water to irrigate the reservation lands. Based on that doctrine, which mandates that Indian tribes get water, not money, the United States in 1976 filed reserved water right claims on behalf of both tribes. These reserved water rights would have preempted the vested water rights of non-Indian water users in the San Juan River Basin, drying up family farms and ranches that have existed in that area for years and years.

You can imagine how the non-Indian people feel about tribes going back to court and exerting their rights. They have these priority rights because they were there first, and they rarely lose in courts.

The Indian tribes do not want to go back to court. Their neighbors do not want them to go back in court. They, instead, chose to settle, and that is what the 1988 agreement was about. It is just lucky, I think, for the majority of the people in our area that the Ute Indians continue to give in the same generous spirit that they once gave their land and lives to build this great Nation.

In looking at the Feingold amendment, it is simply divided into two parts. The first part is a diversion and the second part is a killer.

Mr. President, let's not add to the dismal record of our treatment of the American Indians. Let's do the right thing and defeat the Feingold amendment.

With that, Mr. President, I move to table the Feingold amendment.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. CAMPBELL. I yield the floor.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DOMENICI. Mr. President, the motion to table takes no debate.

The PRESIDING OFFICER. The motion to table is a nondebatable motion. It takes unanimous consent to proceed.

Mr. McCAIN. Mr. President, I ask unanimous consent to set aside the tabling motion at this time in order to address this issue. I believe the other Senator from Colorado wishes to address the issue as well.

The PRESIDING OFFICER. Is there objection?

Mr. CAMPBELL. I have no objection.

Mr. McCAIN. I ask unanimous consent I and the Senator from Colorado be allowed to address this amendment by the Senator from Wisconsin prior to the tabling motion.

Mr. DOMENICI addressed the Chair.

Mr. McCAIN. I yield to the Senator from New Mexico without losing my right to the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. How much time might you need, Senator? As much as you want, but let's agree to it.

Mr. McCAIN. I will need 7 minutes.

Mr. ALLARD. I can keep my remarks brief and then submit my full comments for the RECORD. If I can have a couple of minutes, that will be sufficient.

Mr. DOMENICI. I ask unanimous consent we proceed in the following manner: The tabling motion be set aside so Senator MCCAIN can speak for up to 10 minutes, Senator ALLARD for 10 minutes, and the Senator from New Mexico up to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Arizona.

Mr. McCAIN. Let me first of all start out by expressing my admiration and respect for the Senator from Colorado, Senator CAMPBELL. If there is any voice that is needed on behalf of native Americans in this body, it is that of Senator CAMPBELL. Senator CAMPBELL has the understanding, the compassion, and, frankly, the credibility that no one else in this body has concerning native American issues, along with others. His advocacy for native Americans is something that has earned, not only the respect of his colleagues here, but the respect and appreciation of millions of Americans both Indian and non-Indian alike.

I believe this amendment satisfies the concerns of native Americans on this issue and at the same time reduces the costs rather dramatically. I believe it is a workable compromise that, hopefully, will prevent us from revisiting this issue year after year. I remind my colleagues, the original proposal by the Senator from Wisconsin, Senator FEINGOLD, was to do away with all funding for this project. This is a significant step backward from that position and one that I hope we can support.

This amendment retains the $6 million currently in the bill for continuing negotiations and environmental assessments required for the Animas-La Plata project. It requires the Secretary of the Interior to report to Congress on a reduced, scaled-down plan for the project which would have reduced costs for the Federal Government. Finally, the amendment prohibits the use of any funds for construction of the project until authorization is provided for a new project.

This is necessary because there are many legitimate concerns for the plan for the Animas-La Plata project. It's very expensive: $750 million. It includes some issues that raise serious environmental concerns which need to be addressed. Yet, we need to resolve this legitimate water rights claim for the Ute Tribes in Colorado and New Mexico. They need to be resolved, I have no doubt. I point out, without those water rights being resolved, then we will be, as the Senator from Colorado so graphically described, abrogating our responsibilities by solemn treaty to the Ute Tribes. This amendment will preserve the funding necessary to go forward with environmental assessments and negotiations necessary to conclude a revised, scaled-down project plan. Without such an agreement and without a much more fiscally responsible plan, the United States could be liable for hundreds of millions of dollars to settle these water rights claims.

I want to point out that the Indians are part of this proposal that is embodied in this amendment. The parties principally concerned, including the Indians, with resolving this plan announced on July 8, 1997, a new plan that would save the taxpayers over $400 million and reduce the environmental impact of the project while maintaining our treaty commitments with the Ute Tribes. I want to point out that the Ute Tribes' opinion on this issue is that we would maintain our treaty commitments to those tribes.

This plan would save a great deal of money. The previous plan would have cost almost $750 million while the new plan is estimated to cost about $290 million—a savings of $460 million. The new plan reduces the Federal share of the project's cost, $257 million, and requires $33 million in State and local cost sharing. The plan will resolve legitimate water rights claims without costly litigation. It complies with the spirit of the 1988 Colorado Indian Water Rights Settlement Act and will honor a 130-year-old treaty commitment to the Ute Tribes. The two Ute Tribes have accepted this plan as a final settlement of their water rights claims. The new, scaled-down plan significantly reduces the environmental impact of Animas-La Plata. Water flow diverted from the Animas River will be limited to 14.5 percent of the river's average annual flow, which is slightly more than half the diversion under the original plan. The new plan includes a proposal to protect endangered fish in the Animas

River system, which has been approved by the U.S. Fish and Wildlife Service. A dam on the Animas River will not be necessary because the new plan does not include diversion of water for irrigation facilities. The new plan redirects the project to provide maximum benefit to the Ute Tribes.

The plan ensures that tribes will receive two-thirds of the water diverted from the Animas River. The previous plans guaranteed large amounts of water to local agricultural interests rather than Indians. The new plan is fully supported by the tribal, State and local governments most directly affected by the Animas-La Plata project.

Mr. President, I am pleased when diverse groups, including tribes, State governments and local communities, get together to solve common problems. I think the revised plan recently announced by the interested parties should be seriously considered by everyone concerned.

In the meantime, I believe we should proceed with the environmental assessments and necessary discussions to ensure the most fiscally responsible plan will be developed to meet the U.S. treaty obligations and finalize a cost-effective plan for this project.

I urge my colleagues to support this amendment, which will ensure that we move forward in a timely fashion with a cost-effective, fair, and supportable Animas-La Plata project.

Mr. CAMPBELL. Will the Senator yield for a question?

Mr. McCAIN. I will be glad to yield for a question by the Senator from Colorado.

Mr. CAMPBELL. My question, first of all, is have you visited with leaders of the two tribes today, Senator?

Mr. MCCAIN. In response to the question, I have not visited with the leaders of the two tribes today. I have been briefed on the proposal that has the signatures of the tribal membership's leaders is on it. That was briefed to a number of people, including members of my staff.

Mr. CAMPBELL. I appreciate that. Then I would like to make the record clear, Mr. President, that I have met with the tribal representatives today, and they are absolutely opposed to this amendment. They have ''an alternative proposal,'' but if it should be looked at, it should be done fully through the authorizing committee as a bill, open to public hearings, and not put into an appropriations bill where no one has the time to read it. I haven't even read the proposal myself, and I live there.

So there will be no mistake, the tribes today, as of today, said they oppose this amendment.

Mr. MCCAIN. Mr. President, it is my understanding that this amendment is based on a proposal brought forward, not only by the tribes, but also the local authorities who are affected by the project. I certainly do not dispute the word of the Senator from Colorado. If he has that information, I hope he will supply the letter for the RECORD. I am sure he will be able to do that.

I think this proposal was brought forward in recognition that the entire Animas-La Plata project, because of the incredibly high-cost associated with it, was in significant danger. The project almost was defunded last year, in a very close vote here in the Senate. It was my belief, and remains my belief, that the Feingold amendment is a compromise that seeks to continue the funding and at the same time scale down the project and take into consideration the environmental concerns and also comply with our treaty commitments to the Ute Tribes.

Mr. FEINGOLD. Will the Senator from Arizona yield?

Mr. MCCAIN. Mr. President, I hope I am clear in my respect for the Senator from Colorado. But I also hope I am clear that never at any time have I ever supported a measure that would be in violation of the solemn treaty commitments that we have made. It is my understanding that this amendment is in full compliance with the treaty commitments that have been made concerning the water rights of the Ute Tribes.

Several Senators addressed the Chair.

Mr. CAMPBELL. If the Senator would yield for a moment?

The PRESIDING OFFICER. The Senator from Arizona has 1 minute 20 seconds left. He can yield to whomever he wishes.

Mr. MCCAIN. I yield my remaining time to the Senator from Colorado.

Mr. CAMPBELL. Mr. President, with that, I ask unanimous consent to have printed in the RECORD a letter signed by Chairman Judy Knight Frank, the chair of the Ute Mountain Ute Indian Tribe and Chairman Clement Frost, Southern Ute Indian Tribe, July 15, 1997, which opposes this amendment.

If the Senator did not get a copy of this, I apologize for that. But I will be happy to share this with him and have that in the RECORD.

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

JULY 15, 1997.

Members of the U.S. Senate,
The Capitol,
Washington, DC.

DEAR MEMBERS: Construction of Phase I of the Animas-La Plata project is a requirement for the completion of the Colorado Ute Indian Water Rights Settlement Act, and we continue to seek fulfillment of that Act. Controversy has delayed construction of the project, even those facilities approved by the U.S. Fish and Wildlife Service in 1991 and directed by Congress in its FY 1996 Energy and Water Appropriations bill to be built without delay.

We have tried, in every venue including a process established last year by the State of Colorado and the Department of the Interior, to address those controversies in a responsible way, but in a way which fulfills the intent of the Settlement—providing us with the water promised our people in 1868 to meet our present and future needs.

We support Senator Campbell and Senator Domenici's continuing efforts to ensure that the federal government lives up to its obligations and trust responsibilities identified in the 1988 Act. Of utmost importance to us is the prompt construction of facilities which will protect that water for the Tribes, and those facilities have been authorized, analyzed and approved in many jurisdictions, including the United States Congress. Funding for the continued effort to build these facilities, making a stride toward fulfillment of the Settlement Act of 1988, is absolutely necessary.

JUDY KNIGHT FRANK,
Chair, Ute Mountain Ute Indian Tribe.
CLEMENT FROST,
Chair, Southern Ute Indian Tribe.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 10 minutes.

Mr. ALLARD. Mr. President, I thank the chairman of the Budget Committee, Senator DOMENICI, for his fine work. I would like to recognize the tremendous work that my colleague and fellow Senator from Colorado, Senator BEN NIGHTHORSE CAMPBELL, has done on behalf of native Americans.

I rise in opposition to the Feingold amendment. I rise today to offer my support for the Animas-La Plata project.

This issue has been very contentious for a very long time. While the proponents of the amendment are well-intentioned, they are also very poorly informed. I can think back, maybe 3 or 4, maybe 6 months ago, when there was some activism within America, saying we ought to apologize to native Americans. If we are really concerned about what happens to native Americans, we ought to first look at keeping our word, keeping those treaties which we have signed.

The 1988 Colorado Ute Indian Water Rights Settlement Act recognized the legitimate water rights claims established by treaty, way back to 1868, and again promised the Ute Indian Tribes a permanent, reliable water source to meet their present and future needs. These are rightful water rights that have been affirmed by the Supreme Court and ratified by Congress. The Animas-La Plata project, the foundation for this settlement, would divert a portion of the annual runoff from the Animas River into an off-stream reservoir, rather than damming the river and flooding the river valley. This project fulfills an obligation that we have to the Indian tribes that we should not forsake. This is a treaty obligation. That is what those who favor elimination would like everyone to overlook.

The Rocky Mountain News, a major paper in the Rocky Mountain region, in an editorial published last week, made this point very well when they wrote of the opponents to this project:

> They will do anything, it seems, to achieve their goal of seeing the United States break another agreement with Indian tribes.

As the Ute Tribe stated recently, we only ask that Congress, which promised the two tribes adequate water supply when they placed us on a reservation over a century ago and agreed to a full-size Animas-La Plata in 1988, be fair with us now and support a reduced facility and settlement.

What opponents of this project don't understand is that in the West, unless we have a facility to store water, we cannot really settle the water claims of the Indians. What happens if we don't fund this project? The tribes will sue, and instead of living up to our agreements, we will see litigation, and I don't think that is where we want to be going.

But the issue here is bigger than just another project. The issue here deals with not breaking another treaty with another tribe.

I yield time to my colleague from Colorado, Senator CAMPBELL.

Mr. CAMPBELL. Mr. President, I forgot to have printed in the RECORD earlier in my comments two editorials from our State's two major newspapers: one from the Rocky Mountain News dated Thursday, July 10, the headline saying: ''The Utes' Generous Offer.'' It is an editorial dealing with how fair and understanding and conciliatory the Utes have been in the whole question of building this project. The other editorial I would like to have printed in the RECORD is from the Denver Post, which is our State's largest newspaper, and the headline is very simply: ''Double-crossing the Utes.''

Let me read one paragraph from that very strong editorial:

The real question now is simply: How many times do Animas-La Plata opponents think they can double-cross the Utes?

When the Utes asked for a $714 million project, opponents said a $264 million project would do. When the Utes offered to accept a $257 million project, the opponents then dangled the vague hope of a $167 million handout. If Animas-La Plata opponents now succeed in killing even the Utes' own scaled-down plan, would they really have any incentive to keep even that promise?

The answer is no.

I ask unanimous consent to have these two editorials printed in the RECORD.

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

DOUBLE-CROSSING THE UTES

On Oct. 11, 1995, foes of the Animas-La Plata water project, led by the Sierra Club Legal Defense Fund, released with great fanfare an engineering study claiming that a smaller version of the project would fufill most of its goals at a cost of just $264 million—barely a third of the $714 million cost of the full project.

Leaders of the Southern Ute and Ute Mountain Ute tribes reacted warily, suspecting that the supposed alternative was a diversionary tactic intended to stall A–LP until it could be killed entirely.

Guess what? The Utes were right.

The proof came last week when A–LP supporters unveiled their own version of a downsized project—with a federal price tag of just $257 million, $7 million less than environmentalists supposedly were willing to accept in 1995. Just as the Utes had feared, the project's foes reacted with a furious attack on a plan very close to what the opponents themselves proposed in 1995.

While tribal elections have consistently shown that the great majority of Utes support A–LP, a small dissident group led by Sage Remington opposes the project. Remington was on hand last week to tout yet another supposed ''compromise'': asking Congress to give the Utes $167 million to buy land and water rights if and when they become available.

Ute Mountain Ute Chairman Judy Knight Frank and Southern Ute Chairman Ray Frost have firmly rejected such a cash handout. The Utes don't need money to buy more water rights. To convert the theoretical rights they already own to reality, the tribes need a reservoir to store the water so they can use it when they need it.

The real question now is simply: How many times do A–LP opponents think they can double-cross the Utes?

When the Utes asked for a $714 million project, opponents said a $264 million project would do. When the Utes offered to accept a $257 million project, the opponents dangled the vague hope of a $167 million handout. If A–LP opponents now succeed in killing even the Utes' own scaled-down plan, would they really have any incentive to keep even that promise?

Chairman Frost had an answer to that question last week, based on the Indian people's long and sorry history of being cheated out of their land and water.

''They'd probably give us $24. That's what they paid for Manhattan.''

[From the Rocky Mountain News, July 10, 1997]

THE UTES' GENEROUS OFFER

Critics are lining up already to denounce the latest, scaled-back version of the Animas-La Plata water project in southwestern Colorado, announced this week in the nation's capital. They will do anything, it seems, to achieve their goal of seeing the United States break another agreement with Indian tribes.

Such stubbornness was to be expected. Still, this week's initiative by the two tribes—the Ute Mountain Utes and the Southern Utes—should at least put their antagonists temporarily on the defensive. After all, for years those critics have complained that a majority of the water from Animas-La Plata would go to non-Indian users. With this new proposal, that is no longer true. In fact, the tribes would get two-thirds of the water.

For years the critics have also worried about the effect of the project on endangered species. Now the tribes wish to take only the amount from the Animas river—57,000 acre-feet—that the U.S. Fish and Wildlife Service has said could be withdrawn without harming two endangered fish species.

Why does none of this sway the coalition that opposes Animas-La Plata? Because they believe the project is an example of ''corporate welfare'' and an old-style federal water scheme that fails any reasonable economic test. Whether Animas-La Plata costs $680 million in federal revenue (the previous version) or $257 million (under the latest scheme) doesn't really matter. They're against it, and that's that.

We might oppose Animas-La Plata as well, save for the fact that the two tribes are involved. Like it or not, they happen to possess agreements from federal and state officials—including a previous U.S. president—promising them that Animas-La Plata would be built to fulfill their historic water rights.

Pledges of that nature might not mean much to a single-minded coalition battling corporate welfare, but it should mean something fairly profound to most of the rest of us. After all, double-crossing Indian tribes is a habit that government was supposed to have outgrown. And just because the tribes might be able to obtain enough water through another means is irrelevant. They have not chosen another means. They have chosen the Animas La-Plata project and the government of the United States has promised them they could have it.

Now those tribes have scaled their ambitions back—again—and would like to see others meet them halfway.

They shouldn't hold their breath.

Mr. CAMPBELL. I yield the floor.

Mr. ALLARD. Mr. President, I yield to the Senator from Idaho, Senator CRAIG.

The PRESIDING OFFICER (Mr. BROWNBACK). The Senator from Idaho.

PRIVILEGE OF THE FLOOR

Mr. CRAIG. Mr. President, first of all, I ask unanimous consent that Kristine Svinicki on my staff be allowed the privilege of the floor for the remainder of the consideration of S. 1004, the energy and water development appropriations bill.

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

Mr. CRAIG. Mr. President, in 1988, I helped my colleague from Colorado, Senator CAMPBELL, develop and pass the Colorado Ute Water Settlement Act. It was fair and responsible at that time to deal with a dispute that could only be dealt with in the nature that we solved it with this legislation.

From that point to now, there has been discussion and dispute and a substantial scaling down of this project. In the high deserts of the West, water is everything. If my colleague from Wisconsin lived in the deserts of the West, he would be scrambling to secure water for his people. He doesn't live there. He doesn't understand the importance of this very, very critical water issue.

This is a balanced compromise with all parties sharing. These Indians, these native Americans without water can find it very, very difficult to eke out an existence, whereas, with water, they have an opportunity with agriculture to prosper and develop their lands. That is what this issue is all about.

Let us keep our word and our promise. Let us develop an understanding that when we, from the West, come to our colleagues asking for the development of water in the high deserts, that we work cooperatively with them to do so, as we worked with our colleagues from the upper Midwest to secure flood control and those kinds of things where they have an abundance of water and we have little to no water.

This is the important issue. I hope the amendment will be rejected by the Senate, recognizing the promises and the commitments made and the kind of cooperative relationship we have with all of our colleagues, where one has an abundance of water; in this instance, we have little to no water. Therefore, to secure, to maintain, to ensure an environment, to actually increase the abundance of wildlife, one must catch and store the water when it is available, and that is what this is all about. Not only for resource use, for environmental reasons, but most assuredly to enhance the ability of native Americans in this instance to improve their

lot and to gain what is responsibly and rightfully theirs.

So I hope that my colleagues will reject this amendment and get on with the commitment we made in 1988 for this very important water project.

Mr. ALLARD addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ALLARD. How much time do I have?

The PRESIDING OFFICER. Two minutes.

Mr. ALLARD. Mr. President, I reiterate that it is more than just apologizing to the native Americans in this instance, it is keeping our word, it is keeping our agreement, a treaty with the native Americans. Again, I think we ought to stand by the side of my Senator from Colorado, Senator BEN NIGHTHORSE CAMPBELL, in fighting this amendment, and support him in his efforts in trying to provide a better life for his people and the native Americans in southwestern Colorado.

I yield back the remainder of my time.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, before I use my 10 minutes or allocate it to somebody, I would like to propose a unanimous-consent request that has been cleared on the other side. Let me read it and read the amendments that are listed.

Mr. President, I ask unanimous consent that the following be the only remaining first-degree amendments in order to S. 1004 and they be subject to relevant second-degree amendments:

Feingold-Brownback amendment No. 868;

Torricelli-Lautenberg amendment on Green Brook;

Kempthorne amendment on fish friendly turbines;

Bumpers amendment on 10-mile bayou;

Levin amendment on Great Lakes basin;

Biden amendment on Dewey-Rehoboth Beach;

Biden amendment on St. George's Bridge;

Daschle-Johnson amendment on Crow Creek rural;

Murkowski amendment on DOE external regulation;

Dorgan-Conrad amendment on Devils Lake;

Burns amendment on hydrogen R&D;

Shelby amendment on Lake Tholocco Dam;

Bond relevant amendment;

Managers' amendment;

Moseley-Braun amendment on McCook Reservoir; and the

Dorgan relevant amendment.

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

Mr. DOMENICI. Mr. President, I further ask unanimous consent that following the disposition of the above-listed amendments, S. 1004 be read a third time and the Senate proceed to a vote on passage of the bill; further, when the Senate receives the House companion measure, the Senate immediately proceed to its consideration. I further ask unanimous consent that all after the enacting clause be stricken, and the text of the Senate bill, as passed, be inserted in lieu thereof, and the bill be read a third time and passed. I further ask that the Senate insist on its amendment and request a conference with the House and the Chair be authorized to appoint conferees on the part of the Senate.

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

Mr. DOMENICI. I thank the Senate for accommodating me. Might I say, of the nine or so amendments, I believe six will be resolved at least by mutual agreement between sides, so we will not have much left.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, let me say, I do not believe the Senator from Wisconsin has any time. Tabling the amendment would be up. Is the Senator desirous of speaking?

Mr. FEINGOLD. Mr. President, I ask unanimous consent to be able to speak for 1 minute on my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator has 1 minute to speak on his amendment.

Mr. FEINGOLD. Mr. President, I want to clarify that the comments of the Senator from Idaho made great focus on the fact I am not from the West. The fact is, Senator John MCCAIN is a cosponsor of this amendment, supports and believes it is reasonable and has a great familiarity with the concerns of the West.

Mr. CRAIG. Will the Senator yield?

Mr. FEINGOLD. I also want to make one thing clear. In contrast to the Senator from Colorado, this amendment provides for the authorizing committee to act on a revised project plan. It does not put into effect the alternative plan. It does not prejudge what the project will look like. It allows full public hearings before Congress acts. It does not strike any funds, it simply says the funds in the bill cannot be expended for construction of a new project until it is authorized. I just wanted to clarify that. Thank you, Mr. President.

Mr. DOMENICI. Mr. President, I thank the Senator. I have 10 minutes?

The PRESIDING OFFICER. The Senator has 10 minutes.

Mr. DOMENICI. I yield 1 minute to the Senator from Idaho.

Mr. CRAIG. Mr. President, let me tell the Senator from Wisconsin, it is not my intent to impugn his integrity. I am simply saying when you live in a State with an abundance of water, your feelings about water are different. My colleague's State of Arizona is abundant with water today as a desert because this Congress saw fit to pour hundreds of millions of dollars into water development in his State, and his State is the great beneficiary of those programs today.

Whether you agree or disagree, the reality is, Arizonans know how to allocate water resources most effectively. But the Ute Indians have not had that opportunity, and I am simply saying that when you are in a high desert, you recognize that if human life is to exist, it exists only in the presence of water.

I think my colleague understands that, but having been born and raised in the high deserts of the West, I think there is an understanding and appreciation that is sometimes difficult to convey, and that was my intent.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, for all Senators, I don't know what their evening schedule is, but I have not been told to create any window. We are going to vote in about 10 minutes on the motion to table the Animas-La Plata amendment offered by Senator FEINGOLD.

Mr. President, if I thought this amendment offered by Senator FEINGOLD and the distinguished occupant of the chair would, in fact, keep alive the Animas-La Plata project in a manner that had a reasonable chance of succeeding, I would be over here asking my friend from Arizona to go find our Indian leaders and let's go out in the hall and agree to it.

I am not talking about anybody's intent, but I am telling the Senate that if this amendment becomes law, I do not believe the project has a chance of going anywhere.

The Secretary of the Interior is given broad latitude by this amendment to make decisions about the project which I don't believe the U.S. Congress should give him for a project as controversial and subject to pressure as this one. I make no reference to him personally or his abilities as Secretary, but I just don't believe that we can tell the Indian people that allowing Secretary Babbitt to decide what will be a cost-effective way of completing the project—that is one item in the amendment—will ever work.

The amendment states that the Secretary shall come up with a project that limits the diversion of Animas-La Plata as recommended by the U.S. Fish and Wildlife Service; let me say that number is about 57,000 acre-feet annually. That is what the number ought to be; not a new number proposed by U.S. Fish and Wildlife, because they have already agreed to 57,000 acre-feet. I don't want Fish and Wildlife in 2 or 3 years taking yet another look and then changing what they think ought to be diverted.

This project is controversial because it costs money and it is giving water to Indian people who have been denied their legitimate water rights. I believe Ute tribes have a very good case to make that the U.S. Government has denied them promised water rights,

and this project is a solution to getting the Utes wet water and avoiding costly litigation.

I do not believe we ought to allow this amendment which permits the Secretary of the Interior or anyone other than Congress to decide the fate of the project. That is my feeling, I say to Senator CAMPBELL, and I believe what we have done—so the Senate will understand, the Senate Appropriations Committee put in this bill precisely the amount of money that the President of the United States asked for. No more, no less.

With this appropriation, development of this project, I believe rightly so, will be able to proceed in an orderly manner. This amendment allows the Secretary of the Interior to define this project. Nobody else has mentioned the Secretary of the Interior's role in this amendment, but I think if you read it carefully, it gives him all kinds of authority to decide the fate of this project. The Secretary already has delegated much of that authority to the Governor and Lieutenant Governor of Colorado to have meetings with the interested parties to see if they can resolve the issue. I just do not believe this amendment furthers the goal of getting the Indians their water.

Mr. CAMPBELL. Will the Senator yield?

Mr. DOMENICI. Yes.

Mr. CAMPBELL. I point out, it was the Fish and Wildlife Department that has thrown so many roadblocks in front of the Animas-La Plata already under the guise of the Endangered Species Act, as you know.

Mr. DOMENICI. I say to the Senator, I do not want to go back over all the problems that we have had with eight or nine departments of the Government fighting against each other with regard to this project, but the Senator is correct.

But I do want to say, for anybody who is listening, the Senator from Colorado—who occupies my seat; he just said that a while ago while I am here in this one—has said it right.

We ought to solve this problem and give to these two Indian tribes what they deserve; promised water. They have been most patient, most willing to compromise in a realistic way.

I add just parenthetically that my little State has been waiting forever for about 20,000 acre feet of water that they are entitled to under the project. That is a lot for that part of New Mexico.

I do not want to sit by and watch those rights be subject to anyone other than the U.S. Congress' determination on how we ought to proceed in getting this project completed. I believe in due course we can satisfy our obligations to the Utes and other water users because a lot of new ground has been turned; new agreements are being worked out between many water users in that four-corners region.

The opponents to the project have attended these meetings in the negotiation process; I hope a number of you who are proposing this amendment do not necessarily agree with all of those who oppose this project. Some opponents find reason to oppose it once a month, maybe. Maybe in some cases they have found three or four reasons a month, and they rest a while and then they found six or eight more reasons to oppose this project in 6 months' time. There are those who will oppose any project, no matter how worthy.

In any event, I yield back the remainder of my time.

I understand the yeas and nays have been ordered on the motion to table. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

The question is on agreeing to the motion to lay on the table the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Montana [Mr. BURNS] and the Senator from Rhode Island [Mr. Chafee] are necessarily absent.

I further announce that, if present and voting, the Senator from Montana [Mr. BURNS] would vote ''yea.''

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 56, nays 42, as follows:

[Rollcall Vote No. 177 Leg.]

YEAS—56

Abraham	DeWine	Kyl
Akaka	Domenici	Landrieu
Allard	Dorgan	Lott
Ashcroft	Enzi	Lugar
Baucus	Faircloth	Mack
Bennett	Frist	McConnell
Bingaman	Gorton	Murkowski
Bond	Gramm	Nickles
Breaux	Grams	Reid
Bryan	Grassley	Roberts
Campbell	Hagel	Sessions
Cleland	Hatch	Shelby
Coats	Helms	Smith (OR)
Cochran	Hutchinson	Stevens
Conrad	Hutchison	Thomas
Coverdell	Inhofe	Thompson
Craig	Inouye	Thurmond
D'Amato	Jeffords	Warner
Daschle	Kempthorne	

NAYS—42

Biden	Harkin	Moynihan
Boxer	Hollings	Murray
Brownback	Johnson	Reed
Bumpers	Kennedy	Robb
Byrd	Kerrey	Rockefeller
Collins	Kerry	Roth
Dodd	Kohl	Santorum
Durbin	Lautenberg	Sarbanes
Feingold	Leahy	Smith (NH)
Feinstein	Levin	Snowe
Ford	Lieberman	Specter
Glenn	McCain	Torricelli
Graham	Mikulski	Wellstone
Gregg	Moseley-Braun	Wyden

NOT VOTING—2

Burns	Chafee

The motion to lay on the table the amendment (No. 868) was agreed to.

Mr. KEMPTHORNE. Mr. President, I want to express my support for the energy and water appropriations bill and specifically for funding for the McCall, ID, wastewater treatment facility. I would like to thank Senator DOMENICI for including funding for this important project in the bill and Senator CRAIG for his support and leadership on this issue in the committee.

Cascade Reservoir is a federally owned facility located downstream of the city of McCall on the north fork of the Payette River, and is the second most used recreation site in the State of Idaho. The community is currently operating with a wastewater treatment plant that ranges from inadequate to dangerous. Water flowing into the Cascade Reservoir in Valley County, ID, has reached a dangerous level of phosphorus and algae. This level is much higher than what is considered healthy for both human recreation and sustaining wildlife. The plant must be upgraded, but the community needs Federal money to do it.

The most recent data indicates that high phosphorus contributions from the surrounding watershed have caused and will continue to cause significant deterioration of water quality in the reservoir. The situation is so bad in Cascade Reservoir that at one point, in 1994, fish were dying at a rate that was too fast for fish and game inspectors to count. The fish died because of the high water temperatures and low oxygen levels in the water caused by dramatic algae growth. In 1993, a severe outbreak of toxic blue-green algae caused the death of 23 cattle after they drank water from the reservoir. A public health advisory was issued advising the public to avoid contact with the reservoir.

The city of McCall is using an innovative approach to solving the dual problem of poor wastewater management and lack of irrigation water in the area. Wastewater from the facility will be used to provide much needed irrigation water to local farmers. The treated wastewater will provide phosphorus and nitrogen which are ordinary elements of fertilizer. This will reduce the need for farms to use chemical fertilizers, while at the same time cleaning up the reservoir.

This program is a prime example of how different levels of government can cooperate to benefit both the community and the environment. The cost of the project will be shared by the Idaho State Legislature, the Idaho Department of Environmental Quality, the city of McCall, and the local irrigation district.

Cascade Reservoir is a major recreation facility for the largest population base in the State of Idaho. Without this Federal assistance, quality of human life and survival of wildlife will be significantly impacted. In short, the $2.5 million for the McCall Wastewater Treatment Facility is crucial to Idaho.

I am pleased that my colleagues on the Appropriations Committee recognized the urgency of this project and included an appropriation that will allow McCall to once again enjoy a clean and safe wastewater system.

WEST VALLEY DEMONSTRATION PROJECT

Mr. MOYNIHAN. Mr. President, I rise to note that the passage of the energy

and water appropriations bill brings us one step closer to the completion of the West Valley demonstration project in western New York. In 1982 we authorized the West Valley demonstration project, in which we would learn to take liquid nuclear waste and mix it with glass. The process is called vitrification, and yields ten foot high glass logs that can be stored safely. After 14 years of preparation, research, and testing, vitrification began last July. On May 28 the 100th glass log was produced.

The success of the vitrification process developed at West Valley and at Savannah River in Georgia led the Department of Energy to select it as the preferred method of disposal for such wastes. This is an accomplishment that the many hundreds of people in western New York who worked on the project can be most proud of.

They have another 110 logs to go at West Valley, but the method works. Through fiscal year 1997 we have spent $1.2 billion on the project. The final amount in the bill for next year has not been determined, but it will it will bring the total over $1.3 billion. This has been money well spent, and will continue to be. We have learned to dispose of one type of hazardous waste, and can dispose of others with the vitrification process.

JEFFORDS/BRYAN AMENDMENT TO S. 1004

Mr. LEVIN. Mr. President, I am pleased to be a cosponsor of the amendment offered by Senators JEFFORDS and BRYAN to bring solar and renewable energy funding levels closer to the administration request than was provided in the Appropriations Committee's bill. And, to clarify the importance of continuing Department of Energy support for solar thermal energy dish/engine systems.

The committee report proposes to disallow the continued deployment of additional dish/engine systems. Such a prohibition would stifle some very promising environmental technology and most probably break a cost-sharing agreement between the Department and Stirling Thermal Motors of Ann Arbor, MI. And, the language unfairly singles out solar dish/engine systems for elimination, even though competing and funded technologies are more mature and nearer to commercialization.

I urge my colleagues to accept this amendment so that precommercial research and development can continue on important solar technologies, including solar thermal dish/engine systems. These systems, including thermal motors, have great potential for providing cleaner and more efficient electrical power for all sectors of the economy, potentially including transportation.

Mr. DOMENICI. Mr. President, the Energy and Water Appropriations Act for the current year imposed a 9-percent reduction of the Department of Energy's Departmental Administration Account. That account funds the office of the Secretary, Human Resources, and general counsel among other things.

However, in imposing that reduction, the Department did not impose any reductions in the Office of General Counsel. As a matter of fact, while other offices lost 40 or more people, the Office of General Counsel lost only 1 position.

In drafting its recommendation for departmental administration, the committee directed that the Office of General Counsel assume a reduction to bring its staffing levels back into balance with the rest of those in departmental administration.

The committee's recommendation did not take into consideration the fact that the Department has proposed to shift 19 lawyers, previously funded out of the Interior appropriations bill, into the account funded by this bill.

I have committed to the Secretary of Energy that, in the statement of managers accompanying the conference report, I will work to include language that clarifies our intent. I do believe that the Office of General Counsel should not be insulated from the reductions Congress wisely imposed last year. However, it was not our intent to impose overly harsh reductions.

Mr. REID. Mr. President, I join the chairman of the Subcommittee in this regard. I will work with him and our House colleagues in conference to ensure that any reduction in the Office of General Counsel is fair.

Mr. DOMENICI. I thank my colleague.

RENEWABLE ENERGY

Mr. JEFFORDS. I Mr. President, thank the chairman for his excellent work on the fiscal year 1998 energy and water appropriations measure. Senator DOMENICI clearly understands the importance of renewable energy to the future of this Nation. I wish to commend him for his dedication to the development of solar, wind, biomass, and other technologies that are vital to our Nation's energy interests. I know many of my colleagues join me in thanking him for his leadership in this area. I would merely like to clarify a couple of the provisions regarding renewable energy in the energy and water appropriations bill.

Mr. DOMENICI. I wish to thank the Senator for his kind comments.

Mr. JEFFORDS. The report language on wind energy research, development and deployment restricts support for small wind, when in fact the Department of Energy has several ongoing research activities in this area. Is it the intention of the Senate that these and other cost-shared programs currently conducted in collaboration with DOE, the national laboratories, and U.S. industry should not be continued?

Mr. DOMENICI. Mr. President, the answer is no. The energy and water development bill does not intend to impede research, development, and demonstration activities for small wind programs.

Mr. JEFFORDS. In addition, is it the Senator's understanding that the Solar Thermal Power Program would receive an additional $4.8 million from available funds? And if so, of this amount, $3.8 million will be available for solar dish engine technologies and the remaining $1 million will go to the solar industrial programs. This would bring the total solar thermal account to $19.1 million.

Further, is it also the Senator's understanding that the solar international account will receive an additional $2 million, bringing the total for this program to $4 million. Is it also the Senator's understanding that the program allocation will be used in support of the Committee on Renewable Energy Commerce and Trade?

Mr. DOMENICI. That is correct.

Mr. JEFFORDS. I thank the Chairman.

CONSORTIUM FOR PLANT BIOTECHNOLOGY RESEARCH

Mr. DASCHLE. As a long-time supporter of domestically produced renewable fuels, I am very interested in encouraging the Department of Energy to do whatever it can to promote the development of new and more efficient processes for converting plant material into practical transportation fuels. It is my understanding that DOE consistently funds the Consortium for Plant Biotechnology Research—known as CPBR—although at levels below which it can use. The work of this consortium of university researchers has lead to significant progress in more efficiently utilizing plants and plant waste for the production of renewable fuels and of bringing these research innovations to the market. It is my hope that DOE will be willing to fund CPBR at between $2 and $3 million in fiscal year 1998. Do you agree that DOE should give special consideration to funding CPBR at that level?

Mr. REID. Yes. I recognize how important the development of a strong domestic renewable fuels industry is to the Senator. Moreover, I agree that the work of CPBR has been very useful in developing new and more efficient ways to convert plant material to renewable fuels and commend DOE for its past support of CPBR. I would urge DOE, as part of its annual process to determine its priorities and funding awards, to seriously consider supporting CPBR at the levels you cite.

Mr. DOMENICI. I also recognize the valuable research performed by the CPBR and urge DOE to give it every consideration as it makes its fiscal year 1998 funding decisions.

RENEWABLE ENERGY DEMONSTRATION

Mr. LEAHY. Mr. President, I would like to take a moment to highlight a provision in the energy and water appropriations bill which could begin to address some of the energy generation problems facing very rural areas. The bill provides modest funding for the deployment of solar, wind, fuel cell, and biomass technologies in remote areas of the United States.

Producing and distributing power in rural areas is a challenge in and of itself. Distribution lines are often more

expensive and difficult to establish, and communities are often forced to rely on cheaper, but more polluting fuel sources. This demonstration will provide the resources to look at the effectiveness of less noxious, renewable energy technologies.

One application of this kind of demonstration which has come to my attention is a proposal in Vermont to replace polluting diesel engines with modern fuel cell technology for snow production. One of the last places you might think of air quality problems is in the mountains of Vermont. But in fact, four of the six largest sources of NO_x emissions in the State are ski resorts which often use inefficient and dirty burning diesel engines to produce snow. Because of the remoteness of snow production facilities, other, cleaner commercial energy alternatives are not an option. This funding would allow States like Vermont to experiment with energy production technologies that can work efficiently while greatly reducing NO_x and particulate matter emissions.

I would like to thank the Senator from New Mexico for funding this valuable initiative and ask for his comments on this possible application of fuel cell technology to the problem I have described in Vermont.

Mr. DOMENICI. Mr. President, I thank the Senator from Vermont and agree that this is exactly the kind of problem the subcommittee had in mind when proposing this demonstration. Remote areas of the United States do face unique energy production and distribution problems as the Senator from Vermont has aptly described. It is the committee's intention that the demonstration be directed to addressing these types of issues in rural areas.

MECKLENBURG COUNTY STREAMBANK STABILIZATION AND RESTORATION PROJECT

Mr. FAIRCLOTH. Mr. President, I rise to commend Senator DOMENICI on an excellent bill. We all realize that he and his staff have been overwhelmed by requests for this bill, in particular by U.S. Army Corps of Engineers project requests. I think I speak for all of us when I say that he has done an excellent job balancing out the requests. No one received all he or she requested, but I believe we have all been treated fairly.

In this vein, I want to comment on a very worthy project from Charlotte, NC, which was not able to be included in the bill, the Mecklenburg County streambank stabilization and restoration project.

I am informed that the House has allotted $1 million for this very worthy project. When we go to conference, I look forward to working with Senator DOMENICI to ensure that the House appropriation for this matter remains in the final bill. The project is a good one, and seeks innovative methods of addressing problems of degradation of streams, pollution of surface waters, and flood protection. It also enjoys widespread support in the Charlotte area.

Mr. DOMENICI. I commend my colleague for bringing this worthy project to my attention, and also look forward to working with him on it during conference.

PROVISION FOR NUCLEAR ENERGY RESEARCH

Mr. CRAIG. Mr. President, I rise to address a provision of S. 1004, the appropriations bill for energy and water development for fiscal year 1998. I refer specifically to the President's request for a new initiative within the Department of Energy, called nuclear energy security. The bill before us contains no funding for this new initiative. I wish to address my colleagues on the reasons for the subcommittee's treatment of this initiative and the direction in which I believe the Department should focus its nuclear energy research and development program.

The committee report to accompany S. 1004 states that although the committee supports the use of nuclear energy to produce electricity, the Department's proposed program to address technical issues will have insufficient impact to justify the expense and therefore, no funding was provided. I am concerned that the Department of Energy will take the wrong message from this action.

It is my view, as a member of the Appropriations Committee and as a member of the Committee on Energy and Natural Resources, that this country needs a viable nuclear energy program—both for our energy security and for our national security. Recently, the President commissioned his Committee of Advisors on Science and Technology, Energy Research and Development Panel to study and report back on whether the United States should have a nuclear energy program and if so, what its goals should be both domestically and internationally. A lot of good work on this issue has been done, or is underway within the Department of Energy and the national laboratory complex. Specifically, Sandia National Laboratories, in New Mexico has contributed substantially.

While I won't delineate the findings at length at this time, let me just indicate to my colleagues, that the greatest minds that we have nationally to weigh in on this question have done so, and they believe that the failure to have a strong nuclear energy research and development program will diminish our national security, our economic competitiveness, and the public well-being. The bottom line is that as our primacy in nuclear R&D declines, we will lose our ability to participate on the world stage and to observe and understand the civilian nuclear programs of emerging nations.

For these reasons, it is my hope that the Department will continue to construct, and will propose as appropriate, a nuclear energy program that fulfills these goals.

Mr. KEMPTHORNE. Mr. President, I rise to add my voice to the statements made by my colleague, the senior Senator from Idaho. Through the investments already made at its national laboratory sites, such as the Idaho National Engineering and Environmental Laboratory and Argonne National Laboratory, the Department of Energy has a research capability of both personnel and facilities, which can ensure that the nuclear energy program of this country does not fall behind that of other nations. But we will only be assured of keeping a viable nuclear option in this country if DOE proposes and implements nuclear energy research programs to safeguard our position as a nuclear leader worldwide.

Mr. MURKOWSKI. Mr. President, I would like to add another voice to this discussion, and another point that has not yet been addressed. In May of this year, I wrote a letter to Mr. Daniel Reifsnyder of the U.S. Department of State, transmitting my comments on the Draft Second U.S. Climate Action Report. In this letter, dated May 15, 1997, I reminded Mr. Reifsnyder that nuclear energy is responsible for 89 percent of all the carbon dioxide emissions avoided by U.S. electric utilities between 1973 and 1995 and that over 1.9 billion metric tons of carbon emissions have been avoided in the United States alone through the use of nuclear energy. Nuclear energy has made and can continue to make tremendous contributions in avoiding carbon emissions. Although the contributions of nuclear energy appear to have gotten little acknowledgment in the U.S. Climate Action Report, if we look at what is happening internationally, we see that other countries have not failed to take notice of the nuclear option. Specifically, France and Japan continue their reliance on nuclear energy for substantial percentages of their energy needs, and China has ambitious plans for developing its civilian nuclear program. The failure of this country to take a long term view and invest in nuclear research and development has the potential to damage not only our own civilian program, but our ability to observe and influence the programs of other nations.

Mr. KYL. Mr. President, I wish to associate myself with the comments made by my colleagues regarding our need for a strong nuclear energy program. I agree that nuclear energy research and development enhance both our economic competitiveness on the civilian side and our national security by allowing us to participate as a full partner in the uses of nuclear energy worldwide.

Mr. FAIRCLOTH. Mr. President, I add my voice to those of my colleagues in calling for both a strong nuclear energy program at the Department of Energy and in calling for national attention to the need for nuclear energy to provide energy security to this Nation.

Mr. DOMENICI. Mr. President, let me thank all of my colleagues who have expressed their views on this important issue and let me add a final thought. As the Congress continues its consideration of de-regulation or restructuring

of the electric power industry, and the legislation already introduced in both bodies on that subject, I ask my colleagues to consider the contribution of nuclear energy, both as a safe and reliable source of power—part of our energy security—and its contribution in lowering emissions of greenhouse gases. If this country's nuclear plants are rendered uneconomic by the advent of competition in the electric industry, as some claim, we need to ask ourselves what will replace these plants. As cost estimates for decommissioning balloon out of control, we should be asking what technology investments DOE could be making to bring these estimates back in line with reality. A strong nuclear energy program is part of the answer.

SEFOR

Mr. DOMENICI. Mr. President, I would like to engage the senior Senator from Arkansas in a colloquy.

Mr. BUMPERS. I would be pleased to join the subcommittee chairman in a colloquy.

Mr. DOMENICI. Mr. President, in last year's Energy and Water Development Act, a provision was included that directed the Department of Energy to determine if it has any legal obligation regarding the Southwest experimental fast oxide reactor [SEFOR] or any similar nuclear facilities that have been transferred from Federal to non-Federal ownership. The Department has completed a draft memorandum that indicates that the Department has no legal obligation regarding SEFOR.

However, the senior Senator from Arkansas' interest in SEFOR continues. Early today, an amendment to S. 1004 was accepted on behalf of the senior Senator from Arkansas that would provide for an assessment of the cost of decommissioning the Southwest experimental fast oxide reactor.

It is important to note that the acceptance of this amendment does not indicate that the Senate disagrees with the initial findings of the Department of Energy that the Department has no legal obligations with regard to the SEFOR. The interest of the Senate is simply to understand what the decommissioning costs of a reactor such as the SEFOR might be.

Mr. BUMPERS. Mr. President, I agree with my colleague, the chairman of the Subcommittee on Energy and Water Development. I don't think it would be appropriate for the Senate to take a position on the issue of liability. That is for the courts to decide.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. LOTT. Mr. President, after consultation with the Democratic leader, we can announce that this was the last vote for today. We are working on a unanimous-consent agreement that we think we will have no problem having agreement to. Basically, we would have the vote on final passage of the energy and water appropriations bill tomorrow after the first vote on the foreign ops bill. We don't know an exact time, but we presume some time after 11 o'clock or early afternoon. We are trying to accommodate Senators' schedules.

Momentarily, we will ask for that unanimous consent. That is the gist of the request we will make.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

UNANIMOUS-CONSENT AGREEMENT

Mr. LOTT. Mr. President, before I propound this unanimous-consent request, I want to confirm again that we have discussed this with the minority leadership. Mr. President, I want to commend the good work and leadership we have seen today again by the chairman of the energy and Water Subcommittee of Appropriations. Senator DOMENICI has done an excellent job, with the able help of the Senator from Nevada. The fact that they have gotten this bill basically ready for final passage and that we will have the vote tomorrow morning is a real credit to the good work they have done.

I ask unanimous consent that the vote on final passage of the Energy and water appropriations bill occur immediately following the first vote tomorrow on or in relation to the foreign operations appropriations bill.

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

Mr. LOTT. Therefore, there will be no more votes this evening. It is my understanding that the managers will be able to wrap up the Energy and water appropriations amendments this evening, and the Senate will begin the foreign operations appropriations bill at 11 a.m. on Wednesday.

I yield the floor.

Mr. STEVENS. Mr. President, I, too, want to commend the subcommittee chairman and ranking member of the subcommittee. I also want to call to the attention of the Senate the fact that this hearkens me back to the days when we had real bipartisan cooperation on the Appropriations Committee.

I want to thank all members of the committee for that cooperation, for showing what can be done when we work together and try to resolve issues and accommodate the needs of the various Senators and our individual States. These two Senators have done an excellent and admirable job today on a very difficult bill. I am confident that we will see that in final passage tomorrow.

Tomorrow, we will proceed to the foreign assistance bill. I hope we see a similar approach on that bill so that we can go forward and have the legislative bill before the Senate on Thursday.

Thank you, Mr. President.

The PRESIDING OFFICER. Who seeks recognition?

Mr. COCHRAN. Mr. President, I congratulate the distinguished chairman of the Energy and Water Subcommittee for his work in bringing this bill to the Senate.

While I commend the chairman for his efforts, I have concerns about the trends in the funding levels that are being proposed for the Mississippi River and tributaries projects, particularly those in the Yazoo Basin of Mississippi.

The President's budget proposed a 20-percent reduction from last year's level for Mississippi River and tributaries construction projects. The budget also proposed cutting projects in the Yazoo Basin by over 50 percent. As the committee has indicated in its report that accompanies this bill, this reduction, along with others in operations and maintenance and investigations, is unacceptable.

Mr. President, Congress addresses flooding and other natural disasters as they occur around the country. The victims who have suffered damages derive benefits from supplemental disaster assistance legislation, as we saw just recently. This year, it was the Dakotas and other States. A few years ago, it was in the Midwest when the Missouri River flooded, and nearly every year, there is some degree of flooding in the Yazoo Basin in the State of Mississippi. The lower funding levels that are being proposed for projects to control flooding in the Yazoo Basin result in more delays, higher construction costs, and more damages occur year in and year out from floods in this region of the country. It will also result in increased spending on disaster assistance instead of funding long-term solutions to the flooding that occurs in this area. These delays will only increase the likelihood and the severity of flooding in the future and damages that result from those floods.

Incremental funding for these and many other Federal construction projects is a reality of the current budget environment. But incremental funding results in cost increases over the life of a project that has been authorized and that has been partially funded in the past. It will cost $54 million as a result of even a ten-year funding cycle on the three main projects just in the Yazoo Basin alone—the Upper Yazoo project, the Upper Steele Bayou project, and the Big Sunflower River Maintenance project. That amounts to a 20 percent cost increase.

Mr. President, I will continue to work with the committee and the subcommittee to identify the levels of funding necessary to maintain project

schedules that are more realistic and more cost-effective in the future. I hope that we can reach agreement and convince the administration that it needs to recognize the inevitable consequences of these budget cuts that are, year-in and year-out, submitted to the Congress on these projects.

My friend from New Mexico has done an excellent job, a masterful job in dealing with all of these pressures and cross-currents of interests that flow to this committee and are involved in the development of this legislation. And so I am proud of the work product that he has produced, and we support it. I am voting for it. We hope that by working together we can continue to identify ways to assure adequate funding levels for these projects that have been authorized for a long, long time.

Read the book ''Rising Tide,'' which talks about the beginning of the effort to get the Federal Government's resources involved in the Mississippi River and tributaries project. It is on the best-seller list now and I invite everyone to read that book. There are projects which I have identified in this project definition that are still not completed, and that flood was in 1927. We continue to, incrementally, piecemeal, see these projects increasing in real costs because of the failure to address them in a more aggressive way.

That is the point of my statement. People are beginning to wonder—are these projects ever going to be finished? They have a right to raise the question. If they are not finished, the flooding that occurs every year is going to continue to be an annual disaster for the folks in this region.

Mr. DOMENICI. Mr. President, might I say to the distinguished senior Senator from Mississippi, during the day, in your absence when you were busy attending that very difficult hearing that you are part of, I commented on the fact that one of the growing difficulties in this bill is the water project section, because every year more projects that are good and that are necessary—and many that we haven't completed—are showing up and we are not getting an allocation of resources sufficient to do them. What we have been doing is putting little pieces of money in. That is what you just called—that means, for instance, this year there are two major flood projects that we cannot start, that have been years in the design, that are ready to go. We just don't have the money to do it.

I was predicting today that in 3 or 4 years, if we don't find more resources for the water projects—because many people don't think they are very important, and we don't get much support from the White House on them, frankly. They are trying to change the formula right in the middle of the stream on who pays for what. If we don't get more resources, the situation you predict will become reality. I am going to do my best, but there isn't enough money to complete the projects we have been committed to with the kind of allocation we get. I thank the Senator for his kind comments.

Mr. REID. Mr. President, if the chairman will yield. In response to the Senator from Mississippi and the Senator from New Mexico, these water projects are important because they save lives. Some of them are important—we tend to think that when they are written in the newspaper, they are projects that just look good at home and these are things people talk about as being pork. The fact of the matter is that we have projects in Nevada that have saved people's lives as a result of having them in the project. They have saved immense dollars in property that would have washed away. Even in an arid State like Nevada we have floods. They are not sustained floods like you have in other parts of the country, they are flash floods; but they can be very damaging to property and to people.

So I commend the Senator from Mississippi in focusing attention on these very important projects. The Senator from New Mexico and I have had to deal with these for the last 7 or 8 months. It is very difficult to decide which ones should get money and how much they should get. Every one of them—I should not say every one—the vast majority of them are extremely important, and it is too bad we can't fund them all because it would be good for the country.

PRIVILEGE OF THE FLOOR

Mr. DOMENICI. Mr. President, I ask unanimous consent that Scott Burnison, a detailee in my office and in the Budget Committee, be granted floor privileges during the remainder of this bill and for the conference report on it.

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

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. MCCAIN. Mr. President, it is the third time in 2 days that I have come to the floor of the Senate to address the flawed practice of earmarking funding for local projects in appropriations bills.

I recognize the hard work that the managers of the bill have put into expeditiously moving this measure through the Senate. I thank them for their tireless efforts and appreciate that their jobs have not been easy.

But I must repeat a criticism I have made many times during consideration of appropriations bills and will continue to make as long as the practice of earmarking continues: This bill inappropriately and inequitably singles out projects for funding based on criteria other than national priority and necessity.

I recognize that the custom has long been to earmark all of the Army Corps of Engineers projects in the energy and water appropriations bills. I continue to find this practice, frankly, unnecessary if the projects are truly worthy of support and are of sufficient priority on a nationwide comparison. I hope we can work together to find a better system of ensuring full and fair consideration of all proposed projects.

I believe that the States and the Army Corps of Engineers should develop a priority list based on national need. The projects on the priority list would then be funded in a lump sum appropriation. By employing such a priority list, we could end the practice of earmarking projects for funding based on political clout and focus our limited resources, instead, on those areas with the greatest need nationwide.

It is clear, however, that for many projects, earmarking is the only way to ensure the money is spent. Earmarking is particularly useful in ensuring that funds are spent for lower priority, unrequested projects for which Members of this body have sought appropriations.

This year, the energy and water appropriations bills and report contain more than $300 million in earmarks for projects not included in the budget request.

I ask unanimous consent that a list of these unrequested earmarks be printed in the RECORD.

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

UNREQUESTED EARMARKS CONTAINED IN THE 1998 ENERGY AND WATER APPROPRIATIONS BILL AND COMMITTEE REPORT

Earmark	Bill or Report Cite
Norco Bluffs, California—$200,000	Bill, page 2.
Laulaulei, Hawaii—$200,000	Bill, page 2.
Barnegat Inlet to Little Egg Inlet, New Jersey—$400,000.	Bill, page 2.
Douglas Harbor, Alaska—$100,000	Report, page 10.
Kenai River, Alaska—$100,000	Report, page 10.
Matanuska River, Alaska—$100,000	Report, page 10.
Nome Harbor Improvements, Alaska—$40,000 over budget request (obr).	Report, page 10, 23.
Port Lions Harbor, Alaska—$100,000	Report, page 10.
Seward Harbor, Alaska—$75,000 obr	Report, page 10.
Ship Creek, Alaska—$100,000	Report, page 10.
Wrangell Harbor, Alaska—$130,000 obr	Report, page 10.
Valdez Harbor, Alaska—$100,000	Report, page 10, 23.
White River to Newport, Arkansas—$500,000	Report, page 11, 23.
Bolinas Lagoon Ecosystem Restoration, California—$510,000 obr.	Report, page 11, 23.
Hamilton Airfield Wetland Restoration, California—$100,000.	Report, page 11.
Sacramento and San Joaquin Rivers, Comprehensive Basin Study, California—$500,000.	Report, page 12, 23.
San Diego Harbor, California—$100,000 obr	Report, page 12.
Lido Key Beach, Florida—$100,000	Report, page 13.
Nassau County, Florida—$150,000 obr	Report, page 13, 24.
Savannah River Basin Comprehensive, Georgia and South Carolina—$300,000.	Report, page 14, 24.
Des Moines and Racoon Rivers, Iowa—$100,000	Report, page 14.
Licking River Watershed, Kentucky—$500,000	Report, page 15, 25.
Grand Isle and Vicinity, Louisiana—$800,000	Report, page 15, 25.
Kansas City, Missouri and Kansas—$300,000 obr	Report, page 16, 25.
Townsend Inlet to Cape May Inlet, New Mexico—$200,000.	Report, page 17.
Flushing Bay and Creek, New York—$100,000	Report, page 17.
Orchard Beach, Bronx, New York,—$300,000	Report, page 17.
Grand Forks/East Grand Forks, North Dakota and Minnesota—$2,000,000 obr.	Report, page 18, 25.
Grand Neosho River Basin, Oklahoma—$500,000	Report, page 18.
Tilamook Bay and Estuary, Oregon—$100,000	Report, page 18, 26.
Conemaugh River Basin, Pennsylvania—$90,000	Report, page 18.
Turtle Creek, Pennsylvania—$300,000	Report, page 18, 26.
Providence, Rhode Island (Fox Pt. Hurricane Barrier)—$350,000.	Report, page 19.
Pawley's Island, South Carolina—$100,000	Report, page 19.
Packery Channel, Corpus Christi Bay, Texas—$100,000.	Report, page 19, 26.
Rincon Canal, Corpus Christi Ship Channel, Texas—$100,000.	Report, page 20, 27.
Sumerset and Seasborg Dams, Deerfield River, Vermont—$100,000.	Report, page 20, 27.
Rapahannock River, Virginia (Embrey Dam Removal)—$100,000.	Report, page 20.
London Locks and Dam, West Virginia—$328,000	Report, page 21.
West Virginia Statewide Flood Protect Plan—$400,000.	Report, page 21.
Lock and Dam #24, Mississippi River, Illinois and Missouri—$1,000,000 obr.	Bill, page 3. Report, page 31.
Arkansas River, Tucker Creek, Arkansas—$300,000	Bill, page 3.
Red River Emergency Bank Protection, Arkansas—$3,500,000.	Bill, page 3.

Earmark	Bill or Report Cite
Panama City Beaches, Florida—$5,000,000	Bill, page 3.
Levisa and Tug Forks and Upper Cumberland River, West Virginia—$47,740,000 obr.	Bill, pages 4–6. Report, pages 37, 44.
Lake Ponchartrain, Storm Water Discharge, Louisiana—$3,000,000.	Bill, page 4.
Natchez Bluff, Mississippi—$4,000,000	Bill, page 4.
Jackson County, Mississippi (Water Supply)—$3,000,000.	Bill, page 4.
Pearl River, Mississippi (Walkiah Bluff)—$2,000,000.	Bill, page 4.
Wallisville Lake, Texas—$10,000,000	Bill, page 5.
Virginia Beach, Virginia (Hurricane Protection)—$15,000,000.	Bill, page 5.
Virginia Beach, Virginia (Reimbursement)—$925,000.	Bill, page 5.
Cook Inlet, Alaska—$3,945,000	Report, page 29.
Chignik Harbor, Alaska—$4,500,000	Report, page 29.
Dillingham, Alaska (Shoreline Erosion)—$1,200,000	Report, page 29, 39.
St. Paul Harbor, Alaska—$6,638,000	Report, page 29.
Los Angeles County Drainage Area, California—$9,000,000 obr.	Report, page 9.
Los Angeles Harbor, California—$10,000,000 obr	Report, page 29, 39.
Lower Sacramento Area, Levee Reconstruction, California—$2,000,000 obr.	Report, page 29.
Marysville/Yuba City, Levee Reconstruction, California—$2,000,000 obr.	Report, page 30, 39.
Merced County Streams, California—$5,785,000 obr	Report, page 30.
Mid-Valley Area, Levee Reconstruction, California—$2,500,000 obr.	Report, page 30, 39.
Canaveral Harbor, Florida—$1,000,000 obr	Report, page 30, 40.
Fort Pierce Beach, Florida—$2,300,000	Report, page 30, 40.
O'Hare Reservoir, Illinois—$2,100,000	Report, page 31, 40.
Wabash River, New Harmony, Indiana—$500,000	Report, page 31.
Lake Ponchartrain and Vicinity, Louisiana (Hurricane Protection)—$10,000,000 obr.	Report, page 32.
Red River Waterway, Mississippi River to Shreveport, Louisiana—$7,000,000 obr.	Report, page 32, 41.
Chesapeake Bay, Environmental Restoration and Project, Maryland, Virginia—$1,000,000.	Report, page 33.
Cumberland, Maryland—$375,000	Report, page 33.
Boston Harbor, Massachusetts—$2,000,000	Report, page 33.
St. Croix River, Stillwater, Minnesota—$1,000,000	Report, page 33.
Marshall, Minnesota—$1,000,000 obr	Report, page 33.
North Fork, Flathead River, Montana—$50,000	Report, page 33.
Ramapo River at Oakland, New Jersey—$2,723,000 obr.	Report, page 34.
Acequias Irrigation System, New Mexico—$400,000 obr.	Report, page 34, 42.
Las Cruces, New Mexico—$2,700,000 obr	Report, page 34.
Long Beach Island, New York—$2,000,000	Report, page 34.
Buford Trenton Irrigation District, North Dakota—$3,000,000.	Report, page 35, 42.
Grays Landing Lock and Dam, Monongahela River, Pennsylvania—$2,650,000 obr.	Report, page 35.
Locks and Dams, 2, 3 and 4, Monongahela River, Pennsylvania—$10,000,000 obr.	Report, page 35.
Sims Bayou, Houston, Texas—$3,410,000 obr	Report, page 36.
Little Dell Lake, Utah—$1,000,000	Report, page 36.
Lower Mud River, Milton, West Virginia—$100,000	Report, page 37.
Lafarge Lake, Kickapoo River, Wisconsin—$713,000	Report, page 37.
Morganza, Louisiana to the Gulf of Mexico—$2,000,000 obr.	Report, page 47.
Southeast Arkansas, Arkansas—$500,000	Report, page 47, 50.
Mississippi River Levees, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri and Tennessee—$1,000,000 obr.	Report, page 47.
Atchafalaya Basin, Louisiana—$3,000,000 obr	Report, page 47.
Backwater Less Rocky Bayou, Mississippi—$500,000 obr.	Report, page 47.
Demonstration Erosion Control, Mississippi (Yazoo Basin)—$5,000,000 obr.	Report, page 47, 50.
Upper Yazoo Projects, Mississippi—$2,000,000 obr	Report, page 48.
Channel Improvement, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri and Tennessee—$5,000,000 obr.	Report, page 48.
Atchafalaya Basin, Louisiana (Maintenance)—$2,000,000 obr.	Report, page 48.
Beverly Shores, Indiana—$1,700,000	Bill, page 8.
Black Warrior and Tombigee Rivers, Alabama—$2,000,000 obr.	Report, page 51.
Mobile Harbor, Alabama—$3,000,000 obr	Report, page 51.
Perdido Pass Channel, Alabama—$300,000	Report, page 51.
Tennessee—Tombigee Waterway, Alabama and Mississippi—$2,655,000 obr.	Report, page 51.
Chena River Lakes, Alaska—$800,000 obr	Report, page 51, 68.
Dequeen Lake, Arkansas—$1,329,000 obr	Report, page 52.
Oakland Harbor, California—$1,204,000 obr	Report, page 52.
Charlotte Harbor, Florida—$2,750,000	Report, page 53.
Apalachicola Chattahoochee and Flint Rivers, Georgia and Alabama—$2,300,000 obr.	Report, page 54.
Savannah Harbor, Georgia—$5,000,000 obr	Report, page 54.
Kaskakia River Navigation, Illinois—$490,000 obr	Report, page 54, 68.
Calcasieu River and Pass, Louisiana—$200,000 obr.	Report, page 56, 68.
Cohasset Harbor, Massachusetts—$1,500,000	Report, page 57.
Cedar River Harbor, Michigan—$2,377,000	Report, page 57, 68.
Clarence Cannon Dam and Mark Twain Lake, Missouri—$850,000 obr.	Report, page 58, 68.
Clearwater Lake, Missouri—$350,000 obr	Report, page 58, 68.
Missouri National Recreational River, Nebraska—$100,000.	Report, page 59.
Cheesequake Creek, New Jersey—$1,500,000	Report, page 59, 68.
Tuckerton Creek, New Jersey—$650,000	Report, page 59, 68.
Upper Rio Grande Water Operations Model, New Mexico—$1,000,000.	Report, page 59, 68.
South Dakota and Nebraska BTID—$750,000	Report, page 60.
Garrison Dam, Lake Sakakawea, North Dakota—$50,000 obr.	Report, page 60, 69.
Missouri River Between Ft. Peck, Montana and Gavins Ft. Dam—$750,000.	Report, page 61, 69.
Chetco River, Oregon—$216,000 obr	Report, page 62.
Rogue River, Oregon—$607,000 obr	Report, page 62, 69.
Charleston Harbor, South Carolina—$900,000 obr	Report, page 63, 69.
Cooper River, Charleston Harbor, South Carolina—$190,000 obr.	Report, page 63.
Georgetown Harbor, South Carolina—$500,000 obr	Report, page 63.
Town Creek, South Carolina—$360,000	Report, page 63.
James River, Jamestown and Pipestem Reserv., South Dakota—$100,000.	Report, page 64.
Oahe Dam-Lake Oahe, South Dakota and North Dakota—$300,000 obr.	Report, page 64, 69.
Connecticut River Basin, Vermont (Master Plan)—$200,000.	Report, page 65, 69.
Rudee Inlet, Virginia—$535,000	Report, page 65.
Willapa River and Harbor, Washington—$3,000,000 obr.	Report, page 66, 69.
Bluestone Lake, West Virginia—$575,000 obr	Report, page 66, 70.
Middle Rio Grande Project, New Mexico (Pena Blanca)—$500,000 obr.	Bill, page 14. Report, page 81.
West Salt River Valley Water Management Study, Arizona—$400,000 obr.	Report, page 74, 81.
Central Valley Project, American River Division and Miscellaneous Projects, California—$5,000,000 obr.	Report, page 74.
Port Hueneme Brackish Water Reclamation Demo, California—$2,000,000.	Report, page 75.
Equus Beds Groundwater Recharge, Kansas—$500,000.	Report, page 76.
Ft. Peck Reservation MR&I Water System, Montana—$240,000.	Report, page 76.
Ft. Peck Rural County Water System, Montana—$300,000.	Report, page 76.
Newlands Project, Nevada—$500,000 obr	Report, page 76, 81.
Las Vegas Shallow Aquifer Desalinization Demo, Nevada—$3,750,000.	Report, page 76.
Walker River Basin, Nevada—$300,000	Report, page 77.
Albuquerque Wastewater Recycling, New Mexico—$5,000,000.	Report, page 77.
Upper Rio Grande Conveyance Canal/Pipeline, New Mexico—$400,000.	Report, page 77, 81.
San Juan Gallup-Navajo Pipeline, New Mexico—$450,000.	Report, page 77, 81.
Santa Fe Water Reclamation/Reuse, New Mexico—$500,000.	Report, page 77, 81.
Garrison Diversion Unit, North Dakota—$7,500,000 obr.	Report, page 77, 82.
Mid Dakota Rural Water Project, South Dakota—$3,000,000 obr.	Report, page 78.
Mini Wiconi Project, South Dakota—$7,000,000 obr	Report, page 78.

Mr. McCAIN. Mr. President, we have no way of knowing whether all or part of this $300 million should have been spent on different projects with greater national need and higher national priority. Earmarking funds for special interest projects is the most obvious form of pork barrel spending, and it is a waste of taxpayer dollars at a time when our national debt exceeds $5.3 trillion. I believe that we should stop earmarking projects just because they serve the interests of Members of Congress.

I am also concerned that certain projects in the bill are funded ''at full Federal expense,'' while others are not.

No explanation is given. So I can only be left to wonder why.

For example, at page 6 of the bill, the Secretary of the Army is directed to ''design and implement at full Federal expense'' a project for the Tug Fork and Levisa basins in West Virginia and Kentucky. I might add that this funding ''at full Federal expense'' is for a project that receives a total of $55.7 million in earmarked appropriations, which is $47.7 million over the budget request.

What makes this project worthy of such a large add-on of $47.7 million? Why should this project be funded solely by the Federal Government, or rather all the Federal taxpayers, while other projects require cost-sharing by the States and local governments and communities that stand to benefit from their construction? None of these answers are apparent to this Senator.

Finally, Mr. President, I am again, as I am on an annual basis, very disappointed to see that the Appalachian Regional Commission will be funded again this year. This commission was established as a temporary commission in 1965—1965, 32 years ago. This program singles out one region for special economic development grants when the rest of the Nation has to rely on their share of community development block grants and loans.

Certainly the Appalachian Regional has no monopoly on poor, depressed communities in need of assistance. I know that in my own State, despite the high standard of living enjoyed in many areas, some communities are extremely poor and have long been without running water or sanitation. We need to reconsider the utility of the Appalachian Regional Commission in light of pressing needs in other areas of the country.

Mr. President, our current system of earmarking to fund unrequested, lower priority, and unnecessary projects is fundamentally flawed. I hope that someday we will develop a better system, one which allows the projects with the greatest national need to be funded first.

Mr. President, I noted recently a poll, as I have seen many of them, on the approval rate of Congress, which is about 40 percent. That is one of the highest numbers that I have seen recently.

Mr. President, there are a lot of reasons the Congress of the United States is held in low esteem, and it would take a long time to go through them. I did notice in that same poll that the approval rating of the President of the United States is 64 percent. I would argue, Mr. President, that one of the reasons we are held in low esteem by the American people—because they believe that we do not wisely and efficiently and on a basis of need and priority spend their tax dollars. And every time we pass an appropriations bill that has this kind of unnecessary and wasteful spending in it, which is no one's priority that I know of, nor go through any scrutiny or any process that would give them that priority, the esteem with which the American people hold us continues to be less. And I know that this practice has been going on for many years, and unfortunately and tragically paying on for many years in the future.

But I will continue to come to the floor, and where it is the most outrageous and egregious I will propose amendments to strike. Otherwise, I will point out those areas where I think that the spending practices of the appropriations process is not in the best interests of the entire Nation as a whole.

Mr. President, I yield the floor.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I say with the greatest respect to my friend, who I consider one of the fine Members of this body, that we have worked very hard to make sure that there aren't some nameless, faceless bureaucrats making all of the decisions for this $21 billion of discretionary spending in this bill. The separation of powers gives us

not only that right but that obligation. We have an obligation to maintain the power of the purse strings. That is what the legislative branch of Government was devised to do when the Framers of this Constitution established the Constitution.

Projects that are in this bill serve people, communities, and States. I say that I think it is really unfair to this body, to the taxpayers of this country, and to the people of the State of Arizona to say that those things that we have earmarked here are wasteful, pork-barrel projects.

For example, we have investigations going on with the Corps of Engineers in the State of Arizona that deal with significant projects. We have colonias along the United States-Mexican border, Arizona, and Texas. There we are spending $100,000. Corps of Engineers: Gila River, North Scottsdale, AZ, $400,000; Gila River, Santa Cruz River Basin, AZ, $400,000; Rio De Flag, Flagstaff, AZ, $325,000; Rio Salado Watershed Ecosystem, AZ, $550,000; Tres Rios, AZ, $400,000; Tucson Drainage Area, AZ, $825,000.

We have for operations and maintenance, Corps of Engineers: Alamo Lake, AZ, $1.55 million for inspection of completed works, Arizona, $107,000; Painted Rock Dam, AZ, $2.293 million; scheduling reservoir operations, Arizona, $22,000; Whitlow Ranch Dam, AZ, $199,000.

Mr. President, I think it is important that we made those decisions rather than some bureaucrat who the people of Arizona will never see, who would remain in an office back here someplace in Washington next to some computer rather than a human being. We made that decision along with many hundreds of thousands of hours of work by our staff.

I will not go into a lot more detail other than to say that appropriations for the Bureau of Reclamation is done very similarly. We have made decisions in this bill that were important to the people of the State of Arizona.

Yuma Area project is provided $1.67 million in this bill; West Salt River Valley, water management study, $475,000; Verde River Basin management study, Bureau of Reclamation, $475,000.

I could go on for several more minutes reading off the things that this committee did in relation to the State of Arizona which were important decisions that we made. I think it is important that we make them. Again, I repeat, better that we make these decisions than some nameless, faceless bureaucrat who wouldn't even know where the State of Arizona is. The States of New Mexico and Nevada border on the State of Arizona. We feel an obligation to distribute this money in a way that we feel is fair.

So I have great respect for my friend from the State of Arizona, but on this issue I think he is wrong.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I don't seek to engage in argument with the distinguished Senator from Arizona. But I will say for the RECORD that I don't believe this bill and what is in it in any way contributes to what the people's image of Congress is. I think it is a very good bill. I think there is less earmarking than usual. And in fact most of it, if you look at it carefully, is probably something this body would approve of overwhelmingly.

Having said that, I compliment the Senator on his diligence, Senator MCCAIN, and for his continued hard work in this area. All of us are learning and being pushed by him to do a better job each time we appropriate the money that the taxpayers send up here for us to use.

Mr. President, we very soon will have a tender of seven amendments en bloc. That will wind up the amendments for this bill, and the only thing remaining then will be the final vote tomorrow as per the unanimous consent request which will follow after the first vote that occurs on the foreign operations bill. We will have a couple of minutes then, Senator REID and I, to make a few comments about those who have helped us and worked hardest with reference to this bill. Rather than to do that tonight, we will do that for a few minutes each tomorrow just prior to the vote.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

EXTERNAL REGULATION

Mr. MURKOWSKI. Mr. President, I would like to engage in a colloquy with the Senator from New Mexico regarding a section of the report accompanying the energy and water appropriations bill entitled ''External Regulation.'' This section addresses DOE's ongoing evaluation of the question of whether DOE's nuclear facilities should be subject to regulation by the Nuclear Regulatory Commission. I would like to clarify that this section of the report is intended to allow DOE to gather quantitative and qualitative information on external regulation to serve as guidance to the authorizing committees as they address this issue in the future.

Mr. DOMENICI. I agree with the Senator from Alaska's reading of the language.

Mr. MURKOWSKI. I would like to further clarify that this language is not intended to endorse or accelerate the pace of external regulation, which should be the subject of hearings and legislative action on the part of the authorizing committees, and that the Senator will work with me to ensure that the statement of managers reflects this understanding.

Mr. DOMENICI. I agree with the Senator and agree to work with him on this as we move forward.

BUDGET IMPACT OF S. 1004

Mr. DOMENICI. Mr. President, S. 1004, the Energy and Water Development Appropriations Act, 1998, is within its allocation of budget authority and outlays.

The reported bill provides $20.8 billion in budget authority and $13.5 billion in new outlays to fund the civil programs of the Army Corps of Engineers, the Bureau of Reclamation, certain independent agencies, and most of the activities of the Department of Energy. When outlays from prior year budget authority and other actions are taken into account, this bill provides a total of $20.9 billion in outlays.

For defense discretionary programs, the Senate-reported bill meets its allocation in budget authority and is $2 million below in outlays. The bill also is below its nondefense discretionary allocation by $46 million in budget authority and $1 million in outlays.

Mr. President, I ask unanimous consent that a table displaying the Budget Committee scoring of this bill be inserted in the RECORD at this point.

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

S. 1004, ENERGY AND WATER APPROPRIATIONS, 1998—SPENDING COMPARISONS—SENATE-REPORTED BILL

[Fiscal year 1998, in millions of dollars]

	Defense	Non-de-fense	Crime	Man-datory	Total
Senate-reported bill:					
Budget authority	11,803	8,993			20,796
Outlays	11,995	8,885			20,880
Senate 602(b) allocation:					
Budget authority	11,803	9,039			20,842
Outlays	11,997	8,886			20,883
President's request:					
Budget authority	13,615	9,018			22,633
Outlays	11,813	8,856			20,669
House-passed bill:					
Budget authority					
Outlays					
Senate-Reported Bill Compared to—					
Senate 602(b) allocation:					
Budget authority		(46)			(46)
Outlays	(2)	(1)			(3)
President's request:					
Budget authority	(1,812)	(25)			(1,837)
Outlays	182	29			211
House-passed bill:					
Budget authority	11,803	8,993			20,796
Outlays	11,995	8,885			20,880

Note: Details may not add to totals due to rounding. Totals adjusted for consistency with current scorekeeping conventions.

Mr. DOMENICI: Mr. President, I want to thank the distinguished chairman of the Committee, Senator STEVENS, in working to provide a sufficient budget allocation to this subcommittee to support the national defense activities, the basic science research activities, and the national infrastructure programs funded in this bill.

AMENDMENTS NUMBERED 869 THROUGH 875 EN BLOC

Mr. DOMENICI. Mr. President, I am going to send to the desk seven amendments and ask that they be considered en bloc and adopted en bloc.

I will state the amendments for the RECORD publicly, and then send the amendments to the desk.

Senator TORRICELLI and Senator LAUTENBERG regarding Green Brook; Senator KEMPTHORNE regarding fish friendly turbines; Senator BUMPERS regarding Ten and Fifteen Mile Bayou; Senators DASCHLE and JOHNSON regarding the Crow Creek rural water system; Senator LEVIN regarding the Great Lakes Basin; Senator MOSELEY-BRAUN regarding the McCook Reservoir; Senators DORGAN and CONRAD regarding Devils Lake.

I send the amendments en bloc to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] proposes amendments numbered 869 through 875 en bloc.

The amendments are as follows:

AMENDMENT NO. 869

(Purpose: To permanently prohibit the use of funds to carry out any plan for the Oak Way detention structure or the Sky Top detention structure in Berkeley Heights, New Jersey, as part of the project for flood control, Green Brook Sub-basin, Raritan River Basin, New Jersey)

On page 12, between lines 12 and 13, insert the following:

SEC. . GREEN BROOK SUB-BASIN FLOOD CONTROL PROJECT, NEW JERSEY.

No funds made available under this Act or any other Act for any fiscal year may be used by the Secretary of the Army to carry out any plan for, or otherwise construct, the Oak Way detention structure or the Sky Top detention structure in Berkeley Heights, New Jersey, as part of the project for flood control, Green Brook Sub-basin, Raritan River Basin, New Jersey, authorized by section 401(a) of the Water Resources Development Act of 1986 (Public Law 99–662; 100 Stat. 4119).

AMENDMENT NO. 870

(Purpose: To provide monies for the continuation of the cost-shared, fish-friendly turbine program)

On page 18, line 22, insert the following before the period: ''*: Provided,* That $1,500,000 of the funds appropriated herein may be used to continue the cost-shared, fish-friendly turbine program''.

AMENDMENT NO. 871

On page 9, line 12, insert the following before the period: ''*: Provided further,* That, using funds appropriated in this act, the Secretary of the Army may construct the Ten and Fifteen Mile Bayou channel enlargement as an integral part of the work accomplished on the St. Francis Basis, Arkansas and Missouri Project, authorized by the Flood Control Act of 1950''.

AMENDMENT NO. 872

On page 15, line 10, insert the following before the period: ''*: Provided further,* That the Secretary of the Interior may use $185,000 of the funding appropriated herein for a feasibility study of alternatives for the Crow Creek Rural Water Supply System to meet the drinking water needs on the Crow Creek Sioux Indian Reservation''.

AMENDMENT NO. 873

(Purpose: To prohibit the use of funds made available under this Act by the Secretary of the Army to consider any application for a permit that, if granted, would result in the diversion of ground water from the Great Lakes Basin)

On page 12, between lines 12 and 13, insert the following:

SEC. 1 . GREAT LAKES BASIN.

No funds made available under this Act may be used by the Secretary of the Army to consider any application for a permit that, if granted, would result in the diversion of ground water from the Great Lakes Basin.

AMENDMENT NO. 874

On page 7, line 2, insert the following before the period: ''*: Provided further,* That the Assistant Secretary of the Army for Civil Works shall consider the recommendations of the Special Reevaluation Report for the McCook Reservoir as developed by the Corps of Engineers Chicago District''.

AMENDMENT NO. 875

(Purpose: To appropriate emergency funding for initiation of construction of an emergency outlet from Devils Lake, North Dakota, to the Sheyenne River)

On page 7, line 2, before the period, insert the following: ''*: Provided further,* The Secretary of the Army, acting through the Chief of Engineers, may use up to $5,000,000 of the funding appropriated herein to initiate construction of an emergency outlet from Devils Lake, North Dakota, to the Sheyenne River, and that this amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(b)(2)(D)(i)); except that funds shall not become available unless the Secretary of the Army determines that an emergency (as defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)) exists with respect to the emergency need for the outlet and reports to Congress that the construction is technically sound, economically justified, and environmentally acceptable and in compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.): *Provided further,* That the economic justification for the emergency outlet shall be prepared in accordance with the principles and guidelines for economic evaluation as required by regulations and procedures of the Army Corps of Engineers for all flood control projects, and that the economic justification be fully described, including the analysis of the benefits and costs, in the project plan documents: *Provided further,* That the plans for the emergency outlet shall be reviewed and, to be effective, shall contain assurances provided by the Secretary of State, after consultation with the International Joint Commission, that the project will not violate the requirements or intent of the Treaty Between the United States and Great Britain Relating to Boundary Waters Between the United States and Canada, signed at Washington January 11, 1909 (36 Stat. 2448; TS 548) (commonly known as the 'Boundary Waters Treaty of 1909'): *Provided further,* That the Secretary of the Army shall submit the final plans and other documents for the emergency outlet to Congress: *Provided further,* That no funds made available under this Act or any other Act for any fiscal year may be used by the Secretary of the Army to carry out the portion of the feasibility study of the Devils Lake Basin, North Dakota, authorized under the Energy and Water Development Appropriations Act, 1993 (Public Law 102–377), that addresses the needs of the area for stabilized lake levels through inlet controls, or to otherwise study any facility or carry out any activity that would permit the transfer of water from the Missouri River Basin into Devils Lake''.

The PRESIDING OFFICER. The question is on agreeing to the amendments en bloc.

The amendments (Nos. 869 through 875) en bloc were agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendments en bloc were agreed to.

Mr. REID. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, I come back to the floor because, although I left the floor, I made the mistake of doing so.

The Senator from Nevada read a list of projects for which money is being appropriated for the State of Arizona. What the Senator from Nevada failed to note was that funding is exactly—and I look at it on page 11 of the bill—exactly that requested by the administration having gone through a merit-based system which then had the administration request funding on projects that had already been authorized.

That is a far different—a far, far different procedure, Mr. President, than that of the long list of earmarks that I submitted for the RECORD which have nothing to do with anything except or—let me put it this way in the most charitable fashion, Mr. President—that has no methodology nor any merit-based system that I know of that will call for the funding of these projects.

I also point out just for the RECORD that Arizona, with the agreement of the rest of the delegation, gave up $4 million that the administration was going to spend on the Central Arizona project, gave up an additional $4 million. So perhaps the Senator from Nevada did not understand what my point is. My point is that we certainly fund projects that are requested, that make a case for them, for which there is a merit-based system—not by computers but by judging them with other projects. I do not think the Senator from Nevada understood my point. I have no complaint about projects which the administration requests and they are funded. My complaint is about earmarking for projects including the Appalachian Regional Commission and other projects which I submitted a list of. They are two different things.

If the Senator from Nevada would agree that we will go through the same system that we went through in order to arrive at the funding for those projects he pointed out, there would be no Member as happy as this one—none in this body.

So I hope the Senator from Nevada would commit to the same process we

went through that achieved that funding for these projects he read off for the State of Arizona.

Mr. President, I yield the floor.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. I am sorry the Senator from Arizona had to come back. Certainly as indicated on the RECORD, I only had positive things to say about the Senator from Arizona.

I do say—and he and I have a disagreement on how bills like this should come to be—I believe that we as a legislative branch of Government have an obligation to make independent decisions separate and apart from the administration. I do not feel I have any obligation to follow what the bureaucrats say we should appropriate.

The Senator from Arizona and I came to the Congress together. I have the greatest admiration for him, not only for what he has done in his professional life as a Member of Congress but, of course, what he did before he came here.

So it has nothing to do with how I feel about the Senator from Arizona. It has to do with the basic difference in what I feel is an obligation a Member of Congress has. It is a legitimate difference. It has nothing to do on a personal basis, and I will continue to work as hard as I can with the Senator on campaign finance reform and also to fund projects for the State of Arizona as a member of this subcommittee, as long as I am ranking member, in a fair and impartial way, getting direction from the bureaucrats but not following necessarily what they have to say.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. May I say I appreciate the words of the Senator from Nebraska—Nevada. I appreciate any from Nebraska, too. But I appreciate the words of the Senator from Nevada. He and I have been friends now since 1982 when we came to the House together. We have worked together on a variety of issues, including native American and many others. Our difference, as he states, is a philosophical one. I don't believe there is an orderly process that judges these projects on merit, and that is just a difference that we have had for many, many years.

I admire his adherence to what he believes is best not only for Nevada but for the country. I respect that, and I know that my words in criticism of this procedure have nothing to do with the enormous respect and affection that I have for him and the chairman of the subcommittee and the chairman of the Budget Committee, Senator DOMENICI.

I yield the floor.

Mr. DOMENICI. I thank the Senator very much.

MORNING BUSINESS

Mr. DOMENICI. Mr. President, I ask unanimous consent there now be a period for the transaction of morning business with Senators permitted to speak for up to 5 minutes each.

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

CHRISTOPHER MEILI

Mr. D'AMATO. Mr. President, I thank the chairman and my good friend, Senator DOMENICI, and Senator REID for giving me this opportunity to address what I consider to be the acts of a courageous individual and the fact that the House today acted in a bipartisan manner, unanimously passing S. 768, a bill to give to Christopher Meili the opportunity to live in this country, and to say once again that America understands the courage exhibited by Christopher Meili in his extraordinary action in reporting and making public the destruction of documents in Switzerland at great peril to himself and to his family. He was ostracized for this act. He was threatened with death. His family, his two children, can no longer live in their own country. Once again, America has opened its heart and its doors.

The House, in an extraordinary act, has given him the opportunity to live here, to work here, to raise his family. Christopher Meili is a noble man whose actions ennobled all of us, and he has suffered greatly for his courage in exposing the truth. Now he simply desires to live in freedom here in America with his family, and now he can.

I spoke to Christopher earlier today and told him that the House of Representatives had completed action and that it had passed the legislation, and now it awaits the President's signature. I am certain that the President will continue the process of making possible Christopher's staying here in this country and giving to him the freedom that he yearns for himself and his family.

Mr. President, I commend those of my colleagues who, by way of their action in passing this legislation, have given Christopher an opportunity to live here in this country, and we once again demonstrate that we understand the extraordinary sacrifices that this young man made in the cause of freedom.

Mr. President, I yield the floor.

DEPARTMENT OF DEFENSE APPROPRIATION BILL FOR FISCAL YEAR 1998

Mr. McCAIN. Mr. President, during the debate on S. 1005, the defense appropriations bill this morning, I expressed several concerns about section 8097 of that bill. While I appreciate Senator INOUYE amending section 8097 to prohibit the use of Federal funds for the construction of the new cruise ships that would result from this pilot project. I still have serious concerns about the provision that would grant a 25-year monopoly in the Hawaii cruise ship market for the only cruise ship operator in Hawaii.

This legislative restriction on commerce is unprecedented and must not be granted. The existing U.S.-flag cruise ship operator in Hawaii is already protected from foreign competition by U.S. coastwise trade laws. That company has operated without statutory protection from domestic competition for more than a decade. There is no compelling reason to provide such protection now. I'm sure that many businesses would like to reduce their cost of capital to replace their infrastructure by convincing their lenders that their company is protected from any competition in its market. However, the Congress has not provided such protection in the past and we should not do so now.

I would also note that the provision provides a special waiver to the coastwise trade laws, which is somewhat extraordinary and should be examined for its fairness and appropriateness. While I am not a member of the Appropriations Committee I intend to vigorously pursue the modification of section 8097 to eliminate this egregious provision during the conference on S. 1005.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. McCathran, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE RECEIVED DURING ADJOURNMENT

Under the authority of the order of the Senate of January 7, 1997, the Secretary of the Senate, on July 15, 1997, during the adjournment of the Senate, received a message from the House of Representatives announcing that the House has passed the following bill, without amendment:

S. 768. An act for the relief of Michel Christopher Meili, Giuseppina Meili, Mirjam Naomi Meili, and Davide Meili.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BENNETT, from the Committees on Appropriations, without amendment:

S. 1019. An original bill making appropriations for the legislative branch for the fiscal year ending September 30, 1998, and for other purposes (Rept. No. 105–47).

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. SPECTER:

S. 1017. A bill to amend title 38, United States Code, to establish a presumption of total disability for certain individuals for purposes of nonservice-connected disability pension; to the Committee on Veterans Affairs.

By Mr. SPECTER (by request):

S. 1018. A bill to amend provisions of law governing benefits for certain children of Vietnam veterans who are born with spina bifida, and for other purposes; to the Committee on Veterans Affairs.

By Mr. BENNETT:

S. 1019. An original bill making appropriations for the legislative branch for the fiscal year ending September 30, 1998, and for other purposes; from the Committee on Appropriations; placed on the calendar.

By Mr. JEFFORDS (for himself, Mr. KENNEDY, and Mr. CHAFEE):

S. 1020. A bill to amend the National Foundation on the Arts and Humanities Act of 1965 and the Art and Artifacts Indemnity Act to improve and extend the Acts, and for other purposes; to the Committee on Labor and Human 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. MOYNIHAN (for himself, Mr. GRAHAM, Mr. HATCH, and Mr. DODD):

S. Con. Res. 39. Concurrent resolution expressing the sense of the Congress that the German Government should expand and simplify its reparations system, provide reparations to Holocaust survivors in Eastern and Central Europe, and set up a fund to help cover the medical expenses of Holocaust survivors; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SPECTER:

S. 1017. A bill to amend title 38, United States Code, to establish a presumption of total disability for certain individuals for purposes of nonservice-connected disability pension; to the Committee on Veterans' Affairs.

VETERANS' LEGISLATION

Mr. SPECTER. Mr. President, as Chairman of the Committee on Veterans' Affairs, I have today introduced, at the request of the Secretary of Veterans Affairs, S. 1017, a proposed bill to establish a presumption of total disability for certain individuals for purposes of nonservice-connected disability pension. The Secretary of Veterans Affairs submitted this legislation to the President of the Senate by letter dated June 16, 1997.

My introduction of this measure is in keeping with the policy which I have adopted of generally introducing—so that there will be specific bills to which my colleagues and others may direct their attention and comments—all administration-proposed draft legislation referred to the Committee on Veterans' Affairs. Thus, I reserve the right to support or oppose the provisions of, as well as any amendment to, this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD, together with the transmittal letter which accompanied it.

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

S. 1017

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

That that portion of subsection (a) of section 1502 of title 38, United States Code, preceding paragraph (1) is amended to read as follows:

''(a) For purposes of this chapter, a person shall be considered to be permanently and totally disabled if such person is 65 years of age or older and is a patient in a nursing home or, regardless of age, is unemployable as a result of a disability reasonably certain to continue throughout the life of the disabled person, or is suffering from—''.

THE SECRETARY OF VETERANS AFFAIRS,
Washington, June 16, 1997.

Hon. ALBERT GORE,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: Transmitted herewith is a draft bill to amend section 1502(a) of title 38, United States Code, to establish a presumption of total disability for certain individuals for purposes of the nonservice-connected disability pension program. I request that this draft bill be referred to the appropriate committee for prompt consideration and enactment.

The draft bill would amend section 1502(a) of title 38, United States Code, to establish a presumption of total disability in the case of a person who is age 65 or older and who is a patient in a nursing home, for purposes of establishing basic eligibility under the Department of Veterans Affairs' (VA) nonservice-connected disability pension program.

For many years, former section 502(a) (redesignated as section 1502(a)) of title 38, United States Code, provided that a person was presumed to be permanently and totally disabled at age 65 for the purpose of establishing basic pension eligibility. However, in 1990 Congress amended this provision via the Omnibus Budget Reconciliation Act of 1990 (Pub. L. No. 101–508, §8002) to eliminate the presumption of total disability at age 65 for claims filed after October 31, 1990. Consequently, it is now necessary that a rating decision be rendered on the issue of permanent and total disability before pension can be paid to any person, regardless of age or circumstances.

Under current law, an incongruous situation arises in the case of a pension claimant who is a patient in a nursing home. Pursuant to 38 U.S.C. §1502(b), such a person would be considered to be in need of regular aid and attendance (a level of disability which assumes the existence of permanent and total disability) and, therefore, entitled to pension at a higher rate. Nonetheless, the person could not establish eligibility for any pension until a determination is made through a rating activity that the person is permanently and totally disabled. Consequently, under current law, if an 85-year old veteran in a nursing home were to file an original pension claim, it would still be necessary to prepare a rating decision on the issue of permanent and total disability to establish the veterans' basic pension eligibility under section 1502(a), although the veteran would, once determined to be eligible, be considered under section 1502(b) to be eligible for a higher payment of pension based on the need for regular aid and attendance.

Enactment of the proposed amendment to section 1502(a) would be advantageous to VA and to claimants for pension and other benefits administered by VA. Processing times for original and reopened pension claims would be reduced because development of medical evidence of a nursing home patient's level of disability would no longer be necessary. This improvement in efficiency would have a salutary effect on the processing of other types of claims because rating specialists and development personnel would have more time to devote to other activities, including adjudication of service-connected disability compensation claims.

The proposed amendment would not threaten the integrity of the pension program. An individual age 65 years or older who is a patient in a nursing home would almost certainly qualify as being permanently and totally disabled under 38 U.S.C. §1502(a) as it is currently worded. The likelihood that such an individual would eventually leave the nursing home is slim. However, procedures are already in place for reevaluating aid and attendance entitlement when a notice of discharge from a nursing home is received in the case of a veteran whose aid and attendance benefit is based on nursing-home-patient status. These procedures will be adapted to require a rating decision upon a person's discharge from a nursing home if the basic eligibility determination was premised on the person's status as a patient in a nursing home.

Enactment of this proposal would merely speed the processing of claims of persons who would otherwise qualify for pension.

This draft bill would affect direct spending; therefore, it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. The Office of Management and Budget (OMB) estimates that the pay-as-you-go effect of this proposal is zero.

OMB advises that there is no objection from the standpoint of the Administration's program to the submission of this proposal to Congress.

Sincerely yours,

JESSE BROWN.

By Mr. SPECTER (by request):

S. 1018. A bill to amend provisions of law governing benefits for certain children of Vietnam veterans who are born with spina bifida, and for other purposes; to the Committee on Veterans' Affairs.

VETERANS' LEGISLATION

Mr. SPECTER. Mr. President, as Chairman of the Committee on Veterans' Affairs, I have today introduced, at the request of the Secretary of Veterans Affairs, S. 1018, a proposed bill to amend provisions of law governing benefits for certain children of Vietnam veterans who are born with spina bifida, and for other purposes. The Secretary of Veterans Affairs submitted this legislation to the President of the Senate by letter dated June 18, 1997.

My introduction of this measure is in keeping with the policy which I have adopted of generally introducing—so that there will be specific bills to which my colleagues and others may direct their attention and comments—all administration-proposed draft legislation referred to the Committee on Veterans' Affairs. Thus, I reserve the right to support or oppose the provisions of, as well as any amendment to, this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD, together with the transmittal letter which accompanied it.

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

S. 1018

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

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

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

SEC. 2. AMENDMENTS TO DEFINITIONS.

Section 1801 is amended to read as follows:

''For the purposes of this chapter—

''(1) The term 'child', with respect to a Vietnam veteran, means a natural child of a Vietnam veteran, regardless of age or marital status, who was conceived after the date on which the Vietnam veteran first entered the Republic of Vietnam during the period beginning on January 9, 1962, and ending on May 7, 1975.

''(2) The term 'Vietnam veteran' means an individual who performed active military, naval, or air service in the Republic of Vietnam during the period beginning on January 9, 1962, and ending on May 7, 1975, without regard to the character of such individual's service.''.

SEC. 3. APPLICATION OF CERTAIN ADMINISTRATIVE PROVISIONS TO CHAPTER 18.

Section 1806 is amended to read as follows:

''The provisions of sections 5101(c), 5110 (a), (b)(2), (g), and (i), 5111, and 5112 (a), (b)(1), (b)(6), (b)(9), and (b)(10) of this title shall be deemed to apply to benefits under this chapter in the same manner in which they apply to veterans' disability compensation.''.

SEC. 4. AMENDMENTS TO VOCATIONAL REHABILITATION PROVISIONS.

(a) Section 1804(c)(1)(B) is amended by striking out ''institution of higher education'' and inserting in lieu thereof ''institution of higher learning''.

(b) Section 1804(d) is amended by adding after paragraph (2) the following new paragraph:

''(3) A vocational training program under this section may begin on the child's eighteenth birthday, or on the successful completion of the child's secondary schooling, whichever first occurs, except that, if the child is above the age of compulsory school attendance under applicable State law, and the Secretary determines that the child's best interests will be served thereby, the vocational training program may begin before the child's eighteenth birthday.''

SEC. 5. CONFORMING CHANGES TO EFFECTIVE DATE PROVISIONS.

(a) Section 421(d) of Public Law 104–204, 110 Stat. 2926, is amended by striking out ''January 1, 1997'' and inserting in lieu thereof ''October 1, 1997''.

(b) Section 422(b)(1) of Public Law 104–204, 110 Stat. 2927, is amended by striking out ''October 1, 1996'' and inserting in lieu thereof ''October 1, 1997''.

(c) Section 422(c) of Public Law 104–204, 110 Stat. 2927, is repealed.

SEC. 6. EFFECTIVE DATE.

The amendments made by this Act shall be effective on October 1, 1997.

THE SECRETARY OF VETERANS AFFAIRS,
Washington, June 18, 1997.

Hon. ALBERT GORE,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: I am pleased to transmit the enclosed draft bill to amend title 38, United States Code, to ''amend provisions of law governing benefits for certain children of Vietnam veterans who are born with spina bifida, and for other purposes.'' I request that this draft bill be referred to the appropriate committee for prompt consideration and enactment.

Section 2 of the draft bill would amend new section 1801 of title 38, United States Code (as added by section 421(b)(1) of Pub. L. No. 104–204, effective October 1, 1997). Section 1801 sets forth definitions of certain terms for purposes of new chapter 18 of that title, which authorizes benefits for children of Vietnam veterans who are born with spina bifida. The definitions of ''child'' and ''Vietnam veteran'' would be amended by section 2 of the draft bill.

Pursuant to section 1801(1) as added by Pub. L. No. 104–204, the term ''child'' is defined for purposes of new chapter 18 to mean ''a natural child of the Vietnam veteran . . . who was conceived after the date on which the veteran first entered the Republic of Vietnam *during the Vietnam era.*'' (Emphasis added.) At the time of enactment of that statute, the term ''Vietnam era'' was defined in 38 U.S.C. §101(29) as the period beginning August 5, 1964, and ending on May 7, 1975. Subsequently, however, section 505(a) of Pub. L. No. 104–275 (effective January 1, 1997) amended the definition of that term to mean either the period beginning on February 28, 1961, and ending on May 7, 1975, in the case of a veteran who served in the Republic of Vietnam during that period, or the period beginning on August 5, 1964, and ending on May 7, 1975, in all other cases. In addition, section 505(b) ob Pub. L. No. 104–275 amended 38 U.S.C. §1116(a) by striking out references to the ''Vietnam era'' and substituting references to ''the period beginning on January 9, 1962, and ending on May 7, 1975,'' for the purposes of a statutory presumption of service connection for certain disabilities based on exposure to herbicide agents in the case of a veteran who served in the Republic of Vietnam during that period. January 9, 1962, is the earliest date herbicide agents were known to have been used in the Republic of Vietnam in connection with the armed conflict.

Since the purpose of new chapter 18 is to address disabilities resulting from the birth defect spina bifida which may be associated with a parent's exposure to herbicide agents while serving in the Republic of Vietnam, we believe it would be appropriate for references to the applicable time period in section 1801 to be consistent with the time period now set forth in 38 U.S.C. §1116(a). Accordingly, the term ''child'' with respect to a Vietnam veteran would be defined to mean a natural child of a Vietnam veteran, regardless of age or marital status, who was conceived after the date on which the Vietnam veteran first entered the Republic of Vietnam during the period beginning on January 9, 1962, and ending on May 7, 1975. A similar conforming change would be made to the definition of ''Vietnam veteran'' in section 1801(2), which currently uses the term ''Vietnam era''.

Section 1801(2) of title 38, United States Code, as added by Pub. L. No. 104–204, defines the term ''Vietnam veteran'' as a ''veteran'' who performed active service in the Republic of Vietnam during the Vietnam era. We believe use of the term ''veteran'' in the definition of the term ''Vietnam veteran'' may precipitate, in a small number of cases, an unnecessary eligibility determination, relating not to the child, but to the parent, in that 38 U.S.C. §101(2) defines the term ''veteran,'' mean ''a person who served in the active military, naval, or air service, *and who was discharged or released therefrom under conditions other than dishonorable.*'' (Emphasis added.) As a result of the character-of-discharge component in the definition of ''veteran,'' there may be some instances in which a parent may fail to attain veteran status based on character of discharge, thus precluding his or her child's eligibility for benefits under chapter 18. Authorization of benefits and services for children of Vietnam veterans who suffer from spina bifida, pursuant to Pub. L. No. 104–204, represents the first instance in which the Department of Veterans Affairs (VA) will be authorized to provide benefits to a child of a veteran based on a direct injury to the child rather than the parent. We do not believe that a child's eligibility for benefits and services under chapter 18 for a physical injury suffered by the child should be premised on a parent's eligibility for veteran's benefits. Therefore, we propose to clarify the definition of the term ''Vietnam veteran'' to indicate that the relevant factor for consideration is the physical presence of the child's parent in the Republic of Vietnam on military service during a period of time when use of herbicide agents was documented, not the character of that parent's military service. Accordingly, the term ''Vietnam veteran'' would be defined to mean an individual who performed active military, naval, or air service in the Republic of Vietnam during the period beginning on January 9, 1962, and ending on May 7, 1975, without regard to the character of such individual's service.

Section 3 of the draft bill would amend 38 U.S.C. §1806 to provide for the applicability to the provision of benefits under chapter 18 of certain existing administrative provisions which are applicable to the service-connected disability compensation program. Section 1806, as amended by this section, would make applicable, for purposes of the administration of benefits under chapter 18, references to the following sections of title 38, United States Code: 5101(c) (regarding the furnishing of Social Security numbers); 5110(a) (regarding the general effective-date rule for an original benefit award); 5510(b)(2) (regarding the effective date of an award of increased benefits); 5110(g) regarding effective dates of awards based on Acts or administrative issues); 5110(i) (regarding allowance of a reopened claim based on the correction of military records); 5111 (regarding the commencement of the period of payment of benefits); and 5112(a), 5112(b)(1), 5112(b)(6), 5112(b)(9), and 5112(b)(10) (regarding the effective date of a reduction or discontinuance of benefits on certain bases). We believe the applicability of these sections to new chapter 18 is necessary to assure equitable and consistent administration of benefits under that chapter in a manner similar to the administration of the compensation program.

Section 4 of the draft bill would make no changes concerning vocational training and rehabilitation benefits for children of Vietnam veterans who are born with spina bifida. First, subsection (a) of this section would amend 38 U.S.C. §1804(c)(1)(B) by replacing the term ''institution of higher education'' with the term ''institution of higher learning''. The latter is a term of art defined in 38 U.S.C. §3452(f), as meaning, generally, a college, university, or similar institution, including a technical or business school, offering postsecondary level academic instruction that leads to an associate or higher degree if the school is empowered by state law to grant an associate or higher degree or otherwise is accredited for degree programs by a recognized accrediting agency. The term,

which also includes a hospital offering educational programs at the postsecondary level, has a long history of usage by VA in its administration of the various GI Bill and other educational assistance programs for eligible veterans and dependents, as well as the chapter 31 vocational rehabilitation program for certain service disabled veterans with employment handicaps. By contract, the term ''institution of higher education'' is not found in title 38 and has no accepted meaning with regard to administration of veterans' benefits under that title. In view of this, and since we know of no substantive basis for use of different terminology for purposes of section 1804, we believe this proposed change will promote ease of understanding and administration of section 1804.

Subsection (b) of section 4 would amend section 1804(d) to add a new provision to specify that an eligible child may enter a vocational training program under that section as of the child's eighteenth birthday or on completion of secondary schooling, whichever first occurs. The Secretary could grant an exception that would permit entry into the program before age 18 when in the best interest of a child above the age of compulsory school attendance. This change addresses an omission in the statute by putting a reasonable floor on the age when a child can be evaluated for the feasibility of achieving a vocational goal and can commence training toward that objective. Vocational training normally is initiated upon completion of secondary or high school education, and this change recognizes that fact. It also would encourage a child's completion of secondary education where feasible, while allowing for exceptions where completion is not feasible. In this regard, it may be noted that this proposal is patterned after a provision applicable to commencement of educational assistance for an eligible child under chapter 35 of title 38, the Survivors' and Dependents' Educational Assistance program. Fixing the beginning of eligibility for commencement of a program in this manner is similarly appropriate for children afforded assistance under section 1804.

Section 5 is intended to eliminate apparent inconsistencies between the respective January 1, 1997, and October 1, 1996, effective dates set forth in sections 421(d) and 422(b)(1) of Pub. L. No. 104–204 and an overriding October 1, 1997, effective date provision in section 422(c) of that law. Enactment of this section would not result in a substantive change in the operative October 1, 1997, effective date, but will eliminate the potential for confusion regarding the various effective dates and insure that each of the subject amendments will become effective simultaneously.

Pursuant to section 422(c) of Pub. L. No. 104–204, notwithstanding sections 421(d) or 422(b)(1) of that law, the effective date for the amendments made by section 421(b) (which adds new chapter 18) and section 422(a) (which amends 38 U.S.C. §1151), is October 1, 1997. Section 421(d) otherwise would have established a January 1, 1997, effective date for new chapter 18, and section 422(b)(1) would have established October 1, 1996, as the effective date for the amendments to section 1151. Section 5(a) would amend section 421(d) of Pub. L. No. 104–204 by striking out ''January 1, 1997'' and substituting ''October 1, 1997'' in its place. In addition, section 5(b) would amend section 422(b)(1) of that public law to specify an effective date of October 1, 1997, for the amendments made by section 422(a) to 38 U.S.C. §1151, in place of October 1, 1996. Finally, section 5(c) would repeal section 422(c) of Pub. L. No. 104–204, as that section would no longer be needed.

In addition to simplifying the effective date provisions applicable to sections 421 and 422 of Pub. L. No. 104–204, this change would avoid an anomaly in the application of the amendment to 38 U.S.C. §1151 made by section 422(a). In part to assure that any benefit costs associated with new chapter 18 would be fully offset by cost savings, section 422(a) amended section 1151 to provide, in general, that compensation and dependency and indemnity compensation on the basis of disability or death as a result of VA medical treatment would be payable only where disability or death was due to fault on the part of VA or an event not reasonably foreseeable. Although section 422(c) currently provides that section 422 shall not take effect until October 1, 1997, section 422(b)(2) states that the amended section 1151 shall govern determinations of eligibility ''made with respect to claims filed on or after the effective date set forth in paragraph (1)'' of section 422(b), i.e., October 1, 1996. This suggests that, although the amendments to section 1151 made by section 422 do not take effect until October 1, 1997, when they do, any claims filed between October 1, 1996, and October 1, 1997, but not yet decided by October 1, 1997, would be subject to the more narrow provisions of amended section 1151. The criteria applicable to eligibility determinations should not be dependent on how long it takes VA to adjudicate a particular section-1151 claim. The amendments proposed in section 5 of the draft bill would avoid this result by clarifying that the changes to section 1151 apply only with respect to claims filed on or after October 1, 1997, as we believe was intended.

Section 6 of the draft bill would provide that the effective date for the amendments made by the draft bill shall be October 1, 1997. This provision is necessary to assure that the amendments proposed in this draft bill will have the same effective date as the amendments to title 38, United States Code, applicable to children of Vietnam veterans who are born with spina bifida enacted as part of Pub. L. No. 104–204.

This proposal would affect direct spending; therefore it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. The Office of Management and Budget (OMB) estimates that the pay-as-you-go effect of this proposal would be zero.

OMB advises that there is no objection from the standpoint of the Administration's program to the submission of this proposal to the Congress.

Sincerely yours,

JESSE BROWN.

By Mr. JEFFORDS (for himself, Mr. KENNEDY, and Mr. CHAFEE):

S. 1020. A bill to amend the National Foundation on the Arts and Humanities Act of 1965 and the Art and Artifacts Indemnity Act to improve and extend the acts, and for other purposes; to the Committee on Labor and Human Resources.

THE ARTS AND HUMANITIES AMENDMENTS OF 1997

Mr. JEFFORDS. Mr. President, I rise today to introduce the Arts and Humanities Amendments of 1997 along with my colleague from Massachusetts, Senator KENNEDY and my colleague from Rhode Island, Senator CHAFEE. This legislation provides an authorization for the National Endowment for the Arts [NEA] and the National Endowment for the Humanities [NEH]—agencies which I believe contribute a great deal to the wealth and richness of our Nation.

The bill that we are introducing today is based closely on the bill that was passed out of the Senate Labor and Human Resources Committee last Congress by a solid bipartisan vote of 12 to 4. The legislation reflected ideas and consideration from Senators on both sides of the aisle. The result of that collaboration was a strong bill, which makes substantial and needed changes to the agencies while allowing the agencies to continue what they do best—provide support for the arts and humanities in communities throughout this Nation.

We began the reauthorization process this Congress in May with a hearing which focused on education programs in the arts and humanities. It was clear to me from that hearing that arts education programs and education programs in the humanities make a real difference in the lives of individuals of all ages and from all corners of the country.

As a result of what I learned at the hearing, the bill that I am introducing today directs the NEA to use any funds appropriated above the fiscal year 1997 level for arts education programs, especially those innovative programs that integrate the arts in the teaching of other core academic subjects. The arts are important to ensuring the future academic success of our Nation's students. In fact, according to college board figures, students of the arts outperform their nonarts peers on the SAT. In 1995, those who had studied the arts for 4 or more years scored 59 points higher in the verbal and 44 points higher in the math portions of the SAT compared with students with no course work or experience in the arts.

I have only to look in my backyard to understand the importance and value of the NEA and NEH. The benefits of NEA and NEH funding in Vermont are significant and far reaching. Thanks in part to a $30,000 grant from the NEA, folks in 26 Vermont communities will be able to hear the magnificent music of the Vermont Symphony Orchestra. The Vermont Symphony will perform for 12,000 school children as part of a school partnership program, opening their worlds to the magic and wonder of music, many for the first time. Our Vermont Arts Council, through the funds it receives from NEA will support a wide range of arts programs benefiting all Vermonters. The NEH makes a significant and positive difference in the State of Vermont, too. The Vermont Council on the Humanities is a national leader in creating literacy programs which reach individuals of all reading levels and all ages as a result of the funding provided by the NEH. The University of Vermont received a grant from the NEH to catalogue and preserve our State's local newspapers. This grant is part of a national initiative spearheaded by the NEH to ensure that the local papers which chronicle the history of our State and the Nation are available to future generations.

This bill makes substantial improvement to the way these agencies do

business. In addition, the legislation makes it clear that these agencies are meant to serve the American public, especially those who would not otherwise have the arts and humanities available to them.

This bill proposes significant changes to current law. The changes are far reaching and go the fundamental operations of both the NEA and NEH. It is our hope that these changes will provide guidance and set priorities for funding for projects in an effort to increase access to programs and projects which are of the highest caliber.

The legislation imposes a new structure on the NEA and NEH, and increases the percentage of funds made available to State councils. It places greater emphasis on ensuring Endowment programs reach underserved communities.

The bill calls for a merging of many of the administrative functions of the Endowments with the intent of eliminating costly and unnecessary duplication. Administrative funds are capped on a sliding scale. In an effort to further streamline the agencies and cut bureaucracy, the number of members on the National Councils have been decreased. A provision has been included which empowers the NEA and NEH to recapture funds from grants that have gone on to commercial and financial success. Both Endowments are explicitly prohibited from using funds for purposes of lobbying or general membership services.

Some changes apply only to the NEA. The legislation prohibits the NEA from making nonspecific seasonal support grants. It eliminates subgranting—only States, regional groups, and local arts agencies which are agencies of local government would have the authority to subgrant under this legislation. it restricts grants to individuals to the categories of literature, National Heritage, and Jazz Master fellowships. Non-Federal matching requirements are increased in the National Significance grant category to 3:1 and in some cases, 5:1. We have increased turnover in the panel system and increased lay person participation to ensure greater community involvement and input. In addition, panels are prohibited from recommending specific amounts of grants and will be required to recommend more grants than funding available. The Council, too, will have to recommend approval for more applications than there are funds available. These provision give the chair greater decisionmaking responsibility and make the chair more accountable for grants the agency makes.

Lastly, but in my opinion one of the most important changes to this bill is the expansion of the Arts and Artifact Indemnity Act. This change will enable extraordinary domestic exhibitions to be eligible for Federal indemnification and afford more Americans access to the great artistic treasures of this Nation.

Many of my colleagues in the House do not feel that there is a Federal role for the arts, but I do not agree with that position. The role of the States in distributing NEA funds is very important, and for that reasons, this legislation does increase the percentage of funds available to State arts and agencies and State humanities organizations. Still, in my view, there is an important national role that must be preserved. The New York-based Chamber Music America received an NEA grant of $145,000 for a residency program which benefited rural communities in Arkansas, California, Pennsylvania, Texas, Kentucky, Maine, and Oregon. The NEA made a grant to the YMCA in Chicago, IL, for its National Readings Tour of the National Writer's Voice project which established literary arts centers in YMCA's in New Mexico, South Dakota, New Jersey, California, North Carolina, New Hampshire, and Florida. Both these grants benefited people far beyond the boundary of the State that received the grant. They are just two examples of extraordinary arts programs that would not longer be available to people in my State or any other State if all NEA funds were block granted.

In setting clear priorities for the NEA and NEH, and striking a balance between leadership at the State level and leadership at the national level, I am confident that both agencies will be even better able to serve their constituency—all the people of this country. I ask unanimous consent that a copy of the legislation be included as part of the RECORD.

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

S. 1020

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 ''Arts and Humanities Amendments of 1997''.

TITLE I—NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES ACT OF 1965

SEC. 101. NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES.

The National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 951 et seq.) is amended to read as follows:

''SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

''(a) SHORT TITLE.—This Act may be cited as the 'National Foundation on the Arts and the Humanities Act of 1965'.

''(b) TABLE OF CONTENTS.—The table of contents is as follows:

''Sec. 1. Short title; table of contents.
''Sec. 2. Purposes.
''Sec. 3. Definitions.

''TITLE I—NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

''Sec. 101. Establishment of the National Foundation on the Arts and the Humanities.
''Sec. 102. General limitations on grants.
''Sec. 103. Joint administration.
''Sec. 104. Study on a true endowment.
''Sec. 105. Donations, bequests, and devises.
''Sec. 106. Authorization of appropriations.

''TITLE II—NATIONAL ENDOWMENT FOR THE ARTS

''Sec. 201. Definitions.
''Sec. 202. Establishment of the National Endowment for the Arts.
''Sec. 203. Application procedures.
''Sec. 204. Advisory panels.
''Sec. 205. National Council on the Arts.
''Sec. 206. Limitations on grants.
''Sec. 207. Administrative provisions.
''Sec. 208. Reports.
''Sec. 209. Sanctions and payments.
''Sec. 210. National Medal of Arts Awards.

''TITLE III—NATIONAL ENDOWMENT FOR THE HUMANITIES

''Sec. 301. Definitions.
''Sec. 302. Establishment of the National Endowment for the Humanities.
''Sec. 303. Application procedures.
''Sec. 304. Review panels.
''Sec. 305. National Council on the Humanities.
''Sec. 306. Limitations on grants.
''Sec. 307. Administrative provisions.
''Sec. 308. Reports.
''Sec. 309. Sanctions and payments.
''Sec. 310. Awards.

''SEC. 2. PURPOSES.

''The purposes of this Act are—

''(1)(A) to ensure that the arts and the humanities belong to all the people of the United States; and

''(B) to support the arts and the humanities, which are essential to social, cultural, and economic progress;

''(2) to encourage and support national progress and scholarship in the arts and the humanities, because such encouragement and support, while primarily matters for private and local initiative, are also appropriate matters of concern for the Federal Government;

''(3) to ensure that the United States, as an advanced civilization, does not limit its efforts to science and technology alone but gives full value and support to the other great branches of scholarly and cultural activity in order to achieve a better understanding of the past, a better analysis of the present, and a better view of the future;

''(4) to further the advancement of the arts and the humanities and the access of all citizens of the United States to the arts and the humanities, in partnership with local, State, regional, and private agencies, organizations, and individuals;

''(5) in furthering the advancement and access described in paragraph (4), to be sensitive to the nature of public support and the need to use public funding in a manner that recognizes the responsibility of the Federal Government to the public good;

''(6) to ensure that public funds provided by the Federal Government ultimately serve the public purposes the Congress defines and are subject to the conditions that traditionally govern the use of public money;

''(7) to ensure that—

''(A) Federal support of the arts and the humanities reflects the high place accorded by the people of the United States to the Nation's rich cultural heritage; and

''(B) public funding of the arts and the humanities contributes to public support for and confidence in the use of taxpayer funds;

''(8)(A) to support the practice of art and the study of the humanities, which require constant dedication and devotion; and

''(B) while recognizing that no government can create a great artist or scholar, to help create and sustain not only a climate encouraging freedom of thought, imagination, and inquiry, but also the material conditions facilitating the release of creative talent; and

''(9)(A) to ensure that United States students receive in school, background and preparation in the arts and the humanities to enable the students to recognize and appreciate the aesthetic dimensions of their lives, the cultural heritage of the United States, and the full potential of artistic and scholarly expression; and

''(B) to increase access to the arts and the humanities for all persons in the United States by—

''(i) encouraging and developing quality education in the arts and the humanities at all levels, in conjunction with programs of lifelong learning in the arts and the humanities for all age groups and with formal systems of elementary, secondary, and post-secondary education; and

''(ii) encouraging and facilitating the work of scholars, artists, arts institutions, and Federal, State, regional, and local agencies in the area of education in the arts and the humanities.

''SEC. 3. DEFINITIONS.

''In this Act:

''(1) ARTS.—The term 'arts' includes—

''(A) dance, design, literature, media arts, music, theater, and visual arts;

''(B) folk and traditional arts practiced by the diverse peoples of the United States; and

''(C) the presentation, performance, execution, exhibition, preservation, and study of the arts described in subparagraph (A) or (B), including the study of the arts through apprenticeships, internships, and other career oriented work-study experiences for artists and art teachers, and residencies for artists at all educational levels.

''(2) CULTURAL HERITAGE.—The term 'cultural heritage' means the living legacy of creations, skills, and knowledge handed down from prior generations—

''(A) that embraces the traditional arts and ideas that are developed informally and that reflect the heritage, tradition, and history of American communities over the centuries; and

''(B) that continues to evolve as new groups contribute to the American experience.

''(3) GRANT.—The term 'grant' includes a loan, a contract, and a cooperative agreement.

''(4) GROUP.—The term 'group' includes any State or local arts agency, regional group, and any nonprofit organization or institution in the United States, whether or not incorporated.

''(5) HUMANITIES.—The term 'humanities' includes—

''(A) the study and interpretation of—

''(i) language, both modern and classical, linguistics, literature, history, jurisprudence, philosophy, archaeology, comparative religion, and ethics;

''(ii) the history, criticism, and theory of the arts;

''(iii) folklore and folklife; and

''(iv) the aspects of the social sciences that have humanistic content and employ humanistic methods; and

''(B) the study and application of the humanities described in subparagraph (A) to the human environment with particular attention to—

''(i) reflecting the heritage, traditions, and history of the United States; and

''(ii) the relevance of the humanities described in subparagraph (A) to the conditions of national life.

''(6) PROGRAM INCOME.—

''(A) IN GENERAL.—The term 'program income' means any money that is earned or received, by a recipient of a grant made under title II or III, from an activity supported by the funds made available through the grant or from a product resulting from or related to an activity carried out under the grant.

''(B) TYPES OF INCOME.—The term includes—

''(i) income from a fee for service performed, or from the sale of an item created, under the grant;

''(ii) income from a licensing fee on a product related to an activity carried out under the grant;

''(iii) a usage or rental fee for equipment or property acquired under the grant;

''(iv) an admission fee for an activity carried out under the grant;

''(v) income from a broadcast or distribution right for such an activity; and

''(vi) a royalty on a patent or copyright for such an activity.

''(7) REGIONAL GROUP.—The term 'regional group' means any multistate group, whether or not representative of contiguous States.

''(8) STATE.—The term 'State' includes, in addition to the several States of the United States, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the United States Virgin Islands.

''(9) UNDERSERVED COMMUNITIES.—The term 'underserved communities' means those communities that have historically been outside the purview of arts and humanities programs.

''TITLE I—NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

''SEC. 101. ESTABLISHMENT OF THE NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES.

''(a) ESTABLISHMENT.—There is established a National Foundation on the Arts and the Humanities (referred to in this Act as the 'Foundation'), which shall be composed of a National Endowment for the Arts, a National Endowment for the Humanities (each of which may be referred to in this title as an 'Endowment'), and an Institute of Museum and Library Services.

''(b) PURPOSE.—The purpose of the Foundation shall be to develop and promote a national policy of support for the arts and the humanities in the United States.

''(c) LIMITATION.—In the administration of this Act no department, agency, officer, or employee of the United States shall exercise any direction, supervision, or control over the policy determination, personnel, curriculum, administration, or operation, of any school or other non-Federal agency, institution, organization, or association.

''SEC. 102. GENERAL LIMITATIONS ON GRANTS.

''None of the grants awarded under this Act shall be used for the purposes of lobbying or for providing general membership services for groups.

''SEC. 103. JOINT ADMINISTRATION.

''(a) INSPECTOR GENERAL.—There shall be in the Foundation a single Office of the Inspector General for the National Endowment for the Arts and the National Endowment for the Humanities. The Office shall be headed by 1 Inspector General appointed in accordance with the Inspector General Act of 1978 (5 U.S.C. App.). The Inspector General shall carry out the duties prescribed in such Act, including conducting appropriate reviews to ensure that recipients of grants under titles II and III comply with the applicable regulations and procedures established under this Act, including regulations relating to accounting and financial matters.

''(b) REPORTING.—The Inspector General for the National Endowment for the Arts and the National Endowment for the Humanities shall report—

''(1) to the Chairperson of the National Endowment for the Arts with respect to matters relating to the National Endowment for the Arts; and

''(2) to the Chairperson of the National Endowment for the Humanities with respect to matters relating to the National Endowment for the Humanities.

''(c) OTHER FUNCTIONS.—The Chairperson of the National Endowment for the Arts and Chairperson of the National Endowment for the Humanities shall ensure nonduplication of administrative functions, such as provision of facilities and space, records management, contracting, procurement, printing, and provision of mail and library services. The Chairpersons shall enter into an interagency agreement to jointly carry out the functions with the minimum necessary expense.

''(d) REPORT.—Not later than 60 days after the date of enactment of the Arts and Humanities Amendments of 1997, the Chairperson of the National Endowment for the Arts and the Chairperson of the National Endowment for the Humanities shall jointly prepare and submit to the appropriate committees of Congress a report containing a plan that describes the manner in which the Chairpersons will jointly carry out the functions described in subsection (c). Not later than 180 days after such date of enactment, the Chairpersons shall implement the plan.

''SEC. 104. STUDY ON A TRUE ENDOWMENT.

''(a) IN GENERAL.—The Chairperson of the National Endowment for the Arts and the Chairperson of the National Endowment for the Humanities, in consultation with persons with expertise in the arts, humanities, business, charitable giving, and copyright industries, and other appropriate Federal agencies, shall jointly conduct, or contract for, a study on the feasibility of establishing a true endowment for the National Endowment for the Arts and the National Endowment for the Humanities in order to provide supplemental funding to support the efforts of the National Endowment for the Arts and the National Endowment for the Humanities, respectively.

''(b) SCOPE OF STUDY.—The study described in subsection (a) shall examine innovative methods through which a true endowment may be funded, including such methods as private fundraising, an extension of a copyright term, recapture of funds from past grants of the National Endowment for the Arts and the National Endowment for the Humanities that have proven profitable, or any other innovative methods the Chairpersons determine appropriate.

''(c) REPORT.—Not later than 1 year after the date on which funding is made available under this Act to conduct the study described in subsection (a), the Chairperson of the National Endowment for the Arts and the Chairperson of the National Endowment for the Humanities shall jointly prepare and submit to the appropriate committees of Congress a report containing recommendations on the innovative methods through which the true endowment may be funded to support efforts described in subsection (a).

''SEC. 105. DONATIONS, BEQUESTS, AND DEVISES.

''(a) DONATIONS, BEQUESTS, AND DEVISES TO THE FOUNDATION WITHOUT DESIGNATION.—

''(1) IN GENERAL.—In any case in which any money or other property is donated, bequeathed, or devised to the Foundation without designation of the Endowment for the benefit of which the money or property is intended, each Chairperson of an Endowment shall have authority to receive such money or property.

''(2) UNRESTRICTED DONATIONS, BEQUESTS, AND DEVISES.—Except as provided in paragraph (3), unless the Chairpersons of the Endowments agree otherwise, the money or property described in paragraph (1) shall be deemed to have been donated, bequeathed, or devised in equal shares to each Endowment.

''(3) RESTRICTED DONATIONS, BEQUESTS, AND DEVISES.—In any case in which any money or property is donated, bequeathed, or devised to the Foundation with a condition or restriction, such money or property shall be deemed to have been donated, bequeathed, or devised to the Endowment whose function it is to carry out the purposes of the condition or restriction.

''(b) DONATIONS, BEQUESTS, AND DEVISES TO THE ENDOWMENTS.—

''(1) CHAIRPERSON OF THE NATIONAL ENDOWMENTS FOR THE ARTS.—

''(A) IN GENERAL.—The Chairperson of the National Endowment for the Arts (referred to in this paragraph as the 'Chairperson'), in carrying the functions of the Chairperson, shall have authority—

''(i) to solicit, accept, receive, invest, and use money and other property donated, bequeathed, or devised to the Endowment, either absolutely or in trust, with or without a condition or restriction, including a condition that the Chairperson use other funds of the Endowment for the purposes of the donation, bequest, or devise; and

''(ii) to sell or otherwise dispose of such property,

to carry out the activities of the Endowment under title II.

''(B) PROCEEDS.—

''(i) RECEIPT OF PROCEEDS.—Any proceeds from a donation, bequest, or devise under subparagraph (A) shall be paid by the donor or the representative of the donor to the Chairperson. Any proceeds from any sale or disposition of property under subparagraph (A) shall be retained by the Chairperson.

''(ii) INVESTMENT OF PROCEEDS.—The Chairperson shall invest the proceeds described in clause (i) that are not required to carry out subsection (c) and section 210. Such investments shall be made only in interest-bearing accounts to the credit of the National Endowment for the Arts, of which only 50 percent of the accumulated interest may be used for the purposes of carrying out the activities of the Endowment under title II.

''(C) Notwithstanding subparagraphs (A) and (B)(ii), any money and other property donated, bequeathed, or devised under subparagraph (A)(i) with a condition or restriction shall be used, expended, or invested subject to such condition or restriction.

''(2) CHAIRPERSON OF THE NATIONAL ENDOWMENTS FOR THE HUMANITIES.—

''(A) IN GENERAL.—The Chairperson of the National Endowment for the Humanities (referred to in this paragraph as the 'Chairperson'), in carrying the functions of the Chairperson, shall have authority—

''(i) to solicit, accept, receive, invest, and use money and other property donated, bequeathed, or devised to the Endowment, either absolutely or in trust, with or without a condition or restriction, including a condition that the Chairperson use other funds of the Endowment for the purposes of the donation, bequest, or devise; and

''(ii) to sell or otherwise dispose of such property,

for purposes of carrying out the activities of the Endowment under title III.

''(B) PROCEEDS.—

''(i) RECEIPT OF PROCEEDS.—Any proceeds from a donation, bequest, or devise under subparagraph (A) shall be paid by the donor or the representative of the donor to the Chairperson. Any proceeds from any sale or disposition of property under subparagraph (A) shall be retained by the Chairperson.

''(ii) INVESTMENT OF PROCEEDS.—The Chairperson shall invest the proceeds described in clause (i) that are not required to carry out subsection (c) and section 310(a). Such investments shall be made only in interest-bearing accounts to the credit of the National Endowment for the Humanities, of which only 50 percent of the accumulated interest may be used for the purposes of carrying out the activities of the Endowment under title III.

''(C) Notwithstanding subparagraphs (A) and (B)(ii), any money and other property donated, bequeathed, or devised under subparagraph (A)(i) with a condition or restriction shall be used, expended, or invested subject to such condition or restriction.

''(c) USE OF DONATIONS, BEQUESTS, AND DEVISES FOR CERTAIN ADMINISTRATIVE EXPENSES.—

''(1) IN GENERAL.—The Chairperson of the National Endowment for the Arts and the Chairperson of the National Endowment for the Humanities shall each use from the amounts received under subsection (b)—

''(A) not more than $100,000 for fiscal year 1998 for official reception and representation expenses; and

''(B) not more than $50,000 for each subsequent fiscal year for such expenses.

''(2) EXCEPTION.—The requirement of paragraph (1) shall not apply to expenses associated with the award established under section 310(a).

''(d) TAX LAWS.—For the purposes of the income tax, gift tax, and estate tax laws of the United States, any money or other property donated, bequeathed, or devised to the Foundation or one of the Endowments and received by the Chairperson of an Endowment pursuant to this section shall be deemed to have been donated, bequeathed, or devised to or for the use of the United States.

''SEC. 106. AUTHORIZATION OF APPROPRIATIONS.

''(a) NATIONAL ENDOWMENT FOR THE ARTS.—

''(1) IN GENERAL.—

''(A) TOTAL AUTHORIZATION.—There are authorized to be appropriated to carry out the activities of the National Endowment for the Arts under this Act $175,000,000 for fiscal year 1998, and such sums as are necessary for the fiscal years 1999 through 2002.

''(B) RESERVATION FOR ADMINISTRATION.—Of the amount appropriated for a fiscal year under subparagraph (A), there shall be reserved amounts sufficient to carry out subsection (c)(1).

''(C) SPECIAL RESERVATION FOR ARTS EDUCATION AND UNDERSERVED COMMUNITIES GRANTS.—In a fiscal year in which the aggregate amount appropriated under subparagraph (A) exceeds $99,494,000, the amount that exceeds such aggregate amount shall be reserved for making grants under section 202(f) to carry out activities described in subsection (f)(2)(B) of such section.

''(D) RESERVATION FOR PARTNERSHIP GRANTS.—40 percent of the amount appropriated for a fiscal year under subparagraph (A) and remaining after amounts are reserved under subparagraphs (B) and (C) shall be reserved for making grants under section 202(c).

''(E) RESERVATION FOR NATIONAL SIGNIFICANCE GRANTS.—40 percent of the amount appropriated for a fiscal year under subparagraph (A) and remaining after amounts are reserved under subparagraphs (B) and (C) shall be reserved for making grants under section 202(d).

''(F) RESERVATION FOR DIRECT GRANTS.—10 percent of the amount appropriated for a fiscal year under subparagraph (A) and remaining after amounts are reserved under subparagraphs (B) and (C) shall be reserved for making grants under section 202(e).

''(G) RESERVATION FOR ARTS EDUCATION AND UNDERSERVED COMMUNITIES GRANTS.—10 percent of the amount appropriated for a fiscal year under subparagraph (A) and remaining after amounts are reserved under subparagraphs (B) and (C) shall be reserved for making grants under section 202(f).

''(2) SUMS REMAINING AVAILABLE.—Sums appropriated pursuant to paragraph (1) for any fiscal year shall remain available for obligation until expended.

''(b) NATIONAL ENDOWMENT FOR THE HUMANITIES.—

''(1) IN GENERAL.—

''(A) TOTAL AUTHORIZATION.—There are authorized to be appropriated to carry out the activities of the National Endowment for the Humanities under this Act $175,000,000 for fiscal year 1998, and such sums as are necessary for fiscal years 1999 through 2002.

''(B) RESERVATION FOR ADMINISTRATION.—There shall be reserved amounts sufficient to carry out subsection (c)(2).

''(C) RESERVATION FOR PARTNERSHIP GRANTS.—30 percent of the amount appropriated for a fiscal year under subparagraph (A) and remaining after amounts are reserved under subparagraph (B) shall be reserved for making grants under section 302(c). Of the amount reserved under this subparagraph, 5 percent of such amount shall be made available for activities relating to elementary and secondary education in the humanities.

''(D) RESERVATION FOR NATIONAL GRANTS.—35 percent of the amount appropriated for a fiscal year under subparagraph (A) and remaining after amounts are reserved under subparagraph (B) shall be reserved for making grants under section 302(d).

''(E) RESERVATION FOR RESEARCH AND SCHOLARSHIP GRANTS.—35 percent of the amount appropriated for a fiscal year under subparagraph (A) and remaining after amounts are reserved under subparagraph (B) shall be reserved for making grants under section 302(e).

''(2) SUMS REMAINING AVAILABLE.—Sums appropriated pursuant to paragraph (1) for any fiscal year shall remain available for obligation until expended.

''(c) ADMINISTRATION.—

''(1) NATIONAL ENDOWMENT FOR THE ARTS.—

''(A) PERCENTAGE BASED ON FUNDING UNDER $150,000,000.—In a case in which the amount appropriated for a fiscal year under subsection (a)(1)(A) is less than $150,000,000, not more than 17 percent of the amount appropriated for a fiscal year under subsection (a)(1)(A) may be made available for the costs of administering title II, or any other program for which the Chairperson of the National Endowment for the Arts is responsible, of which not more than $100,000 shall be made available for the President's Committee on the Arts and the Humanities, none of which may be used to reimburse members of the Committee for travel and related expenses.

''(B) PERCENTAGE BASED ON FUNDING OVER $150,000,000.—In a case in which the amount appropriated for a fiscal year under subsection (a)(1)(A) is $150,000,000 or greater, not more than 12 percent of the amount appropriated for a fiscal year under subsection (a)(1)(A) may be made available for the costs of administering title II, or any other program for which the Chairperson of the National Endowment for the Arts is responsible, of which not more than $100,000 shall be made available for the President's Committee on the Arts and the Humanities, none of which may be used to reimburse members of the Committee for travel and related expenses.

''(2) NATIONAL ENDOWMENT FOR THE HUMANITIES.—

''(A) PERCENTAGE BASED ON FUNDING UNDER $150,000,000.—In a case in which the amount appropriated for a fiscal year under subsection (b)(1)(A) is less than $150,000,000, not more than 17 percent of the amount appropriated for a fiscal year under subsection (b)(1)(A) may be made available for the costs of administering title III, or any other program for which the Chairperson of the National Endowment for the Humanities is responsible, of which not more than $100,000 shall be made available for the President's Committee on the Arts and the Humanities, none of which may be used to reimburse members of the Committee for travel and related expenses.

''(B) PERCENTAGE BASED ON FUNDING OVER $150,000,000.—In a case in which the amount appropriated for a fiscal year under subsection (b)(1)(A) is $150,000,000 or greater, not more than 12 percent of such amount may be made available for the costs of administering title III, or any other program for which the Chairperson of the National Endowment for the Humanities is responsible, of which not more than $100,000 shall be made available for the President's Committee on the Arts and the Humanities, none of which may be used to reimburse members of the Committee for travel and related expenses.

''TITLE II—NATIONAL ENDOWMENT FOR THE ARTS

''SEC. 201. DEFINITIONS.

''In this title:

''(1) DEVELOPING ARTS ORGANIZATION.—The term 'developing arts organization' means a local arts organization of high artistic promise that—

''(A) serves as an important source of local arts programming in a community; and

''(B) has the potential to broaden public access to the arts in rural and urban underserved communities.

''(2) FINAL JUDGMENT.—The term 'final judgment' means a judgment that is either—

''(A) not reviewed by any other court that has authority to review such judgment; or

''(B) is not reviewable by any other court.

''(3) LOCAL ARTS AGENCY.—The term 'local arts agency' means a community organization, or an agency of local government, that primarily provides financial support, services, or other programs for artists and arts organizations, for the benefit of the community as a whole.

''(4) OBSCENE; DETERMINED TO BE OBSCENE.—

''(A) OBSCENE.—The term 'obscene' means, with respect to a project, production, or workshop, that—

''(i) the average person, applying contemporary community standards, would find that such project, production, or workshop, when taken as a whole, appeals to the prurient interest;

''(ii) such project, production, or workshop depicts or describes sexual conduct in a patently offensive way; and

''(iii) such project, production, or workshop, when taken as a whole, lacks serious literary, artistic, political or scientific value.

''(B) DETERMINED TO BE OBSCENE.—The term 'determined to be obscene' means determined, in a final judgment of a court of record and of competent jurisdiction in the United States, to be obscene.

''(5) PRODUCTION.—The term 'production' means any activity involving the execution or rendition of the arts and meeting such standards as may be approved by the Chairperson of the Endowment.

''(6) PROJECT.—

''(A) IN GENERAL.—The term 'project' means a program organized to carry out the objectives of this Act, including a program to foster United States artistic creativity, to commission a work of art, or to develop and enhance the widest public access, knowledge, and understanding of the arts, and includes, where appropriate, rental or purchase of a facility, rental or purchase of land, and acquisition of equipment.

''(B) RENOVATION OR CONSTRUCTION.—Such term also includes—

''(i) the renovation of a facility if—

''(I) the amount of the expenditure of Federal funds for such purpose in the case of any facility does not exceed $250,000; and

''(II) two-thirds of the members of the National Council on the Arts (who are present and voting) recommend a grant involving an expenditure for such purpose; and

''(ii) with respect to a grant under section 202(d), the construction of a facility, if—

''(I) such construction is for demonstration purposes or under unusual circumstances in which there is no other manner by which to accomplish an artistic purpose; and

''(II) two-thirds of the members of the National Council on the Arts (who are present and voting) recommend a grant involving an expenditure for such purpose.

''(7) WORKSHOP.—The term 'workshop' means a program the primary purpose of which is to encourage the artistic development or enjoyment of amateur, student, or other participants.

''SEC. 202. ESTABLISHMENT OF THE NATIONAL ENDOWMENT FOR THE ARTS.

''(a) ESTABLISHMENT.—There is established within the Foundation a National Endowment for the Arts (referred to in this title as the 'Endowment').

''(b) CHAIRPERSON.—

''(1) APPOINTMENT.—The Endowment shall be headed by a chairperson, to be known as the Chairperson of the Endowment (referred to in this title as the 'Chairperson'), who shall be appointed by the President, by and with the advice and consent of the Senate.

''(2) TERM.—

''(A) IN GENERAL.—The term of office of the Chairperson shall be 4 years, except that any Chairperson appointed to fill a vacancy shall serve for the remainder of the term for which the predecessor of the Chairperson was appointed. Notwithstanding any other provision of this subparagraph, on the expiration of the term of office of the Chairperson, the Chairperson shall serve until the successor to the Chairperson is appointed and has qualified.

''(B) REAPPOINTMENT.—The Chairperson shall be eligible for reappointment.

''(c) PARTNERSHIP GRANTS.—

''(1) PURPOSE.—The purpose of this subsection is to make grants to States and regional groups to support arts activities, with preference to arts education and projects that reach rural and urban underserved communities.

''(2) GRANTS TO STATES.—

''(A) AUTHORITY.—Using the funds reserved under section 106(a)(1)(D), the Chairperson, acting on the recommendation of the National Council on the Arts, shall establish and carry out a program of basic State grants to assist States—

''(i)(I) in supporting projects, productions, or workshops that meet the standard of artistic excellence and artistic merit and that fulfill the purposes of this Act; and

''(II) in developing projects, productions, or workshops that will furnish programs, facilities, and services in the arts to people and communities in each of the States; and

''(ii) in carrying out activities that—

''(I) stimulate artistic activity and awareness, and broaden public access to the arts, in rural and urban underserved communities;

''(II) enhance the artistic capabilities of developing arts organizations through artistic, programmatic, and staff development; or

''(III) provide technical assistance to developing arts organizations to improve managerial and organizational skills, financial systems management, and long-range fiscal planning.

''(B) APPLICATION.—In order to receive a grant under this paragraph for any fiscal year, a State shall submit an application described in section 203 for such grant at such time and in such manner as shall be specified by the Chairperson and accompany such application with a State plan that the Chairperson finds—

''(i) designates or provides for the establishment of a State agency (referred to in this section as the 'State agency') as the sole agency for the administration of the State plan;

''(ii) provides that funds paid to the State under this paragraph will be expended solely on projects, productions, or workshops described in subparagraph (A) and approved by the State agency;

''(iii) provides that the State agency will make such reports, in such manner and containing such information, as the Chairperson may from time to time require, including a description of the progress made toward achieving the objectives of the State plan;

''(iv) provides—

''(I) an assurance that the State agency has held, after reasonable notice, public meetings in the State to allow the public, interested groups, and groups of artists to present views and make recommendations regarding the State plan; and

''(II) a summary of such recommendations and the response of the State agency to such recommendations; and

''(v) contains—

''(I) for the most recent preceding year for which information is available, a description of the level of participation by artists, artists' organizations, and arts groups in projects, productions, or workshops supported by funding from the State agency under this paragraph, and a description of the extent to which projects, productions, or workshops supported by funding from the State agency under this paragraph were available to all people and communities in the State, especially underserved communities; and

''(II) a description of projects, productions, or workshops supported by funding from the State agency under this paragraph that exist or are being developed to address the availability of the arts to all people or communities described in subclause (I) or to secure wider participation of artists and arts organizations described in subclause (I).

''(C) APPROVAL.—The Chairperson may not approve an application described in subparagraph (B) unless the accompanying State plan satisfies the requirements specified in subparagraph (B).

''(D) ALLOTMENTS.—

''(i) IN GENERAL.—Of the sums available to carry out this paragraph for any fiscal year, each State that has an application approved by the Chairperson shall be allotted at least $200,000.

''(ii) INSUFFICIENT FUNDS.—If the sums available to carry out this paragraph for any fiscal year are insufficient to make the allotments under clause (i) in full, such sums shall be allotted so that each such State receives an equal amount.

''(iii) EXCESS FUNDS.—In any case in which the sums available to carry out this paragraph for any fiscal year are in excess of the amount required to make the allotments under clause (i)—

''(I) the amount of such excess that is not greater than 25 percent of the sums available to carry out this paragraph for such fiscal year shall be available to the Chairperson for making grants under this paragraph to States and, in accordance with subparagraph (H), regional groups; and

''(II) the amount of such excess for such fiscal year, if any, that remains after reserving in full for the Chairperson the amount required under subclause (I) shall be allotted so that each State that has an application approved by the Chair receives an equal amount;

but in no event shall any State be allotted less than $200,000 under this paragraph.

''(E) FEDERAL SHARE.—

''(i) IN GENERAL.—Funding provided through a grant made under this paragraph to a State for any fiscal year shall be available to each State that has an application

approved by the Chairperson, and has the State plan accompanying the application in effect on the first day of such fiscal year, to pay not more than 50 percent of the total cost of carrying out any activity described in subparagraph (A).

''(ii) EXCESS PORTION.—Except as provided in clause (iii), the portion of the funding provided through any grant made under subparagraph (D)(i) to a State for any fiscal year that exceeds $125,000 shall be available, at the discretion of the Chairperson, to pay not more than 100 percent of such cost of carrying out an activity under this paragraph if such activity would be unavailable to the residents of the State without such portion.

''(iii) PERCENTAGE OF GRANT FUNDS.—The portion of the funding described in clause (ii) for any fiscal year that is available to pay not more than 100 percent of such cost, as described in clause (ii), shall not exceed 20 percent of the total funding provided through such grant for such fiscal year.

''(F) PROHIBITION ON SUPPLANTING NON-FEDERAL FUNDS.—Funds made available under this paragraph shall be used to supplement, and shall not supplant, non-Federal funds expended for supporting activities described in subparagraph (A).

''(G) UNOBLIGATED FUNDS.—Any amount allotted to a State under subparagraph (D)(i) for any fiscal year that is not obligated by the State earlier than 60 days prior to the end of the fiscal year for which the amount is appropriated shall be available for making grants to regional groups.

''(H) SPECIAL RULE.—The provisions of this paragraph (other than subparagraph (D)) shall apply to regional groups receiving grants under this paragraph in such manner, and to such extent, as the Chairperson shall by regulation prescribe.

''(I) DEFINITION.—In subparagraph (D)(iii)(II) and notwithstanding section 3(8), the term 'State' includes, in addition to the several States of the United States, only the jurisdictions specified in such section that have a population of 200,000 or more, according to the latest decennial census.

''(d) NATIONAL SIGNIFICANCE GRANTS.—

''(1) PURPOSE.—The purpose of this subsection is to make grants to groups of demonstrated and substantial artistic and cultural importance, for projects, productions, and workshops that will increase the access of all the people of the United States, especially underserved communities, to the best of the arts and culture of the United States.

''(2) IN GENERAL.—Using funds reserved under section 106(a)(1)(E), the Chairperson, acting on the recommendation of the National Council on the Arts, may establish and carry out a program of grants to groups who meet the standard of artistic excellence and artistic merit and who are engaged in or concerned with the arts, for the purpose of paying for the Federal share of the cost of—

''(A) enabling the groups to provide or support projects, productions, or workshops described in paragraph (3) that will have a national, regional, or otherwise substantial artistic or cultural impact;

''(B) providing administrative and management improvements for the groups, particularly in the field of long-range financial planning, including increasing levels of community support and the range of contributors to the programs of such groups; or

''(C) enabling the groups to provide or support projects, productions, or workshops that will serve as models for arts education.

''(3) PROJECTS, PRODUCTIONS, AND WORKSHOPS.—

''(A) REQUIRED ELEMENTS.—Each such project, production, or workshop shall—

''(i) have substantial national or regional cultural significance, and encourage professional excellence; or

''(ii)(I) have significant merit; and

''(II) be a project, production, or workshop that, if such a group did not receive a grant, might otherwise be unavailable to citizens for geographic or economic reasons.

''(B) PERMISSIBLE ELEMENTS.—Each such project, production, or workshop may—

''(i) encourage access to, education in, and knowledge, understanding, enjoyment, and appreciation of, the arts by the public;

''(ii) enhance managerial and organizational skills and capabilities;

''(iii) use technology to broaden public access to the arts;

''(iv) expand access to the arts for individuals with disabilities; or

''(v) promote access to the arts for minority or underserved populations.

''(4) FEDERAL SHARE REQUIREMENT.—

''(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), in the case of any grant made under this subsection, the Federal share described in paragraph (2) shall be 25 percent.

''(B) CERTAIN GROUPS.—In the case of any grant made under this subsection to a group with an annual budget in excess of $3,000,000, the Federal share described in paragraph (2) shall be 16.67 percent.

''(C) ADJUSTMENTS.—The Chairperson may increase the Federal share applicable under this subsection for a designated grant recipient, with review and approval by the National Council on the Arts. The Chairperson shall not increase the Federal share above 50 percent for the recipient. Not more than 10 percent of the funds made available by the Endowment for grants under this subsection for any fiscal year may be available for grants for the fiscal year for which the Chairperson increases the applicable Federal share.

''(5) PRIORITY.—In awarding grants under this subsection, the Chairperson shall give priority to projects, productions, and workshops that increase the access of the public of the United States, especially underserved communities, to culture and the arts, including access by touring, by regional or national dissemination, or by geographic dispersion.

''(e) DIRECT GRANTS.—

''(1) PURPOSE.—The purpose of this subsection is to make grants to groups, and individuals, that are broadly representative of the cultural heritage of the United States and broadly geographically representative, for projects, productions, and workshops of the highest artistic excellence and artistic merit.

''(2) IN GENERAL.—Using funds reserved under section 106(a)(1)(F), the Chairperson, acting on the recommendation of the National Council on the Arts, may establish and carry out a program of grants to groups, or individuals who are engaged in or concerned with the arts, to pay for the Federal share of the cost of projects, productions, or workshops that meet the standard of artistic excellence and artistic merit and that fulfill the purposes of this Act.

''(3) FEDERAL SHARE REQUIREMENT.—The Federal share described in paragraph (2) shall be 50 percent.

''(4) PRIORITY.—In awarding grants under this subsection, the Chairperson shall give priority to projects, productions, and workshops that will be disseminated widely after completion.

''(5) ADJUSTMENTS.—The Chairperson may increase the Federal share applicable under this subsection for a designated grant recipient, with review and approval by the National Council on the Arts. Not more than 20 percent of the funds made available by the Endowment for grants under this subsection for any fiscal year may be available for grants for the fiscal year for which the Chairperson increases the applicable Federal share.

''(6) SPECIAL RULE FOR GRANTS TO INDIVIDUALS.—The Chairperson shall only award a grant in accordance with this subsection to an individual described in paragraph (2) if such grant is awarded to such individual for a literature fellowship, a National Heritage Fellowship, or a Jazz Masters Fellowship.

''(f) ARTS EDUCATION AND UNDERSERVED COMMUNITIES GRANTS.—

''(1) PURPOSE.—The purpose of this subsection is to make grants to State arts agencies and other groups to carry out activities in arts education and to carry out arts-related activities in underserved communities.

''(2) IN GENERAL.—Using the funds reserved under section subparagraphs (C) (as may be appropriate) and (G) of section 106(a)(1), the Chairperson, acting on the recommendation of the National Council on the Arts, may establish and carry out a program of grants to State arts agencies or other groups to pay for the Federal share of the cost of carrying out activities that—

''(A) promote and improve the availability of arts instruction, and improve the quality of arts education, through support of lifelong learning in the arts;

''(B) provide—

''(i) instruction in the arts by integrating and incorporating the arts in the teaching of English, math, science, foreign languages, civics and government, economics, history, and geography; or

''(ii) courses in the arts through school programs;

''(C) enhance the quality of arts instruction in programs of teacher education;

''(D) develop arts faculty resources and talents;

''(E) support and encourage the development of improved curriculum materials in the arts;

''(F) support apprenticeships, internships, and other career oriented work-study experiences for artists and arts teachers, and encourage residencies of artists at all educational levels;

''(G) stimulate artistic activity and awareness, and broaden public access to the arts, in underserved communities;

''(H) enhance the artistic capabilities of developing arts organizations in underserved communities through artistic, programmatic, and staff development; or

''(I) provide technical assistance to developing arts organizations in underserved communities to improve managerial and organizational skills, financial systems management, and long-range fiscal planning.

''(3) FEDERAL SHARE.—The Federal share described in paragraph (2) shall be 50 percent.

''(4) EVALUATION AND REPORTS FOR CERTAIN ACTIVITIES.—

''(A) IN GENERAL.—Each State arts agency or other group that receives a grant under this subsection to carry out the activity described in paragraph (2)(B) shall conduct an ongoing evaluation of the activity.

''(B) EVALUATION COMPONENTS.—In conducting the evaluation under subparagraph (A), a State arts agency or other group shall, in the case of students who participate in an activity described in paragraph (2)(B), monitor the progress of the student participants throughout the period of participation.

''(C) REPORT TO CHAIRPERSON.—Not later than 60 days after the date of the completion of an activity by a State arts agency or other group under subparagraph (A), the State arts agency or other group shall prepare and submit to the Chairperson a report on the evaluation conducted under subparagraph (A).

''(D) REPORT TO CONGRESS.—Not later than 60 days after the date of the submission of the report under subparagraph (C), the Chairperson shall prepare and submit to Congress a report on—

''(i) the activities funded under paragraph (2)(B); and

''(ii) the evaluations conducted by recipients under subparagraph (A).

''SEC. 203. APPLICATION PROCEDURES.

''(a) APPLICATION REQUIREMENT.—No grant shall be made under this title to any person unless the person submits an application to the Chairperson in accordance with regulations and procedures established by the Chairperson.

''(b) PROCEDURES.—

''(1) IN GENERAL.—

''(A) CONSIDERATIONS.—In establishing such regulations and procedures for applications, the Chairperson shall ensure that—

''(i) artistic excellence and artistic merit of the projects, productions, and workshops described in the application are the criteria by which the applications are judged by advisory panels described in section 204, taking into consideration general standards of decency and respect for the diverse beliefs and values of the public of the United States;

''(ii) in selecting groups as recipients of grants under section 202, the Chairperson shall give preference to artistically rural and urban underserved communities and artists and artistic groups that have traditionally been underrepresented in the arts; and

''(iii) the projects, productions, and workshops described in the applications, and awards of grants under this title, are consistent with the objectives of section 202 and this section.

''(B) OBSCENITY PROVISIONS.—Such regulations and procedures shall clearly indicate that obscenity is without artistic merit, is not protected speech, and shall not be funded under this title. Projects, productions, and workshops that are determined to be obscene shall be prohibited from receiving grants under this title from the Endowment.

''(2) CONSIDERATIONS FOR THE CHAIRPERSON.—In considering an application for a grant under this title, the Chairperson shall consider the extent to which the projects, productions, and workshops described in the application fulfill the purposes of this Act, as well as their artistic excellence and artistic merit, as determined by the Chairperson.

''(3) CONSTRUCTION.—The disapproval or approval by the Chairperson of an application for a grant under this title shall not be construed to mean, and shall not be considered to be evidence that, the project, production, or workshop, for which the applicant requested a grant, is or is not obscene.

''SEC. 204. ADVISORY PANELS.

''(a) IN GENERAL.—The Chairperson shall utilize review by advisory panels—

''(1) as the first step in the review of applications submitted under this Act; and

''(2) to make recommendations to the National Council on the Arts in all cases involving requests for grants authorized under this title, except cases in which the Chairperson exercises authority delegated under section 205(f)(2).

''(b) PROCEDURES.—

''(1) CRITERIA.—In reviewing the applications, such panels shall recommend applications for projects, productions, and workshops on the basis of artistic excellence and artistic merit, consistent with section 203(b)(1)(A)(i).

''(2) AMOUNTS.—The panels may recommend only general ranges of funding to be provided through the grants and may not recommend specific amounts of such funding.

''(3) REGULATIONS AND PROCEDURES.—The Chairperson shall issue regulations and establish procedures to—

''(A) ensure that all the panels are composed, to the extent practicable, of individuals providing a wide geographic, ethnic, and minority representation as well as individuals reflecting diverse artistic and cultural points of view;

''(B) ensure that all the panels include at least 2 members representing lay individuals who are—

''(i) knowledgeable about the arts;

''(ii) not engaged in the arts as a profession; and

''(iii) not employees of either artists' organizations or arts organizations;

''(C) ensure that, when feasible, the procedures used by the panels to carry out their responsibilities are standardized;

''(D) require each such panel—

''(i) to create written records summarizing—

''(I) all meetings and discussions of such panel; and

''(II) the recommendations made by such panel to the Council; and

''(ii) to make such records available to the public in a manner that protects the privacy of individual applicants and panel members;

''(E) permit, when necessary and feasible, a site visit to view the work of an applicant and deliver a written report on the work being reviewed, in order to assist panelists in making their recommendations;

''(F)(i) require that the membership of each such panel change substantially from year to year; and

''(ii) provide that no individual be eligible to serve on such a panel for more than 5 years, no 2 of which may be consecutive; and

''(G) ensure that the panels recommend more applicants for grants than are anticipated can be provided funding through the grants with available funds.

''(4) PROHIBITION ON CONFLICTS OF INTEREST.—

''(A) IN GENERAL.—In making appointments to the panels, the Chairperson shall ensure that an individual who has a pending application for a grant authorized under this title, who is an employee or agent of an organization with such a pending application, or who has a direct or indirect financial interest in any application under consideration by such a panel, does not serve as a member of any panel before which such application is pending.

''(B) DURATION.—The prohibition described in subparagraph (A) shall commence with respect to such individual beginning on the date such application is submitted, and shall continue until a final decision on the application has been reached by the Chairperson.

''SEC. 205. NATIONAL COUNCIL ON THE ARTS.

''(a) ESTABLISHMENT.—There is established within the Endowment a National Council on the Arts (referred to in this section as the 'Council').

''(b) COMPOSITION.—

''(1) IN GENERAL.—The Council shall be composed of the Chairperson of the Endowment, who shall be the Chairperson of the Council, and 20 other members appointed by the President, by and with the advice and consent of the Senate, who shall be selected—

''(A) from among private citizens of the United States who—

''(i) are widely recognized for their broad knowledge of, or expertise in, the arts; and

''(ii) have established records of distinguished service, or achieved eminence, in the arts;

''(B) so as to include practicing artists, members of cultural professions, educators, civic cultural leaders, and others who are professionally engaged in the arts; and

''(C) so as collectively to provide an appropriate distribution of members among the major art fields.

''(2) QUALIFICATIONS.—The President may, in making such appointments, give consideration to such recommendations as may, from time to time, be submitted to the President by leading national organizations in the major art fields. In making such appointments, the President shall give due regard to equitable representation of women, racially and ethnically diverse individuals, and individuals with disabilities, who are involved in the arts. Members of the Council shall be appointed so as to represent equitably geographical areas in the United States, including rural and urban underserved communities.

''(c) TERMS.—

''(1) IN GENERAL.—

''(A) STAGGERED TERMS.—Each member of the Council shall serve for a term of 6 years, and the terms shall be staggered.

''(B) EXPIRATION.—Except as provided in paragraph (2), the terms of all Council members shall expire on the third day of September in the year of expiration.

''(C) REAPPOINTMENT AFTER PARTIAL TERM.—Each member who has served on the Council for 1 term of less than 3 years shall be eligible for reappointment for 1 term of 6 years.

''(D) VACANCY APPOINTMENTS.—Any member appointed to fill a vacancy shall serve for the remainder of the term for which the predecessor of the member was appointed.

''(E) HOLDOVER SERVICE.—Notwithstanding any other provision of this subsection, a member of the Council shall serve after the expiration of the term of the member until the successor to the member takes office.

''(2) ADJUSTMENT TO REDUCE COUNCIL.—

''(A) MEMBERS WHOSE TERMS EXPIRED IN 1996 BUT CONTINUE TO SERVE.—

''(i) IN GENERAL.—The terms of 10 members of the Council whose terms expired on September 3, 1996 and who continue to serve because a successor has not been appointed shall be deemed to expire on the date of enactment of the Arts and Humanities Amendments of 1997.

''(ii) SUCCESSORS.—The President shall appoint 7 members of the Council to succeed members whose terms are deemed to expire as described in clause (i). The terms of the successors shall expire on September 3, 2002.

''(B) MEMBERS WHOSE TERMS EXPIRE IN 1998.—The President shall appoint 6 members of the Council to succeed the 8 members of the Council whose terms expire on September 3, 1998. The terms of the successors shall expire on September 3, 2004.

''(C) MEMBERS WHOSE TERMS EXPIRE IN 2000.—The President shall appoint 7 members of the Council to succeed the 8 members of the Council whose terms expire on September 3, 2000. The terms of the successors shall expire on September 3, 2006.

''(d) COMPENSATION.—Members of the Council shall receive compensation at a rate to be fixed by the Chairperson but not to exceed the daily equivalent of the maximum rate authorized for a position above grade GS–15 of the General Schedule under section 5108 of title 5, United States Code, and be allowed travel expenses including per diem in lieu of subsistence, in the same amounts and to the same extent, as authorized under section 5703 of title 5, United States Code, for persons employed intermittently in Federal Government service.

''(e) MEETINGS AND DUTIES.—

''(1) MEETINGS.—The Council shall meet at the call of the Chairperson but not less often than twice during each calendar year. Eleven members of the Council shall constitute a quorum. All policy meetings of the Council shall be open to the public.

''(2) DUTIES.—The Council shall—

''(A) advise the Chairperson with respect to policies, programs, and procedures for carrying out the functions of the Chairperson under this title;

''(B) review applications for grants authorized under this title and make recommendations to the Chairperson with respect to—

''(i) whether to approve particular applications for grants authorized under this title that have been determined by advisory panels to have artistic excellence and artistic merit; and

''(ii) the amount of funding that the Chairperson should provide through such a grant with respect to each such application the Council recommends for approval;

''(C) use as criteria for the recommendations of the Council—

''(i) the extent to which the works described in the applications fulfill the purposes of this Act and the requirements under the provisions of this Act;

''(ii) the artistic excellence and artistic merit of the works described in the applications; and

''(iii) the extent to which the applicant serves an underserved community,

as determined by each Council member;

''(D) recommend more applications for funding through grants than are anticipated can be provided funding through the grants with available funds;

''(E) create written records summarizing—

''(i) all meetings and discussions of the Council; and

''(ii) recommendations made by the Council to the Chairperson; and

''(F) make such records available to the public in a manner that protects the privacy of individual applicants for grants authorized under this title, advisory panel members, and Council members.

''(f) ACTIONS BY CHAIRPERSON.—

''(1) IN GENERAL.—The Chairperson shall not approve or disapprove any application for a grant authorized under this title until the Chairperson has received the recommendation of the Council on such application. The Chairperson shall have final authority to approve each such application, and shall determine the final amount of funding through any grant awarded. The Chairperson may not approve an application with respect to which the Council makes a negative recommendation.

''(2) DELEGATIONS.—In the case of an application, or amendment of an application, submitted under this title and involving $35,000 or less, or a request for change in a grant amount of 20 percent or less, the Chairperson may approve or disapprove such application, amendment, or request, if such action is taken pursuant to the terms of an express and direct delegation of authority from the Council to the Chairperson, and if each such action by the Chairperson is reported to the Council at the next regularly scheduled meeting of the Council. Such action by the Chairperson shall be used with discretion and shall not become a normal practice of providing funding through a grant authorized under this title. The terms of any such delegation of authority shall not permit obligations for expenditure of funds under such delegation for any fiscal year that exceed an amount equal to 2 percent of the sums appropriated for the fiscal year pursuant to section 106(a)(1)(A).

''SEC. 206. LIMITATIONS ON GRANTS.

''(a) PROHIBITION ON SUBGRANTS.—The Chairperson shall establish procedures to ensure that no funding provided through a grant under this title, except a grant made to a State agency, a regional group, or a local arts agency that is an agency of local government, may be used to make a grant to any other organization or individual to conduct activity independent of the direct grant recipient. Nothing in this subsection shall prohibit payments made in exchange for goods or services rendered.

''(b) PROHIBITION ON SEASONAL SUPPORT.—No grant awarded under this title shall be used for seasonal support to a group, unless the application submitted by the group for such a grant specifically identifies the content of each activity to be carried out under such a grant for the season involved, including a specific identification of any project, production, or workshop.

''(c) USE OF FUNDS FOR PROJECTS, PRODUCTIONS, AND WORKSHOPS IN SPECIFIED DISCIPLINES.—Each project, production, or workshop funded under this title shall relate to arts, as defined in section 3.

''(d) LABOR STANDARDS.—

''(1) IN GENERAL.—It shall be a condition of the receipt of any grant under this title that the grant recipient furnish adequate assurances to the Secretary of Labor that—

''(A) all professional performers and related or supporting professional personnel employed on projects or productions, or in workshops, that are financed in whole or in part under this title will be paid, without subsequent deduction or rebate on any account, not less than the minimum compensation as determined by the Secretary of Labor to be the prevailing minimum compensation for persons employed in similar activities; and

''(B) no part of any project, production, or workshop that is financed in whole or in part under this title will be performed or engaged in under working conditions that are unsanitary or hazardous or dangerous to the health and safety of the employees engaged in such project, production, or workshop.

''(2) EVIDENCE.—Compliance with the safety and sanitary laws of the State in which the project, production, or workshop described in paragraph (1)(B) is to take place shall be prima facie evidence of compliance with the assurance described in paragraph (1)(B).

''(3) STANDARDS, REGULATIONS, AND PROCEDURES.—The Secretary of Labor shall have the authority to prescribe such standards, regulations, and procedures as the Secretary of Labor may determine to be necessary or appropriate to carry out this subsection.

''(e) LIMITATION ON GRANT AWARD.—

''(1) INDIVIDUALS.—No individual may receive more than 2 grant awards under this title.

''(2) AGENCIES AND ORGANIZATIONS.—No group, other than a State arts agency, may receive more than 3 grant awards in a fiscal year under this title, except that this paragraph shall not apply to a group that has entered into a cooperative agreement with the Endowment to receive assistance under this title.

''(f) REQUIREMENTS FOR GROUPS.—A group shall be eligible for a grant under this title if—

''(1) no part of the net earnings of the group inures to the benefit of any private stockholder, or individual; and

''(2) a donation to such group is allowable as a charitable contribution under section 170(c) of the Internal Revenue Code of 1986.

''(g) CITIZENSHIP REQUIREMENTS FOR INDIVIDUALS.—An individual shall be eligible to receive a direct grant under this title if at the time such grant is received such individual—

''(1) is a citizen or other national of the United States; or

''(2) is an alien lawfully admitted to the United States for permanent residence who—

''(A) has filed an application for naturalization in the manner prescribed by section 334 of the Immigration and Nationality Act (8 U.S.C. 1445); and

''(B) is not permanently ineligible to become a citizen of the United States.

''(h) INSTALLMENTS.—The Chairperson shall establish procedures to provide for the distribution of funding provided through grants made under this title to recipients in installments except in exceptional cases in which the Chairperson determines that installments are not practicable. In providing any such installments to a recipient of a grant under this title, the Chairperson shall ensure that—

''(1) not more than two-thirds of such funding may be provided at the time the application for the grant is approved; and

''(2) the remainder of such funding may not be provided until the Chairperson finds that the recipient of such grant is complying substantially with this Act and with the conditions under which such funding is provided to such recipient.

''(i) LOANS.—Any loan made by the Chairperson under this title shall be made in accordance with terms and conditions approved by the Secretary of the Treasury.

''SEC. 207. ADMINISTRATIVE PROVISIONS.

''(a) AUTHORITIES OF CHAIRPERSON.—In addition to any authorities vested in the Chairperson by other provisions of this Act, the Chairperson, in carrying out the functions of the Chairperson, shall have authority—

''(1) to prescribe such regulations and procedures as the Chairperson determines to be necessary, governing the manner in which the functions of the Chairperson shall be carried out;

''(2) to appoint and determine the compensation of such employees, subject to title 5, United States Code, as may be necessary to carry out the functions of the Chairperson, to define the duties of such employees, and to supervise and direct the activities of such employees;

''(3) to procure the temporary and intermittent services of experts and consultants, including panels of experts, and compensate the experts and consultants in accordance with section 3109 of title 5, United States Code;

''(4) to accept and utilize the voluntary services of individuals and reimburse the individuals for travel expenses, including per diem in lieu of subsistence, in the same amounts and to the same extent as authorized under section 5703 of title 5, United States Code, for persons employed intermittently in Federal Government service;

''(5) to make advance, progress, and other payments without regard to section 3324 of title 31, United States Code;

''(6) to rent office space in the District of Columbia; and

''(7) to make other necessary expenditures.

''(b) PUBLICATIONS.—Official publications of the Endowment under this title may be supported without regard to the provisions of section 501 of title 44, United States Code, if the Chairperson consults with the Joint Committee on Printing of the Congress.

''(c) COORDINATION.—The Chairperson shall coordinate the programs of the Endowment, insofar as practicable, with other Federal programs and programs undertaken by other public agencies or private groups, and shall develop the programs of the Endowment with due regard to the contribution to the objectives of this title that can be made by other Federal agencies under the existing programs. The Chairperson may enter into interagency agreements to promote or assist with the arts-related activities of other Federal agencies, on a reimbursable or nonreimbursable basis, and may use funds authorized to be appropriated to carry out this title to pay for the costs of such promotion or assistance.

''SEC. 208. REPORTS.

''(a) ANNUAL REPORT OF CHAIRPERSON.—The Chairperson shall submit an annual report to

the President for submission to the appropriate committees of Congress on or before the 15th day of April of each year. The report shall summarize the activities of the Endowment for the preceding year, and shall include such recommendations as the Chairperson determines to be appropriate.

''(b) FINANCIAL REPORTS AND COMPLIANCE.—

''(1) IN GENERAL.—It shall be a condition of the receipt of a grant made under this title by the Chairperson that—

''(A) each applicant for such grant include in the application described in section 203—

''(i) a detailed description of the proposed project, production, or workshop for which the grant is requested;

''(ii) a timetable for the completion of such proposed project, production, or workshop; and

''(iii) an assurance that the applicant will meet the standards of artistic excellence and artistic merit;

''(B)(i) each grant recipient under this title carry out the proposal consistent with the description contained in the application, as approved by the Chairperson for funding through the grant; and

''(ii) each such grant recipient seeking to change the activities carried out under the grant justify the requested change by a written request subject to approval by the Chairperson; and

''(C) each such grant recipient agree to and comply with requirements to submit to the Chairperson—

''(i) interim reports, including an annual report for each project, production, or workshop carried out under the grant during a period exceeding 1 year, describing the progress of the grant recipient in carrying out such project, production, or workshop and compliance by the grant recipient with the conditions of receipt of such grant;

''(ii) financial reports containing such information as the Chairperson determines to be necessary to ensure that the funding made available through the grant is expended in accordance with the terms and conditions under which the grant is made;

''(iii) a final report describing the project, production, or workshop carried out with the funding provided through the grant and the compliance by the grant recipient with the conditions of receipt of such grant, including the condition that the work assisted meet the standards of artistic excellence and artistic merit; and

''(iv) in the case of a project or production, and if practicable, as determined by the Chairperson, a copy of such project or production.

''(2) REPORT REQUIREMENTS.—The Chairperson shall determine the appropriate form and timing of interim reporting described in paragraph (1)(C)(i) for a grant recipient under this title. The reports and copy described in clauses (ii), (iii), and (iv) of paragraph (1)(C) shall be due not later than 90 days after the end of the period for which such grant recipient receives funding through the grant or 90 days after the completion of the project, production, or workshop, whichever occurs earlier. The Chairperson may extend the 90-day period if the recipient shows good cause why such an extension should be granted.

''(c) EVALUATION.—The Chairperson shall conduct a post-award evaluation of activities for which grants are made by the Chairperson under this title. Such evaluation may include an audit to determine the accuracy of the reports required to be submitted by grant recipients under subsection (b).

''(d) REPORTS.—The Chairperson shall establish procedures to require that no additional funding shall be provided to a recipient of a grant authorized under this title unless such recipient has submitted to the Chairperson all required interim, financial, and final reports under subsection (b).

''SEC. 209. SANCTIONS AND PAYMENTS.

''(a) FAILURE TO SATISFY PURPOSES.—If any recipient of a grant made under this title, or an indirect recipient of funding provided through the grant, substantially fails to satisfy the purposes for which such grant is made, as determined by the Chairperson, the Chairperson may—

''(1) for purposes of determining whether to make any subsequent funding to the direct or indirect recipient under this title, take into consideration the results of the post-award evaluation conducted under section 208(c);

''(2) prohibit the direct and indirect recipients from using the name of, or in any way associating the project, production, or workshop for which the grant was received with, the Endowment; and

''(3) if such project, production, or workshop is published, require that the publication contain the following statement: 'The opinions, findings, conclusions, and recommendations expressed in this publication do not reflect the views of the National Endowment for the Arts.'.

''(b) NONCOMPLIANCE.—

''(1) IN GENERAL.—The Chairperson shall take the actions described in paragraph (2) whenever the Chairperson, after providing reasonable notice and an opportunity for hearing, finds that—

''(A) a direct recipient of a grant under this title, or an indirect recipient of funding provided through the grant, is not complying substantially with the provisions of this title;

''(B) a State agency or regional group that received a grant under this title, or an indirect recipient of funding provided through the grant, is not complying substantially with the terms and conditions of the State plan accompanying the application approved for the grant under this title; or

''(C) any funding provided under this title to a recipient, State agency, or regional group described in subparagraph (A) or (B) has been diverted from the purposes for which such funding was provided.

''(2) ACTIONS.—On making the finding described in paragraph (1), the Chairperson shall immediately notify the direct recipient, State agency, or regional group that received the funding at issue that—

''(A) no further funding will be provided under this title to such recipient, agency, or group until there is no longer any default or failure to comply or the diversion is corrected; or

''(B) if compliance or correction is impossible, until such recipient, agency, or group repays or arranges the repayment of the Federal funds that were improperly diverted or expended.

''(c) OBSCENE WORKS.—

''(1) DETERMINATION.—If, after providing reasonable notice and opportunity for a hearing on the record, the Chairperson determines that a direct recipient of a grant under this title, or an indirect recipient of funding provided through the grant, used the funding for a project, production, or workshop that is determined to be obscene, the Chairperson shall require that until the direct recipient repays such funding (in such amount, and under such terms and conditions, as the Chairperson determines to be appropriate) to the Endowment, no subsequent funding shall be provided under this title to such recipient.

''(2) CREDITING.—Funds repaid under this subsection to the Endowment shall be deposited in the Treasury of the United States and credited as miscellaneous receipts.

''(3) APPLICATION.—

''(A) TIMING.—This subsection shall not apply with respect to grants made before October 1, 1990.

''(B) DURATION.—This subsection shall not apply with respect to a project, production, or workshop after the expiration of the 7-year period beginning on the latest date on which a grant is made under this title for such project, production, or workshop.

''(d) RECAPTURE.—

''(1) IN GENERAL.—A recipient of funding under this title shall pay the amount described in paragraph (2) to the Endowment if the Chairperson finds that the recipient has derived net program income in excess of the match required under the terms of the agreement from a commercially successful project, production, or workshop funded that exceeds the lesser of—

''(A) $50,000; or

''(B) twice the amount of the funding.

''(2) AMOUNT.—At the discretion of the Chairperson, the amount referred to in paragraph (1) is not less than ⅓ and not more than ½ of the amount of the net program income generated within 5 years after the end of the grant period, but not more than the amount of the funding, unless the Chairperson has reached an agreement with the grantee upon the award of a grant that the amount referred to in paragraph (1) shall exceed the amount of the grant.

''(e) ACCOUNT.—Except as otherwise provided in this Act, the Treasurer of the United States shall deposit funds paid under subsection (d), or repaid under this Act, in a special interest bearing account to the credit of the Endowment.

''SEC. 210. NATIONAL MEDAL OF ARTS AWARDS.

''(a) NATIONAL MEDAL OF ARTS AWARDS.—

''(1) ESTABLISHMENT.—There is established a National Medal of Arts, which shall be a medal of such design as is determined to be appropriate by the President, on the basis of recommendations submitted by the National Council on the Arts, and which shall be awarded as provided in this subsection.

''(2) AWARDS.—The President shall from time to time award the National Medal of Arts, on the basis of recommendations from the National Council on the Arts, to individuals or groups who in the judgment of the President are deserving of special recognition by reason of their outstanding contributions to the excellence, growth, support, and availability of the arts in the United States.

''(3) NUMBER OF MEDALS.—Not more than 12 of such medals may be awarded in any calendar year.

''(4) QUALIFICATIONS.—An individual may be awarded the National Medal of Arts if at the time such award is made such individual meets the requirements of section 206(g).

''(5) GROUPS.—A group may be awarded the National Medal of Arts if such group is organized or incorporated in the United States.

''(6) CEREMONIES.—The presentation of the National Medal of Arts shall be made by the President with such ceremonies as the President may determine to be appropriate, including attendance by appropriate Members of Congress.

''(b) FUNDS.—The Chairperson shall use amounts received by the National Endowment for the Arts under section 105(b)(1)(A) to carry out this section.

''TITLE III—NATIONAL ENDOWMENT FOR THE HUMANITIES

''SEC. 301. DEFINITIONS.

''In this title:

''(1) PROJECT.—

''(A) IN GENERAL.—The term 'project' means an activity organized to carry out the objectives of this title.

''(B) RENOVATION OR CONSTRUCTION.—Such term also includes—

''(i) the renovation of a facility if—

''(I) the amount of the expenditure of Federal funds for such purpose in the case of any facility does not exceed $250,000; and

''(II) two-thirds of the members of the National Council on the Humanities (who are present and voting) recommend a grant involving an expenditure for such purpose; and

''(ii) for purposes of subsections (d) and (e) of section 302, the construction of a facility if—

''(I) such construction is for demonstration purposes or under unusual circumstances in which there is no other manner by which to accomplish a humanistic purpose; and

''(II) two-thirds of the members of the National Council on the Humanities (who are present and voting) recommend a grant involving an expenditure for such purpose.

''(2) WORKSHOP.—The term 'workshop' means an activity the primary purpose of which is to promote scholarship and teaching among the participants.

''SEC. 302. ESTABLISHMENT OF THE NATIONAL ENDOWMENT FOR THE HUMANITIES.

''(a) ESTABLISHMENT.—There is established within the Foundation a National Endowment for the Humanities (referred to in this title as the 'Endowment').

''(b) CHAIRPERSON.—

''(1) APPOINTMENT.—The Endowment shall be headed by a chairperson, to be known as the Chairperson of the Endowment (referred to in this title as the 'Chairperson'), who shall be appointed by the President, by and with the advice and consent of the Senate.

''(2) TERM.—

''(A) IN GENERAL.—The term of office of the Chairperson shall be 4 years, except that any Chairperson appointed to fill a vacancy shall serve for the remainder of the term for which the predecessor of the Chairperson was appointed. Notwithstanding any other provision of this subparagraph, on the expiration of the term of office of the Chairperson, the Chairperson shall serve until the successor to the Chairperson is appointed and has qualified.

''(B) REAPPOINTMENT.—The Chairperson shall be eligible for reappointment.

''(c) PARTNERSHIP GRANTS.—

''(1) PURPOSE.—The purpose of this subsection is to support programs of humanities councils at the State and local levels.

''(2) DEFINITION.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), in this subsection, the term 'State entity' means—

''(i) a State that obtains approval of an application submitted under paragraph (4); or

''(ii) in a case in which a State fails to submit an application under paragraph (4), an appropriate entity that obtains approval of an application submitted under paragraph (5).

''(B) JURISDICTION.—

''(i) STATE ENTITY.—In paragraph (6)(C)(ii), the term 'State entity' means a State entity, as defined in subparagraph (A), for a State.

''(ii) STATE.—In clause (i), and notwithstanding section 3(8), the term 'State', includes, in addition to the several States of the United States, only the jurisdictions specified in such section that have a population of 200,000 or more, according to the latest decennial census.

''(3) GENERAL AUTHORITY.—Using funds reserved under section 106(b)(1)(C), the Chairperson, acting on the recommendation of the National Council on the Humanities, is authorized, in accordance with the provisions of this subsection, to establish and carry out a program of grants to assist State entities—

''(A) in paying for not more than 50 percent of the cost (except as otherwise provided in this subsection) of supporting activities that achieve the objectives described in subparagraphs (A) through (F) of subsection (d)(2) and in subparagraphs (A) and (B) of subsection (e)(2); or

''(B) in matching contributions from non-Federal sources made to a trust fund the purpose of which is to provide long-term financial support for such activities.

''(4) GRANTS THROUGH STATE AGENCIES.—

''(A) DESIGNATION.—In order to receive a grant under this subsection for any fiscal year, if a State desires to designate or to provide for the establishment of a State agency (referred to in this section as a 'State agency') as the sole agency for the administration of the State plan referred to in subparagraph (B) relating to the grant, such State shall designate as the State agency the humanities council or shall provide for the establishment of such a council.

''(B) APPLICATION AND STATE PLAN.—In any State that designates or provides for the establishment of a State agency as described in subparagraph (A), the chief executive officer of the State shall submit, before the beginning of each fiscal year, an application for a grant and accompany such application with a State plan that the Chairperson finds—

''(i) designates or provides for the establishment of a State agency;

''(ii) provides that the chief executive officer of the State will appoint new members to the State humanities council designated or established under subparagraph (A), as vacancies occur as a result of the expiration of the terms of members of such council, until the chief executive officer has appointed all of the members of such council;

''(iii) provides for the expenditure, from State funds, of an amount equal to 50 percent of the portion of the funding received by such State through a grant made under paragraph (6)(A) (relating to the minimum State allotment), or 25 percent of the total amount of funding received by such State through grants made under this subsection, whichever is greater, for the fiscal year involved (except as otherwise provided in paragraph (7));

''(iv) provides that funds paid to the State under this subsection will be expended solely on activities, approved by the State agency, that—

''(I) achieve the objectives described in subparagraphs (A) through (F) of subsection (d)(2) and subparagraphs (A) and (B) of subsection (e)(2); and

''(II) are designed to bring the humanities to the public;

''(v) provides assurances that State funds will be made available for the purpose of meeting the requirements of this subparagraph;

''(vi) provides that the State agency will make such reports, in such manner and containing such information, as the Chairperson may from time to time require, including a description of the progress made toward achieving the objectives of the State plan;

''(vii) provides—

''(I) an assurance that the State agency has held, after reasonable notice, public meetings in the State to allow the public, interested organizations, and scholars to present views and make recommendations regarding the State plan; and

''(II) a summary of such recommendations and of the response of the State agency to such recommendations; and

''(viii) contains—

''(I) for the most recent preceding year for which information is available, a description of the extent to which the activities supported by funding from the State agency under this subsection were available to all people and communities in the State and a description of the level of participation by scholars and scholarly organizations in activities supported by funding from the State agency under this subsection; and

''(II) a description of activities supported by funding from the State agency under this subsection that exist or are being developed to address the availability of the humanities to all people or communities described in subclause (I) or to secure wider participation of scholars and scholarly organizations described in subclause (I).

''(C) APPROVAL.—The Chairperson may not approve an application described in subparagraph (B) unless the accompanying State plan satisfies the requirements specified in subparagraph (B).

''(5) GRANTS TO APPROPRIATE ENTITIES.—

''(A) DESIGNATION.—In any State in which the chief executive officer of the State fails to submit an application under paragraph (4)(B) for a fiscal year, the Chairperson may make grants under paragraph (3) to an appropriate entity in the State, and each such entity shall establish a procedure that ensures that 8 members of the governing body of such entity shall be appointed by an appropriate officer or agency of such State, except that in no event may the number of such members exceed ⅓ of the total membership of such governing body. The officer or agency shall select the members from among individuals who have knowledge of or experience in the humanities.

''(B) APPLICATION AND PLAN.—If a State fails to submit an application under paragraph (4)(B) for a fiscal year, any appropriate entity in the State desiring to receive a grant under this subsection for the fiscal year shall submit an application for such grant at such time and in such manner as shall be specified by the Chairperson, and accompany such application with a State plan that the Chairperson finds—

''(i) provides assurances that such entity will comply with the requirements of subparagraph (A);

''(ii) provides that funds paid to such entity under this paragraph will be expended solely on activities that—

''(I) achieve the objectives described in subparagraphs (A) through (F) of subsection (d)(2) and subparagraphs (A) and (B) of subsection (e)(2); and

''(II) are designed to bring the humanities to the public;

''(iii) establishes a membership policy that is designed to ensure broad public representation with respect to activities administered by such entity;

''(iv) provides for a nomination process that ensures opportunities for nomination to membership in the governing body from various groups in such State and from a variety of segments of the population of such State, including individuals who by reason of their achievement, scholarship, or creativity in the humanities, are especially qualified to serve as members of the body;

''(v) provides for a membership rotation process that ensures the regular rotation of the membership and officers of such entity;

''(vi) establishes reporting procedures that are designed to inform the chief executive officer of such State, and other appropriate officers and agencies, of the activities of such entity;

''(vii) establishes procedures to ensure public access to information relating to such activities;

''(viii) provides that such entity will make such reports, at such times, in such manner, and containing such information, as the Chairperson may require, including a description of the progress made toward achieving the objectives of the State plan;

''(ix) provides—

''(I) an assurance that the entity has held, after reasonable notice, public meetings in

the State to allow the public, interested organizations, and scholars to present views and make recommendations regarding the State plan; and

''(II) a summary of such recommendations and of the response of the entity to such recommendations; and

''(x) contains—

''(I) for the most recent preceding year for which information is available, a description of the extent to which activities supported by funding from the entity under this subsection were available to all people and communities in the State and a description of the level of participation by scholars and scholarly organizations in activities supported by funding from the entity under this subsection; and

''(II) a description of activities supported by funding from the entity under this subsection that exist or are being developed to address the availability of the humanities to all people or communities described in subclause (I) or to secure wider participation of scholars and scholarly organizations described in subclause (I).

''(C) APPROVAL.—The Chairperson may not approve an application described in subparagraph (B) unless the accompanying plan satisfies the requirements specified in subparagraph (B).

''(6) ALLOTMENTS.—

''(A) IN GENERAL.—Of the sums available to carry out this subsection for any fiscal year, each State entity shall be allotted at least $200,000.

''(B) INSUFFICIENT SUMS.—If the sums available to carry out this subsection for any fiscal year are insufficient to make the allotments under subparagraph (A) in full, such sums shall be allotted so that each State entity receives an equal amount.

''(C) EXCESS FUNDS.—In any case in which the sums available to carry out this subsection for any fiscal year are in excess of the amount required to make the allotments under subparagraph (A)—

''(i) 34 percent of the amount of such excess for such fiscal year shall be available to the Chairperson for making grants under this subsection to State entities;

''(ii) 44 percent of the amount of such excess for such fiscal year shall be allotted so that each State entity receives an equal amount; and

''(iii) the remainder of the amount of such excess for such fiscal year shall be allotted so that each State entity receives an amount that bears the same ratio to such remainder as the population of the State for which the application is approved bears to the population of all the States.

''(7) LIMITATIONS.—

''(A) FEDERAL SHARE.—

''(i) IN GENERAL.—Funding provided through a grant made under this subsection to a State entity for any fiscal year shall be available to each State entity that has an application approved by the Chairperson, and has the State plan accompanying the application in effect on the first day of such fiscal year, to pay not more than 50 percent of the total cost of carrying out any activity described in paragraph (3).

''(ii) EXCESS PORTION.—Except as provided in clause (iii), the portion of the funding provided through any grant made under paragraph (6)(A) to a State entity for any fiscal year that exceeds $125,000 shall be available, at the discretion of the Chairperson, to pay not more than 100 percent of such cost of carrying out an activity under this subsection if such activity would be unavailable to the residents of the State without such portion.

''(iii) PERCENTAGE OF GRANT FUNDS.—The portion of the funding described in clause (ii) for any fiscal year that is available to pay not more than 100 percent of such cost, as described in clause (ii), shall not exceed 20 percent of the total of the funding provided through such grant for such fiscal year.

''(B) PROHIBITION ON SUPPLANTING NON-FEDERAL FUNDS.—Funds made available under this subsection shall be used to supplement, and shall not supplant, non-Federal funds expended for supporting activities described in paragraph (3).

''(8) UNOBLIGATED FUNDS.—Any amount allotted to a State entity under paragraph (6) for any fiscal year that is not obligated by the State entity earlier than 60 days prior to the end of the fiscal year for which the amount is appropriated shall be available for making grants under subsections (d) and (e).

''(9) LIMITATION ON MULTIPLE ENTITIES.—The Chairperson may not make grants under this subsection to more than 1 entity in any State.

''(d) NATIONAL GRANTS.—

''(1) PURPOSE.—The purpose of this subsection is to provide support for grants to groups, individuals, and State agencies or entities to carry out activities relating to education and the public humanities that have a national audience and are of national significance, such as activities relating to education in the humanities, media projects, projects in museums and by historical organizations, projects in libraries and archives, public humanities projects, endowment building, and technology activities.

''(2) GENERAL AUTHORITY.—Using funds reserved under section 106(b)(1)(D), the Chairperson, acting on the recommendation of the National Council on the Humanities, may establish and carry out a program of grants to groups, or in appropriate cases individuals, who or which meet the standard of excellence in the humanities and significance in the humanities, or State agencies or entities, to pay for the Federal share of the cost of activities, in accordance with subsection (f), to—

''(A) develop and encourage the pursuit of a national policy to further the public good through public funding of the humanities;

''(B) initiate and support research and programs to strengthen the research and teaching potential of the United States in the humanities;

''(C) foster the exchange of information in the humanities;

''(D) foster education in, and public understanding and appreciation of, the humanities;

''(E) support projects that foster or promote literacy;

''(F) ensure that the benefit of the programs of the Endowment will also be available to the citizens of the United States where such programs would otherwise be unavailable due to geographic or economic reasons;

''(G) enable the groups to increase the levels of continuing support and to increase the range of contributors to the program of the groups;

''(H) provide administrative and management improvements for the groups, particularly in the field of long-range financial planning;

''(I) enable the groups to increase audience participation in, and appreciation of, programs sponsored by the groups;

''(J) develop new sources of long-term support for educational, scholarly, and public programs in the humanities, including renovating or constructing facilities, augmenting or establishing endowment funds, and purchasing capital equipment to ensure financial stability;

''(K) stimulate greater cooperation among the groups especially designed to serve better the communities in which the groups are located; and

''(L) foster greater citizen involvement in planning the cultural development of a community.

''(e) RESEARCH AND SCHOLARSHIP GRANTS.—

''(1) PURPOSE.—The purpose of this subsection is to encourage the development and dissemination of significant scholarship in the humanities by groups, individuals, and State agencies or entities by such means as fellowships for college and university faculty and independent scholars, dissertation grants, summer stipends, and funds for scholarly publications, reference materials, basic research, institutional programs, and preservation.

''(2) GENERAL AUTHORITY.—Using funds reserved under section 106(b)(1)(E), the Chairperson, acting on the recommendation of the National Council on the Humanities, may establish and carry out a program of grants to groups, individuals, State agencies, and State entities for the purpose of paying for the Federal share of the cost, in accordance with subsection (f), of—

''(A) initiating and supporting (including supporting through fellowships) training, workshops, programs, research, and publications, in the humanities, that have substantial scholarly and cultural significance and that reach or reflect the cultural heritage of the United States;

''(B) fostering projects that provide access to, and preserving materials important to research, education, and public understanding regarding, the humanities;

''(C) enabling the groups to increase the levels of continuing support and to increase the range of contributors to the program of the groups;

''(D) providing administrative and management improvements for the groups, particularly in the field of long-range financial planning; and

''(E) developing new sources of long-term support for educational, scholarly, and public programs in the humanities, including renovating or constructing facilities, augmenting or establishing endowment funds, and purchasing capital equipment to ensure financial stability.

''(3) TRAINING; WORKSHOPS; RESEARCH.—A fellowship awarded to an individual under paragraph (2)(A) may be used for the purpose of supporting study or research at an appropriate nonprofit institution selected by the individual, for a stated period of time. The total amount of any grant under paragraph (2)(A) to any group engaging in workshop activities for which an admission or other charge is made to the general public shall not exceed 30 percent of the total cost of such activities.

''(4) CONSIDERATIONS.—In selecting a group or individual as a recipient of a grant to be made under this subsection, the Chairperson shall give particular regard to scholars, and educational and cultural institutions, that traditionally have been underrepresented in the humanities.

''(f) FEDERAL SHARE AND NON-FEDERAL SHARE FOR NATIONAL GRANTS AND RESEARCH AND SCHOLARSHIP GRANTS.—

''(1) FEDERAL SHARE.—

''(A) IN GENERAL.—Except as provided in paragraph (3), and subject to subparagraph (B), the Federal share described subsection (d)(2) or (e)(2) shall be determined by the Chairperson, after recommendation from the Council.

''(B) SPECIAL RULE.—With respect to a fiscal year, the Chairperson shall ensure that the aggregate amount of funding provided by the Chairperson through grants under subsections (d)(2) and (e)(2) for that fiscal year shall equal the aggregate amount of non-Federal contributions made for that fiscal year, in accordance with paragraph (2), by

recipients of grants awarded under subsections (d)(2) and (e)(2).

''(2) NON-FEDERAL SHARE.—

''(A) IN GENERAL.—Except as provided in paragraph (3) and subject to subparagraph (B), the Chairperson shall have the discretion in determining the amount of non-Federal contribution that a recipient of a grant under subsection (d)(2) or (e)(2) shall be required to make toward the cost of an activity funded under the grant.

''(B) SPECIAL RULE.—With respect to a fiscal year, the Chairperson shall ensure that the aggregate amount of non-Federal contributions provided by recipients of grants under subsections (d)(2) and (e)(2) for that fiscal year shall equal the aggregate amount of funding that the Chairperson provided through grants under subsections (d)(2) and (e)(2) for that fiscal year.

''(3) SPECIAL RULES FOR ACTIVITIES RELATING TO NEW SOURCES OF LONG-TERM SUPPORT.—

''(A) FEDERAL SHARE.—The Federal share described in subsection (d)(2) or (e)(2) for an activity described in subsection (d)(2)(J) or (e)(2)(E) shall be an amount equal to 25 percent of the cost of the activity.

''(B) NON-FEDERAL SHARE.—A recipient that receives a grant under subsection (d) to carry out an activity described in paragraph (2)(J) of such subsection, or subsection (e) to carry out an activity described in paragraph (2)(E) of such subsection, shall make available non-Federal contributions toward the costs of the activity in an amount equal to 75 percent of such costs ($3 for each $1 of Federal funds provided in the grant).

''SEC. 303. APPLICATION PROCEDURES.

''To be eligible to receive a grant under this title, a State, group, individual, agency, or, organization shall submit an application to the Chairperson at such time, in such manner, and containing such information as the Chairperson may prescribe.

''SEC. 304. REVIEW PANELS.

''The Chairperson may select panels of experts under section 307(a)(3) to review and make recommendations with respect to the approval of applications for grants authorized under this title. In selecting the panels, the Chairperson shall appoint individuals who have exhibited expertise and leadership in the field under review, who broadly represent diverse humanistic perspectives and geographic factors, and who broadly represent cultural diversity.

''SEC. 305. NATIONAL COUNCIL ON THE HUMANITIES.

''(a) ESTABLISHMENT.—There is established within the Endowment a National Council on the Humanities (referred to in this section as the 'Council').

''(b) COMPOSITION.—

''(1) IN GENERAL.—The Council shall be composed of the Chairperson of the Endowment, who shall be the Chairperson of the Council, and 20 other members appointed by the President, by and with the advice and consent of the Senate, who shall be selected—

''(A) from among private citizens of the United States who—

''(i) are recognized for their broad knowledge of, or expertise in, the humanities; and

''(ii) have established records of distinguished service, or achieved eminence, in the humanities;

''(B) so as to include scholars and others who are professionally engaged in the humanities; and

''(C) so as collectively to provide an appropriate distribution of members among the major humanities fields.

''(2) QUALIFICATIONS.—The President may, in making such appointments, give consideration to such recommendations as may, from time to time, be submitted to the President by leading national organizations in the major humanities fields. In making such appointments, the President shall give due regard to equitable representation of women, racially and ethnically diverse individuals, and individuals with disabilities, who are involved in the humanities. Members of the Council shall be appointed so as to represent equitably geographical areas in the United States.

''(c) TERMS.—

''(1) IN GENERAL.—

''(A) STAGGERED TERMS.—Each member of the Council shall serve for a term of 6 years, and the terms shall be staggered.

''(B) EXPIRATION.—Except as provided in paragraph (2), the terms of all Council members shall expire on the third day of September in the year of expiration.

''(C) REAPPOINTMENT AFTER PARTIAL TERM.—Each member who has served on the Council for 1 term of less than 3 years shall be eligible for reappointment for 1 term of 6 years.

''(D) VACANCY APPOINTMENTS.—Any member appointed to fill a vacancy shall serve for the remainder of the term for which the predecessor of the member was appointed.

''(E) HOLDOVER SERVICE.—Notwithstanding any other provision of this subsection, a member of the Council shall serve after the expiration of the term of the member until the successor to the member takes office.

''(2) ADJUSTMENT TO REDUCE COUNCIL.—

''(A) MEMBERS WHOSE TERMS EXPIRED IN 1996 BUT CONTINUE TO SERVE.—

''(i) IN GENERAL.—The terms of 6 members of the Council whose terms expired on September 3, 1996 and who continue to serve because a successor has not been appointed shall be deemed to expire on the date of enactment of the Arts and Humanities Amendments of 1997.

''(ii) SUCCESSORS.—The President shall appoint 3 members of the Council to succeed members whose terms are deemed to expire as described in clause (i).

''(B) MEMBERS WHOSE TERMS EXPIRE IN 2000.—

''(i) IN GENERAL.—The terms of 2 members of the Council whose terms expire on September 3, 2000 shall be deemed to expire on September 3, 2002.

''(ii) SUCCESSORS.—The President shall not appoint any members to succeed the members whose terms are deemed to expire as described in clause (i).

''(d) COMPENSATION.—Members of the Council shall receive compensation at a rate to be fixed by the Chairperson but not to exceed the daily equivalent of the maximum rate authorized for a position above grade GS–15 of the General Schedule under section 5108 of title 5, United States Code, and be allowed travel expenses including per diem in lieu of subsistence, as authorized under section 5703 of title 5, United States Code, for persons employed intermittently in Federal Government service.

''(e) MEETINGS AND DUTIES.—

''(1) MEETINGS.—The Council shall meet at the call of the Chairperson but not less often than twice during each calendar year. Eleven members of the Council shall constitute a quorum.

''(2) DUTIES.—The Council shall—

''(A) advise the Chairperson with respect to policies, programs, and procedures for carrying out the functions of the Chairperson under this title; and

''(B) review applications for grants authorized under this title and make recommendations to the Chairperson with respect to the approval of each application.

''(f) ACTIONS BY CHAIRPERSON.—

''(1) IN GENERAL.—The Chairperson shall not approve or disapprove any application for a grant authorized under this title until the Chairperson has received the recommendation of the Council on such application, unless the Council fails to make a recommendation on the application within a reasonable time.

''(2) DELEGATIONS.—In the case of an application submitted under this title and involving $35,000 or less, the Chairperson may approve or disapprove such application if such action is taken pursuant to the terms of an express and direct delegation of authority from the Council to the Chairperson, and if each such action by the Chairperson is reviewed by the Council. The terms of any such delegation of authority shall not permit obligations for expenditure of funds under such delegation for any fiscal year that exceed an amount equal to 3 percent of the sums appropriated for the fiscal year pursuant to section 106(b)(1)(A).

''SEC. 306. LIMITATIONS ON GRANTS.

''(a) CRITERIA FOR ELIGIBILITY FOR GRANTS.—

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

''(A) PRODUCTION ENTITY.—The term 'production entity' means any partnership, corporation, business enterprise, or other organization engaged in the production of a film or publication.

''(B) GROUP.—The term 'group' includes any State or local government, State or local public agency, Indian tribe, or nonprofit association, organization, institution, or society.

''(C) NATIONAL OF THE UNITED STATES.—The term 'national of the United States' means a citizen of the United States or a person who owes permanent allegiance to the United States.

''(2) CRITERIA.—The Chairperson, with the advice of the National Council on the Humanities, shall establish criteria for eligibility for grants made under this title. The criteria shall provide the following:

''(A) GROUP.—A group shall be eligible to receive a grant under this title if—

''(i) no part of the net earnings of the group inures to the benefit of any private stockholder, or individual; and

''(ii) a donation to such group is allowable as a charitable contribution under section 170(c) of the Internal Revenue Code of 1986.

''(B) PRODUCTION ENTITY.—A production entity that is a nonprofit group shall be eligible to receive a grant under this title if the Chairperson, with the advice of the National Council on the Humanities, determines that providing such a grant will significantly advance the knowledge or understanding of the humanities in the United States.

''(C) INDIVIDUAL.—An individual shall be eligible to receive a grant under this title if—

''(i) the individual is a citizen or national of the United States; and

''(ii) the Chairperson, with the advice of the National Council on the Humanities, determines that providing the grant will significantly advance the knowledge or understanding of the humanities in the United States.

''(b) ADMISSION CHARGES.—No grant shall be made under this title for an activity (other than an activity conducted by a school, college, or university) for which a direct or an indirect admission charge is requested if the proceeds, after deducting reasonable costs, are used for purposes other than assisting the grant recipient to develop high standards of scholarly excellence or encourage greater appreciation of the humanities by the citizens of the United States.

''(c) LABOR STANDARDS.—The provisions of section 206(d) shall apply to activities financed under this title in the same manner and to the same extent as the provisions apply to activities financed under title II.

"SEC. 307. ADMINISTRATIVE PROVISIONS.

''(a) AUTHORITIES OF CHAIRPERSON.—In addition to any authorities vested in the Chairperson by other provisions of this Act, the Chairperson, in carrying out the functions of the Chairperson, shall have authority—

''(1) to prescribe such regulations and procedures as the Chairperson determines to be necessary, governing the manner in which the functions of the Chairperson shall be carried out;

''(2) to appoint and determine the compensation of such employees, subject to title 5, United States Code, as may be necessary to carry out the functions of the Chairperson, to define the duties of such employees, and to supervise and direct the activities of such employees;

''(3) to procure the temporary and intermittent services of experts and consultants, including panels of experts, and compensate the experts and consultants in accordance with section 3109 of title 5, United States Code;

''(4) to accept and utilize the voluntary services of individuals and reimburse the individuals for travel expenses, including per diem in lieu of subsistence, in the same amounts and to the same extent as authorized under section 5703 of title 5, United States Code, for persons employed intermittently in Federal Government service;

''(5) to make advance, progress, and other payments without regard to section 3324 of title 31, United States Code;

''(6) to rent office space in the District of Columbia; and

''(7) to make other necessary expenditures.

''(b) PUBLICATIONS.—Official publications of the Endowment under this title may be supported without regard to the provisions of section 501 of title 44, United States Code, if the Chairperson consults with the Joint Committee on Printing of the Congress.

''(c) COORDINATION.—The Chairperson shall coordinate the programs of the Endowment, insofar as practicable, with other Federal programs, programs of designated State humanities agencies, and programs undertaken by other public agencies or private groups, and shall develop the programs of the Endowment with due regard to the contribution to the objectives of this title that can be made by other Federal agencies under the existing programs. The Chairperson may enter into interagency agreements to promote or assist with the humanities-related activities of other Federal agencies, on a reimbursable or nonreimbursable basis, and may use funds authorized to be appropriated to carry out this title to pay for the costs of such promotion or assistance.

"SEC. 308. REPORTS.

''(a) ANNUAL REPORT OF CHAIRPERSON.—The Chairperson shall submit an annual report to the President for submission to the appropriate committees of Congress on or before the 15th day of April of each year. The report shall summarize the activities of the Endowment for the preceding year, and may include such evaluations and other reports as the Chairperson determines to be appropriate.

''(b) FINANCIAL REPORTS AND COMPLIANCE.—

''(1) IN GENERAL.—It shall be a condition of the receipt of a grant made under this title by the Chairperson that each such grant recipient agree to and comply with requirements to submit to the Chairperson—

''(A) financial reports containing such information as the Chairperson determines to be necessary to ensure that the funding provided through the grant is expended in accordance with the terms and conditions under which the grant is made;

''(B) a report describing the activity carried out with the funding provided through the grant and the compliance by the grant recipient with the conditions of receipt of such grant, including the condition that the work assisted meets the standards of excellence in humanities and significance in the humanities; and

''(C) if practicable, as determined by the Chairperson, a copy of the work resulting from the activity.

''(2) REPORTS.—The reports and copy described in paragraph (1) shall be due not later than 90 days after the end of the period for which such grant recipient receives funding through the grant or 90 days after the completion of the work, whichever occurs earlier. The Chairperson may extend the 90-day period if the recipient shows good cause why such an extension should be granted.

''(c) EVALUATION.—The Chairperson shall conduct a post-award evaluation of activities for which grants are made by the Chairperson under this title. Such evaluation may include an audit to determine the accuracy of the reports required to be submitted by grant recipients under subsection (b).

''(d) ANNUAL REPORT OF NATIONAL COUNCIL ON THE HUMANITIES.—

''(1) IN GENERAL.—The National Council on the Humanities may submit an annual report to the President for submission to the appropriate committees of Congress on or before the 15th day of April of each year.

''(2) CONTENTS.—The report shall include written records summarizing—

''(A) all meetings and discussions of the Council; and

''(B) recommendations made by the Council to the Chairperson.

''(3) PRIVACY.—The Council shall ensure that the information contained in the report will be presented in a manner that protects the privacy of individual applicants for grants authorized under this title and Council members.

"SEC. 309. SANCTIONS AND PAYMENTS.

''(a) FAILURE TO SATISFY PURPOSES.—If any recipient of a grant made under this title, or an indirect recipient of funding provided through the grant, substantially fails to satisfy the purposes for which such grant is made, as determined by the Chairperson, the Chairperson may—

''(1) for purposes of determining whether to make any subsequent funding to the direct or indirect recipient under this title, take into consideration the results of the post-award evaluation conducted under section 308(c);

''(2) prohibit the direct and indirect recipients from using the name of, or in any way associating the project, production, or workshop for which the grant was received with, the Endowment; and

''(3) if such project, production, or workshop is published, require that the publication contain the following statement: 'The opinions, findings, conclusions, and recommendations expressed in this publication do not reflect the views of the National Endowment for the Humanities.'.

''(b) NONCOMPLIANCE.—

''(1) IN GENERAL.—The Chairperson shall take the actions described in paragraph (2) whenever the Chairperson, after providing reasonable notice and an opportunity for hearing, finds that—

''(A) a direct recipient of a grant under this title, or an indirect recipient of funding provided through the grant, is not complying substantially with the provisions of this title;

''(B) a State agency or entity that received a grant under this title, or an indirect recipient of funding provided through the grant, is not complying substantially with terms and conditions of the State plan accompanying the application approved for the grant under this title; or

''(C) any funding provided under this title to a recipient or State agency or entity described in subparagraph (A) or (B) has been diverted from the purposes for which such funding was provided.

''(2) ACTIONS.—On making the finding described in paragraph (1), the Chairperson shall immediately notify the direct recipient, or State agency or entity, that received the funding at issue that—

''(A) no further funding will be provided under this title to such recipient or State agency or entity until there is no longer any default or failure to comply or the diversion is corrected; or

''(B) if compliance or correction is impossible, until such recipient or State agency or entity repays or arranges the repayment of the Federal funds that were improperly diverted or expended.

''(c) RECAPTURE.—

''(1) IN GENERAL.—A recipient of funding under this title shall pay the amount described in paragraph (2) to the Endowment if the Chairperson finds that the recipient has derived net program income in excess of the match required under the terms of the agreement from the commercially successful activities funded that exceeds the lesser of—

''(A) $50,000; or

''(B) twice the amount of the funding.

''(2) AMOUNT.—At the discretion of the Chairperson, the amount referred to in paragraph (1) is not less than ⅓ and not more than ½ of the amount of the net program income generated within 5 years after the end of the grant period, but not more than the amount of the funding, unless the Chairperson has reached an agreement with the grantee upon the award of a grant that the amount referred to in paragraph (1) shall exceed the amount of the grant.

''(d) ACCOUNT.—Except as otherwise provided in this Act, the Treasurer of the United States shall deposit funds paid under subsection (c), or repaid under this Act, in a special interest bearing account to the credit of the Endowment.

"SEC. 310. AWARDS.

''(a) JEFFERSON LECTURE IN THE HUMANITIES AWARD.—The Chairperson may award annually the Jefferson Lecture in the Humanities Award to 1 individual for distinguished intellectual achievement in the humanities. Each such award shall not exceed $10,000.

''(b) NATIONAL HUMANITIES MEDAL.—

''(1) IN GENERAL.—The President may award the National Humanities Medal to individuals or groups whose work—

''(A) has expanded the understanding of citizens of the United States in the area of humanities;

''(B) has broadened such citizens engagement with the humanities; or

''(C) has helped preserve and expand the access of such citizens to important resources in the humanities.

''(2) NUMBER OF MEDALS.—Not more than 12 of such medals may be awarded in any calendar year.

''(3) CEREMONIES.—The presentation of the National Humanities Medal shall be made by the President with such ceremonies as the President may determine to be appropriate, including attendance by appropriate Members of Congress.''.

SEC. 102. CONFORMING AMENDMENTS.

Section 8G of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(1) in subsection (a)—

(A) in paragraph (2), by striking ''the National Endowment for the Arts, the National Endowment for the Humanities,'' and inserting ''the portion of the National Foundation on the Arts and the Humanities consisting of the National Endowment for the Arts and

the National Endowment for the Humanities,''; and

(B) in paragraph (4)—

(i) in subparagraph (A), by striking at the end ''and'';

(ii) in subparagraph (B), by inserting after the semicolon ''and''; and

(iii) by adding at the end the following:

''(C) with respect to the National Endowment for the Arts and the National Endowment for the Humanities, the term means the Chairperson of the National Endowment for the Arts with respect to matters relating to the National Endowment for the Arts and the Chairperson of the National Endowment for the Humanities with respect to matters relating to the Chairperson of the National Endowment for the Humanities;'';

(2) in subsection (c), by inserting before the period the following: '', except that the Inspector General for the National Endowment for the Arts and the National Endowment for the Humanities shall be jointly appointed by the Chairperson of the National Endowment for the Arts and the Chairperson of the National Endowment for the Humanities''; and

(3) in the first sentence of subsection (d), by inserting before the period the following: '', except as provided in section 103 of the National Foundation on the Arts and the Humanities Act of 1965''.

TITLE II—ARTS AND ARTIFACTS INDEMNITY ACT

SEC. 201. ARTS AND ARTIFACTS.

The Arts and Artifacts Indemnity Act (20 U.S.C. 971 et seq.) is amended to read as follows:

''SECTION 1. SHORT TITLE.

''This Act may be cited as the 'Arts and Artifacts Indemnity Act'.

''SEC. 2. INDEMNITY FOR EXHIBITIONS OF ARTS AND ARTIFACTS.

''The Federal Council on the Arts and Humanities (referred to in this Act as the 'Council') established under section 8, may enter into agreements to indemnify against loss or damage such items as may be eligible for such indemnity agreements under section 3—

''(1) in accordance with the provisions of this Act; and

''(2) on such terms and conditions as the Council shall prescribe, by regulation, in order to achieve the objectives of this Act and, consistent with such objectives, to protect the financial interest of the United States.

''SEC. 3. ELIGIBLE ITEMS.

''(a) TYPES OF ITEMS.—The Council may enter into an indemnity agreement under section 2 with respect to items—

''(1) that are—

''(A) works of art, including tapestries, paintings, sculpture, folk art, and graphics and craft arts;

''(B) manuscripts, rare documents, books, or other printed or published materials;

''(C) other artifacts or objects; or

''(D) photographs, motion pictures, or audio and video tape;

''(2) that are of educational, cultural, historical, or scientific value; and

''(3) the exhibition of which is certified (where appropriate) by the Secretary of State or the designee of the Secretary of State as being in the national interest.

''(b) ITEMS ON EXHIBITION.—

''(1) SCOPE.—An indemnity agreement made under this Act shall cover eligible items while on exhibition, generally when the items are part of an exchange of exhibitions. An item described in subsection (a) that is part of an exhibition that originates either in the United States or outside the United States and that is touring the United States shall be considered to be an eligible item.

''(2) DEFINITION.—For purposes of this subsection, the term 'on exhibition' includes the period of time beginning on the date the eligible items leave the premises of the lender or place designated by the lender and ending on the date such items are returned to the premises of the lender or place designated by the lender.

''SEC. 4. APPLICATIONS.

''(a) IN GENERAL.—Any person, nonprofit agency, institution, or government desiring to enter into an indemnity agreement for eligible items under this Act shall submit an application to the Council at such time, in such manner and in accordance with such procedures, as the Council shall, by regulation, prescribe.

''(b) CONTENTS.—An application submitted under subsection (a) shall—

''(1) describe each item to be covered by the agreement (including an estimated value of such item);

''(2) show evidence that the item is an item described in section 3(a); and

''(3) set forth policies, procedures, techniques, and methods with respect to preparation for, and conduct of, exhibition of the item, and any transportation related to such item.

''(c) APPROVAL.—On receipt of an application under this section, the Council shall review the application as described in section 5 and, if the Council agrees with the estimated value described in the application and if such application conforms with the requirements of this Act, approve the application and enter into an indemnity agreement with the applicant under section 2. On such approval, the agreement shall constitute a contract between the Council and the applicant pledging the full faith and credit of the United States to pay any amount for which the Council becomes liable under such agreement. The Council, for such purpose, is authorized to pledge the full faith and credit of the United States.

''SEC. 5. INDEMNITY AGREEMENT.

''(a) REVIEW.—On receipt of an application meeting the requirements of subsections (a) and (b) of section 4, the Council shall review the estimated value of the items for which coverage by an indemnity agreement is sought. If the Council agrees with such estimated value, for the purposes of this Act, the Council shall, after approval of the application as provided for in subsection (c) of section 4, make an indemnity agreement.

''(b) AGGREGATE AMOUNT OF LOSS OR DAMAGE.—The aggregate amount of loss or damage covered by indemnity agreements made under this Act shall not exceed $3,000,000,000, at any one time.

''(c) INDIVIDUAL AMOUNT OF LOSS OR DAMAGE.—No indemnity agreement for a single exhibition shall cover loss or damage in excess of $300,000,000.

''(d) EXTENT OF COVERAGE.—If the estimated value of the items covered by an indemnity agreement for a single exhibition is—

''(1) $2,000,000 or less, then coverage under this Act shall extend only to loss or damage in excess of the first $15,000 of loss or damage to the items covered;

''(2) more than $2,000,000 but less than $10,000,000, then coverage under this Act shall extend only to loss or damage in excess of the first $25,000 of loss or damage to the items covered;

''(3) not less than $10,000,000 but less than $125,000,000, then coverage under this Act shall extend only to loss or damage in excess of the first $50,000 of loss or damage to the items covered;

''(4) not less than $125,000,000 but less than $200,000,000, then coverage under this Act shall extend only to loss or damage in excess of the first $100,000 of loss or damage to the items covered; or

''(5) $200,000,000 or more, then coverage under this Act shall extend only to loss or damage in excess of the first $200,000 of loss or damage to the items covered.

''SEC. 6. REGULATIONS AND CERTIFICATION.

''(a) REGULATIONS.—The Council shall prescribe regulations providing for prompt adjustment of valid claims for loss or damage to items that are covered by an agreement entered into pursuant to section 2, including provision for arbitration of issues relating to the dollar value of damages involving less than total loss or destruction of such covered items.

''(b) CERTIFICATION.—In the case of a claim of loss or damage with respect to an item that is covered by an agreement entered into pursuant to section 2, the Council shall certify the validity of the claim and the amount of the loss to the Speaker of the House of Representatives and the President pro tempore of the Senate.

''SEC. 7. REPORT.

''The Council shall prepare, and submit at the end of each fiscal year to the appropriate committees of Congress, a report containing information on—

''(1) all claims paid pursuant to this Act during such year;

''(2) pending claims against the Council under this Act as of the end of such year; and

''(3) the aggregate face value of contracts entered into by the Council that are outstanding at the end of such year.

''SEC. 8. ESTABLISHMENT OF THE FEDERAL COUNCIL ON THE ARTS AND THE HUMANITIES.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—There is established a Federal Council on the Arts and the Humanities.

''(2) STATUS AS AN AGENCY.—For the purposes of this Act, the Council shall be an agency within the meaning of the appropriate definitions of such term in title 5, United States Code.

''(b) MEMBERSHIP.—

''(1) IN GENERAL.—The Council shall be composed of the Chairperson of the National Endowment for the Arts, the Chairperson of the National Endowment for the Humanities, the Director of the Institute of Museum and Library Services, the Secretary of Education, the Secretary of the Smithsonian Institution, the Director of the National Science Foundation, the Librarian of Congress, the Director of the National Gallery of Art, the Chairman of the Commission of Fine Arts, the Archivist of the United States, the Commissioner, Public Buildings Service, General Services Administration, the Assistant Secretary for Aging, a member designated by the Secretary of State, and a member designated by the Secretary of the Interior, a member designated by the Chairman of the Senate Commission on Art and Antiquities, and a member designated by the Speaker of the House of Representatives.

''(2) DESIGNATION OF PRESIDING OFFICER.—The President shall designate the presiding officer of the Council from among the members.

''(3) AUTHORITY TO CHANGE THE MEMBERSHIP.—The President is authorized to change the membership of the Council as the President deems necessary to meet changes in Federal programs or executive branch organization.

''(c) FUNCTIONS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Council shall—

''(A) carry out the functions of the Council described in sections 1 through 7;

''(B) promote coordination between the programs and activities of the National

Foundation on the Arts and Humanities and related programs and activities of other Federal agencies; and

''(C) encourage an ongoing dialogue in support of the arts and the humanities among Federal agencies.

''(2) RESTRICTIONS.—The following members of the Council shall not carry out the functions described in paragraph (1)(A):

''(A) The Secretary of the Smithsonian Institution.

''(B) The Director of the National Gallery of Art.

''(C) The member of the Council designated by the Chairman of the Senate Commission on Art and Antiquities.

''(D) The member of the Council designated by the Speaker of the House of Representatives.

''(3) LIMITATION ON USE OF EMPLOYEES.—No employee (other than a member of the Council) of the Council may carry out the activities described in subparagraphs (B) and (C) of paragraph (1).

''SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated such sums as may be necessary—

''(1) to enable the Council to carry out the functions (except the functions described in subparagraphs (B) and (C) of section 8(c)(1)) of the Council under this Act; and

''(2) to pay claims certified pursuant to section 6(b).''.

Mr. KENNEDY. Mr. President, it is an honor to be a sponsor of this 5-year reauthorization of the National Endowments for the Arts and Humanities. I commend Chairman JEFFORDS for his leadership in support of these two important Endowments. We intend to do all we can to support them and keep them active because of their well-known success in enhancing the cultural life of the Nation.

The arts and humanities have, and deserve to have, a central role in the life of America. The National Endowments for the Arts and Humanities have contributed immensely to that role. They encourage the growth and development of the arts and humanities in communities across the Nation, giving new emphasis and vitality to American creativity and scholarship, and to the cultural diversity that is one of America's greatest strengths.

Americans have a great deal to celebrate—and also to learn—about our extraordinary cultural traditions, our complex modern society, and our country's many possibilities for the future. The arts and humanities are essential parts of this experience. If we shortchange the arts and humanities, we shortchange America itself.

There are critics who continue to seek the elimination of the Endowments—despite the fact that the American people themselves want the arts to be an active and significant part of their lives, and despite the recognized need for greater support to enable people from all walks of life to have realistic opportunities to enjoy America's artistic and scholarly traditions and innovations.

Unfortunately, the critics gained undeserved strength with the Republican takeover of Congress in 1994. The Arts Endowment is currently under intense ideological attack by Republican leaders in the House of Representatives who are bent on eliminating the agency.

One of the few gratifying aspects of the current debate is the outrage the House assault has created in communities across the country. As last week's 217 to 216 vote demonstrated, the House Republican leadership was forced into an embarrassing public display of arm-twisting to salvage its untenable position. The reason is obvious. Angry citizens are contacting Congress. Editorials and opinion pieces supporting the Endowment are proliferating in newspapers large and small across the country, labeling this threat for what it is—a frontal assault on the arts in America.

These citizens and these communities understand the importance and the success of the Arts Endowment. As a result of its leadership over the past three decades, the country now has double the number of community orchestras, 11 times the number of community dance companies, and 50 times the number of community arts agencies. Clearly, the crass Republican attempt to mug the Arts Endowment is doomed to fail. I am confident that sanity will return to the House of Representatives before the debate is ultimately over. There is simply too much at stake.

The arts and humanities are vital and essential parts of our national experience, and Congress has an obligation to ensure that they are more accessible, not less accessible, to all Americans in every community.

The current legislation which we introduce today to reauthorize the Endowments is well designed to increase access to arts programs and cultural programs in underserved communities and areas that do not yet have such access on a regular or widespread basis, but that would be greatly enriched by these programs.

In addition, under the legislation, arts education grants will provide funds to make the arts more accessible in schools, where they are increasingly becoming an effective way to strengthen education. Young people deserve to have music, theater, dance, poetry, and the other arts as basic parts of their school years. These investments in students and schools will bring major long-term benefits to the nation.

Students receive short-term benefits too. According to a recent study, high school students who took an arts course in each year of high school scored 59 points higher on the verbal portion of the SAT and 44 points higher on the math portion than students with no courses in the arts.

Unfortunately, in spite of these obvious and very tangible benefits, the arts and humanities must now exist in an environment where there are fewer public dollars and greater competition for private support. Adequate Federal funding for the Endowments is more important than ever. Our bill, therefore, authorizes $175 million for the Arts Endowment and $175 million for the Humanities Endowment for the next fiscal year, compared to appropriations of $99.5 million for the Arts Endowment and $110 million for the Humanities Endowment in the current fiscal year. Authorizations for the following 4 fiscal years are open-ended; our bill specifies ''such sums as may be necessary.''

President Kennedy understood the importance of the arts in our daily lives. As he said in 1963:

> I look forward to an America which will reward achievement in the arts as we reward achievement in business or statecraft. I look forward to an American which will steadily raise the standard of artistic accomplishment and which will steadily enlarge cultural opportunities for all of our citizens. And I look forward to an America which commands respect throughout the world not only for its strength but also for its civilization as well.

Preserving and supporting the Arts and Humanities Endowments are among one of the most important and effective ways that Congress can help to make this vision a reality.

Throughout history, governments have recognized their responsibility to support and encourage the arts and humanities. In times of rapid change, it is particularly important for us to find effective ways to celebrate our common American community and our shared cultural heritage and values.

Again, I commend Chairman JEFFORDS for his commitment to the Endowments. This legislation deserves broad bipartisan support in Congress, and I look forward to its enactment.

Mr. CHAFEE. Mr. President, I am delighted to join with the chairman and ranking member of the Senate Labor and Human Resources Committee, Senators JEFFORDS and KENNEDY, in introducing legislation to reauthorize the National Endowment for the Arts and the National Endowment for the Humanities. Later this month, we will vote on funding for the Endowments, and it is my sincere hope that the Senate will show its determination to continue Federal support for the arts, as it has in years past.

Although other countries have long histories of government support for cultural activities, Federal support for artists in the United States began during the Great Depression, when the WPA hired scores of writers, musicians, painters, sculptors, and other artists to work on public art projects. But that support was short lived. It wasn't until 1964 that the National Endowment for the Arts first was created. The NEA saw profound growth during the Nixon and Ford administrations.

Regrettably, its funding has been reduced by about 40 percent over the past few years primarily because of a few grants that were deemed to have been obscene and inappropriate. With regard to this issue of obscene art, I believe that any such debate should be framed in terms of the overall record of the NEA, not in terms of a few grants that may have escaped appropriate scrutiny. Of the more than 100,000 grants

provided by the NEA in its almost 30-year history, only a handful have been the subject of controversy. That is an excellent track record, and I do not believe that those few grants should be used as the yardstick by which the Endowment is judged.

Mr President, the public's support for the NEA and NEH is very strong. In Rhode Island, we have a vigorous and growing arts community. The Rhode Island School of Design is among the most prestigious fine arts and design schools in the Nation. It attracts the most talented students and teachers who often make Rhode Island their permanent home. Many Rhode Islanders, and people in the city of Providence in particular, are enormously enthusiastic about the arts community, which has contributed greatly to our economic redevelopment efforts.

The NEA and NEH support a wide array of artists, writers, actors, musicians, and other artists. During the past several weeks, I have heard from a number of Rhode Island artists. I would like to share an excerpt from a Rhode Island musician with you. Rebecca Truitt, a cellist in the Rhode Island Philharmonic, wrote to me on March 8. This is what she said:

> The declining state of public support for the arts in America is of great concern to me. . . . Equally critical is the possibility that our cultural agencies may fail to receive authorization for Fiscal Year 1998. Should that happen, it would be an embarrassing day for the United States, making us unique among cultured nations by eliminating the arts from our priorities. Whether all orchestras, including my orchestra, the Rhode Island Philharmonic Orchestra, receive funding or not, one thing is clear, the NEA has helped raise the standard of all professional performing groups in the U.S., catapulting American music and musicians to the forefront of the international music scene. Moreover, the NEA has helped to promote and sustain American jobs.

Throughout my years in the Senate, I have supported funding for both the National Endowment for the Arts and the National Endowment for the Humanities. Once again, I am delighted to introduce this reauthorization bill with Senators JEFFORDS and KENNEDY.

ADDITIONAL COSPONSORS

S. 28

At the request of Mr. THURMOND, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of S. 28, a bill to amend title 17, United States Code, with respect to certain exemptions from copyright, and for other purposes.

S. 535

At the request of Mr. MCCAIN, the names of the Senator from Utah [Mr. BENNETT], the Senator from North Dakota [Mr. DORGAN], the Senator from Kansas [Mr. BROWNBACK], and the Senator from Oklahoma [Mr. INHOFE] were added as cosponsors of S. 535, a bill to amend the Public Health Service Act to provide for the establishment of a program for research and training with respect to Parkinson's disease.

S. 766

At the request of Ms. SNOWE, the name of the Senator from Oregon [Mr. WYDEN] was added as a cosponsor of S. 766, a bill to require equitable coverage of prescription contraceptive drugs and devices, and contraceptive services under health plans.

S. 865

At the request of Mr. GRAHAM, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 865, a bill to provide for improved coordination, communications, and enforcement related to health care fraud, waste, and abuse, to create a point of order against legislation which diverts savings achieved through medicare waste, fraud, and abuse enforcement activities for purposes other than improving the solvency of the Federal Hospital Insurance Trust Fund under title XVIII of the Social Security Act, to ensure the integrity of such trust fund, and for other purposes.

S. 932

At the request of Mr. GRAMM, the name of the Senator from Louisiana [Mr. BREAUX] was added as a cosponsor of S. 932, a bill to amend the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to require the Secretary of Agriculture to establish a National Advisory and Implementation Board on Imported Fire Ant Control, Management, and Eradication and, in conjunction with the Board, to provide grants for research or demonstration projects related to the control, management, and possible eradication of imported fire ants, and for other purposes.

S. 963

At the request of Mr. CHAFEE, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 963, a bill to establish a transportation credit assistance pilot program, and for other purposes.

S. 985

At the request of Mr. TORRICELLI, the name of the Senator from Ohio [Mr. DEWINE] was added as a cosponsor of S. 985, a bill to designate the post office located at 194 Ward Street in Paterson, New Jersy, as the ''Larry Coby Post Office''.

SENATE CONCURRENT RESOLUTION 32

At the request of Mr. HUTCHINSON, the name of the Senator from Minnesota [Mr. WELLSTONE] was added as a cosponsor of Senate Concurrent Resolution 32, a concurrent resolution recognizing and commending American airmen held as political prisoners at the Buchenwald concentration camp during World War II for their service, bravery, and, fortitude.

SENATE CONCURRENT RESOLUTION 39—EXPRESSING THE SENSE OF THE CONGRESS THAT THE GERMAN GOVERNMENT SHOULD EXPAND AND SIMPLIFY ITS REPARATIONS SYSTEMS TO HOLOCAUST SURVIVORS

Mr. MOYNIHAN (for himself, Mr. GRAHAM, Mr. HATCH, and Mr. DODD) submitted the following resolution which was referred to the Committee on Foreign Relations.

S. CON. RES. 39

Whereas the annihilation of 6,000,000 European Jews during the Holocaust and the murder of millions of others by the Nazi German state constitutes one of the most tragic episodes in the history of man's inhumanity to man;

Whereas there are more than 125,000 Holocaust survivors living in the United States and approximately 500,000 living around the world;

Whereas aging Holocaust survivors throughout the world are still suffering from permanent injuries suffered at the hands of the Nazis, and many are unable to afford critically needed medical care;

Whereas, while the German Government has attempted to address the needs of Holocaust survivors, many are excluded from reparations because of onerous eligibility requirements imposed by the German Government;

Whereas the German Government often rejects Holocaust survivors' claims on the grounds that the survivor did not present the claim correctly or in a timely manner, that the survivor cannot demonstrate to the Government's satisfaction that a particular illness or medical condition is the direct consequence of persecution in a Nazi-created ghetto or concentration camp, or that the survivor is not considered sufficiently destitute;

Whereas tens of thousands of Holocaust survivors in the former Soviet Union and other formerly Communist countries in Eastern and Central Europe have never received reparations from Germany and a smaller number has received a token amount;

Whereas, after more than 50 years, hundreds of thousands of Holocaust survivors continue to be denied justice and compensation from the German Government;

Whereas the German Government pays generous disability pensions to veterans of the Nazi armed forces, including non-German veterans of the Waffen-SS;

Whereas in 1996 the German Government paid $7,700,000,000 in such pensions to 1,100,000 veterans, including 3,000 veterans and their dependents now living in the United States;

Whereas such pensions are a veteran's benefit provided over and above the full health coverage that all German citizens, including veterans of the Waffen-SS, receive from their government; and

Whereas it is abhorrent that Holocaust survivors should live out their remaining years in conditions worse than those enjoyed by the surviving former Nazis who persecuted them: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that—

(1) the German Government should expand and simplify its system of reparations so that all Holocaust survivors can receive reparations, regardless of their nationality, length or place of internment, or current financial situation;

(2) the German Government should provide reparations to Holocaust survivors in the

former Soviet Union and other former Communist countries in Eastern and Central Europe;

(3) the German Government should fulfill its responsibilities to victims of the Holocaust and immediately set up a comprehensive medical fund to cover the medical expenses of all Holocaust survivors worldwide; and

(4) the German Government should help restore the dignity of Holocaust survivors by paying them sufficient reparations to ensure that no Holocaust survivor be forced by poverty to live in conditions worse than those generally enjoyed by the surviving former Nazis who persecuted them.

Mr. MOYNIHAN. Mr. President, it is now over half a century since the end of the Second World War. Millions of us who served in that war returned home to resume our lives and enjoy the blessings of peace. To all of us the end of the war was a relief. To the survivors of the Nazi concentration camps it was the difference between certain death and a chance to continue life after years of unspeakable deprivation and horror.

Much has been written and said about the 6 million European Jews who were slaughtered during the Holocaust. A magnificent museum not far from this building pays moving and appropriate tribute to them, and to the millions of non-Jewish victims of Nazi Germany, as well. Much has been said about the dead. But far too little has been said about, or done for, the survivors. Almost half a million of them are still alive, including over 125,000 in this country and about the same number in Eastern and Central Europe and Israel. The youngest among them are now in their sixties; most of them are in their seventies and eighties and in increasingly frail health, complicated in many cases by the suffering they endured over half a century ago.

The German Government has long recognized its moral obligation to assist the survivors of the Holocaust. The landmark reparations agreements of the early 1950's between the West German Government and Jewish groups were predicated on this simple premise. Yet, as years go by, it has become increasingly apparent that a large number of survivors, particularly those living in Eastern and Central Europe, were excluded from these agreements and are now being denied assistance on the flimsiest of technical grounds. In addition, tens of thousands of Holocaust survivors in North America and Israel have been similarly refused reparations for a variety of reasons that all pale when contrasted to Germany's half-century of generous pensions to German and non-German veterans of the notorious Waffen-SS. It is only fair and logical that the survivors of the Holocaust be treated in their old age with at least the same measure of support being afforded their torturers and prison guards. It is also only fair and logical that these aging survivors, as well as those who already receive reparations, be assisted in meeting their increasing medical expenses.

It is for this purpose that I join Senators GRAHAM, HATCH, and DODD in submitting this resolution which speaks to the simple proposition that it is the sense of Congress that the German Government should expand and simplify its reparations system, provide reparations to Holocaust survivors in Eastern and Central Europe, and set up a fund to help cover the medical expenses of Holocaust survivors.

Mr. GRAHAM. Mr. President, I rise today with Senator MOYNIHAN and my other colleagues to submit a resolution that will allow Holocaust survivors to receive the reparations they so rightly deserve.

There are over 125,000 Holocaust survivors living in the United States. My State of Florida houses the second largest population in the United States Approximately 500,000 survivors worldwide are living out their final days. Many still suffer from the injuries they received during the Nazi occupation. While the German Government has acted in good faith in attempting to take responsibility for the horrible actions of the Nazi regime, many survivors have been prevented from receiving reparations due to burdensome eligibility requirements.

We recognize that since 1952, Germany has contributed to the compensation of those that survived the Holocaust. However, after 50 years, hundreds of thousands of elderly Holocaust survivors are still unable to afford critically needed medical care, and many of their medical problems are a direct result of their years in Nazi concentration camps.

In May, it was acknowledged that, in addition to the regular pensions and medical insurance the German Government provides, war disability pensions are still being paid to veterans of the Nazi armed forces and the non-German Waffen-SS, Hitler's special death squads. According to the Wiesenthal Center, the SS disability pensions alone are three times the reparations paid to the Holocaust survivors.

This resolution calls for the German Government to expand and simplify its system of reparations so that a medical fund may be established to cover medical expenses for Holocaust survivors throughout the world. Regardless of nationality or the length or place of internment, Holocaust survivors will be guaranteed the opportunity to live the remainder of their lives with the knowledge that they will always be able to receive the medical care they need.

Holocaust survivors have lived enough of their life in suffering. We must now insure that they live the rest of their lives in dignity. We hope the German Government will continue to accept responsibility and set up a fund to help the victims of Nazi terror. I urge my colleagues to join us in this endeavor.

AMENDMENTS SUBMITTED

THE DEPARTMENT OF DEFENSE APPROPRIATIONS ACT FOR FISCAL YEAR 1998

HUTCHISON (AND OTHERS) AMENDMENT NO. 849

Mr. STEVENS (for Mrs. HUTCHISON for herself, Mr. LOTT, Mr. LIEBERMAN, Mr. MCCAIN, Mr. WARNER, Mr. SMITH of Oregon, Mr. LUGAR, and Mr. LEVIN) proposed an amendment to the bill, S. 1005, making appropriations for the Department of Defense for the fiscal year ending September 30, 1998, and for other purposes, supra; as follows:

At the appropriate place in the bill, insert the following:

It is the sense of the Senate that—

(1) International efforts to bring indicted war criminals to justice in Bosnia and Herzegovina consistent with the 1995 Dayton Accords should be supported as an important element in creating a self-sustaining peace in the region;

(2) The Administration should consult closely with the Congress on all efforts to bring indicted war criminals to justice in Bosnia and Herzegovina consistent with the 1995 Dayton Accords; and

(3) The Administration should consult closely and in a timely manner with the Congress on the NATO-led Stabilization Force's mission concerning the apprehension of indicted war criminals, including any changes in the mission which could affect American forces.

DORGAN AMENDMENT NO. 850

Mr. STEVENS (for Mr. DORGAN) proposed an amendment to the bill, S. 1005, supra; as follows:

At the appropriate place, insert the following:

SEC. . Up to $4.5 million of funds available to the Department of Defense may be available for the payment of claims for loss and damage to personal property suffered as a direct result of the flooding in the Red River Basin during April and May 1997 by members of the Armed Forces residing in the vicinity of Grand Forks Air Force Base, North Dakota, without regard to the provisions of section 3721(e) of title 31, United States Code.

ROBB AMENDMENT NO. 851

Mr. STEVENS (for Mr. ROBB) proposed an amendment to the bill, S. 1005, supra; as follows:

At the end of title VIII, add the following:

SEC. 8099. Of the total amount appropriated under title II for the Navy, the Secretary of the Navy shall make $36,000,000 available for a program to demonstrate expanded use of multitechnology automated reader cards throughout the Navy and the Marine Corps, including demonstration of the use of the so-called ''smartship'' technology of the ship-to-shore work load/off load program.

MCCAIN AMENDMENT NO. 852

Mr. MCCAIN proposed an amendment to the bill, S. 1005, supra; as follows:

Strike out section 8097.

MCCAIN AMENDMENT NO. 853

Mr. MCCAIN proposed an amendment to the bill, S. 1005, supra; as follows:

At the end of title VIII, add the following:

SEC. 8099. (a) The Secretary of Defense shall waive generally with respect to a foreign country each limitation on procurements from foreign sources provided in law if the Secretary determines that the application of the limitation with respect to that country would impede cooperative programs entered into between the Department of Defense and the foreign country, or would impede arrangements for the reciprocal procurement of defense items entered into under section 2531 of title 10, United States Code, or under any other provision of law, and the country does not discriminate against defense items produced in the United States to a greater degree than the United States discriminates against defense items produced in that country.

(b) Subsection (a) applies with respect to—

(1) contacts and subcontracts entered into on or after the date of the enactment of this Act; and

(2) options for the procurement of items that are exercised after such date under contracts that are entered into before such date if the option prices are adjusted for any reason other than the application of a wavier granted under subsection (a).

(c) Subsection (a) does not apply to a limitation regarding construction of warships.

INOUYE AMENDMENT NO. 854

Mr. INOUYE proposed an amendment to the bill, S. 1005, supra; as follows:

At the appropriate place, insert: ''*Provided further,* That none of th funds provided in this or any other Act may be obligated for the tooling to construct or the construction of vessels addressed by this section''.

COATS AMENDMENT NO. 855

Mr. STEVENS (for Mr. COATS) proposed an amendment to the bill, S. 1005, supra; as follows:

On page 24, line 6, after ''2000'' insert the following: '':*Provided,* That, of the amount appropriated under this heading, $15,708,000 is available for the Information System Security Program, of which $5,500,000 is available for procurement of Airterm KY–100 devices''.

FEINSTEIN AMENDMENT NO. 856

Mr. STEVENS (for Mrs. FEINSTEIN) proposed an amendment to the bill, S. 1005, supra; a follows:

At the appropriate place, insert:

SEC. . SENSE OF CONGRESS.

It is the Sense of Congress that should the Senate ratify NATO enlargement, current proportional cost-sharing arrangements will remain in place and that the proportional cost of the U.S. share of the NATO common budget should not increase.

GRAHAM (AND MACK) AMENDMENT NO. 857

Mr. STEVENS (for Mr. GRAHAM, for himself and Mr. MACK) proposed an amendment to the bill, S. 1005, supra; as follows:

At the end of title VIII, add the following:

SEC. 8099. (a) Congress finds that the Defense Base Closure and Realignment Commission directed the transfer of only 10 electro-magnetic test environment systems from Eglin Air Force Base, Florida, to Nellis Air Force Base, Nevada.

BUMPERS AMENDMENT NO. 858

Mr. STEVENS (for Mr. BUMPERS) proposed an amendment to the bill, S. 1005, supra; as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . (a) FUNDING.—The Department of Defense budget is insufficient to fulfill all the requirements on the unfunded priorities lists of the military services and defense agencies.

(b) The documented printing expenses of the Department of Defense amount to several hundred million dollars per year, and a similar amount of undocumented printing expenses may be included in external defense contracts.

(c) Printing in two or more colors generally increases costs.

(d) The Joint Committee on Printing of the Congress of the United States has established regulations intended to protect taxpayers from extravagant government printing expenses.

(e) The Government Printing and Binding Regulations published by the Joint Committee on Printing direct that, ''. . . it is the responsibility of the head of any department, independent office or establishment of the Government to assure that all multicolor printing shall contribute demonstrable value toward achieving a greater fulfillment of the ultimate end-purpose of whatever printed item in which it is included.''

(f) The Department of Defense publishes a large number of brochures, calenders, and other products in which the use of multicolor printing does not appear to meet the demonstrably valuable contribution requirement of the Joint Committee on Printing, but instead appears to be used primarily for decorative effect.

(g) The Department of Defense could save resources for higher priority needs by reducing printing expenses:

Therefore, it is the sense of the Senate that:

(1) the Secretary of Defense should ensure that the printing costs of the Department of Defense and military services are the lowest amount possible;

(2) the Department of Defense should strictly comply with the Printing and Binding Regulations published by the Joint Committee on Printing of the Congress of the United States; and

(3) that the Department of Defense budget submission for fiscal year 1999 should reflect the savings that will result from the stricter printing guidelines in (1) and (2).

THE ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT FOR FISCAL YEAR 1998

BYRD AMENDMENT NO. 859

Mr. DOMENICI (for Mr. BYRD) proposed an amendment to the bill (S. 1004) making appropriations for energy and water development for the fiscal year ending September 30, 1998, and for other purposes; as follows:

Following Section 503, insert the following new section:

SEC. 504. (a) The State of West Virginia shall receive credit towards its required contribution under Contract No. DACW59–C–0071 for the cost of recreational facilities to be constructed by a joint venture of the State in cooperation with private interests for recreation development at Stonewall Jackson Lake, West Virginia, except that the State shall receive no credit for costs associated with golf course development and the amount of the credit may not exceed the amount owed by the State under the Contract.

(b) The Corps of Engineers shall revise both the 1977 recreation cost-sharing agreement and the Park and Recreation Lease dated October 2, 1995 to remove the requirement that such recreation facilities are to be owned by the Government at the time of their completion as contained in Article 2–06 of the cost-sharing agreement and Article 36 of the lease.

(c) Nothing in this section shall reduce the amount of funds owed the United States Government pursuant to the 1977 recreation cost-sharing agreement.

DASCHLE AMENDMENT NO. 860

Mr. DOMENICI (for Mr. DASCHLE) proposed an amendment to the bill, S. 1004, supra; as follows:

On page 15, line 10, insert the following before the period: ''*: Provided further,* That the Secretary of the Interior may use $80,000 of funding appropriated herein to complete the feasibility study of alternatives for meeting the drinking water needs on the Cheyenne River Sioux Reservation and surrounding communities in South Dakota''.

KEMPTHORNE AMENDMENT NO. 861

Mr. DOMENICI (for Mr. KEMPTHORNE) proposed an amendment to the bill, S. 1004, supra; as follows:

On page 15, line 10, insert the following before the period: ''*: Provided further,* That the Secretary of the Interior may use $2,500,000 of funds appropriated herein to initiate construction of the McCall Area Wastewater Reclamation and Reuse, Idaho project''.

BINGAMAN (AND DOMENICI) AND AMENDMENT NO. 862

Mr. DOMENICI (for Mr. BINGAMAN, for himself and Mr. DOMENICI) proposed an amendment to the bill, S. 1004, supra; as follows:

On page 15, line 10, insert the following before the period: ''*: Provided further,* That the Secretary of the Interior may use $300,000 of funding appropriated herein to undertake feasibility planning studies and other activities for the Ute Reservoir Pipeline (Quay County portion), New Mexico project''.

WYDEN AMENDMENT NO. 863

Mr. DOMENICI (for Mr. WYDEN) proposed an amendment to the bill, S. 1004, supra; as follows:

At the appropriate place, insert the following new general provision:

SEC. . (a) IN GENERAL.—For fiscal year 1998 and each fiscal year thereafter, appropriations made for the Bureau of Reclamation may be used by the Secretaries of Interior for the purpose of entering into cooperative agreements with willing private landowners for restoration and enhancement of fish, wildlife, and other resources on public or private land or both that benefit the water and lands within a watershed that contains a Bureau of Reclamation project.

(b) DIRECT AND INDIRECT WATERSHED AGREEMENTS.—The Secretary of Interior may enter into a watershed restoration and enhancement agreement—

(1) directly with a willing private landowner, or

(2) indirectly through an agreement with a state, local, or tribal government or other

public entity, educational institution, or private non-profit organization.

(c) TERMS AND CONDITIONS.—In order for the Secretary to enter into a watershed restoration and enhancement agreement—

(1) the agreement shall—

(A) include such terms and conditions mutually agreed to by the Secretary and the landowner,

(B) improve the viability of and otherwise benefit the fish, wildlife, and other resources in the watershed;

(C) authorize the provision of technical assistance by the Secretary in the planning of activities that will further the purposes of the agreement;

(D) provide for the sharing of costs of implementing the agreement among the Federal government, the landowner, and other entities, as mutually agreed on by the affected interests, and

(E) ensure that any expenditures by the Secretary pursuant to the agreement is determined by the Secretary to be in the public interest, and

(2) the Secretary may require such other terms and conditions as are necessary to protect the public investment on private lands, provided such terms and conditions are mutually agreed to by the Secretary and the landowner.

BIDEN (AND ROTH) AMENDMENT NO. 864

Mr. DOMENICI (for Mr. BIDEN, for himself, and Mr. ROTH) proposed an amendment to the bill, S. 1004, supra; as follows:

On page 2, line 26, insert the following before the period:

''*:Provided further,* That the Secretary of the Army, acting through the Chief of Engineers, may use $200,000 of funding appropriate herein to initiate preconstruction engineering and design for the Delaware Coast from Cape Henlopen to Fenwick Island, Delaware project''.

BUMPERS AMENDMENT NO. 865

Mr. DOMENICI (for Mr. BUMPERS) proposed an amendment to the bill, S. 1004, supra; as follows:

On page 19, on line 7, insert before the period the following:

'': *Provided,* That from funds available herein, the Department of Energy will assess the cost of decommissioning the Southwest Experimental Fast Oxide Reactor site''.

BOXER AMENDMENT NO. 866

Mr. DOMENICI (for Mrs. BOXER) proposed an amendment to the bill, S. 1004, supra; as follows:

On page 23 of the bill, line 5, and insert the following before the colon: '', of which $2,000,000 is provided for improvements to Greenville Road in Livermore, California''.

BUMPERS AMENDMENT NO. 867

Mr. BUMPERS proposed an amendment to the bill, S. 1004, supra; as follows:

Reduce the amount on line 4 of page 23 by $258,000,000.

FEINGOLD (AND OTHERS) AMENDMENT NO. 868

Mr. FEINGOLD (for himself, Mr. BROWNBACK, and Mr. MCCAIN) proposed an amendment to the bill, S. 1004, supra; as follows:

On page 15, line 10, after ''appropriated'', insert the following: '': *Provided further,* That the Secretary of the Interior shall, not later than November 15, 1997, provide a report to Congress on a revised project plan for the Animas-LaPlata project that reduces the total cost of the program to the Federal Government, limits the diversion of water from the Animas River to an amount recommended by the U.S. Fish and Wildlife Service, and ensures the project will be designed and implemented in the most cost-effective manner for the Federal Government: *Provided further,* that none of the funds appropriated in this or any prior act may be expended for construction until a project has been authorized at a date subsequent to the enactment of this appropriations act''.

TORRICELLI AMENDMENT NO. 869

Mr. DOMENICI (for Mr. TORRICELLI) proposed an amendment to the bill, S. 1004, supra; as follows:

On page 12, between lines 12 and 13, insert the following:

SEC. . GREEN BROOK SUB-BASIN FLOOD CONTROL PROJECT, NEW JERSEY.

No funds made available under this Act or any other Act for any fiscal year may be used by the Secretary of the Army to carry out any plan for, or otherwise construct, the Oak Way detention structure or the Sky Top detention structure in Berkeley Heights, New Jersey, as part of the project for flood control, Green Brook Sub-basin, Raritan River Basin, New Jersey, authorized by section 401(a) of the Water Resources Development Act of 1986 (Public Law 99–662; 100 Stat. 4119).

KEMPTHORNE AMENDMENT NO. 870

Mr. DOMENICI (for Mr. KEMPTHORNE) proposed an amendment to the bill, S. 1004, supra; as follows:

On page 18, line 22, insert the following before the period: '': *Provided,* That $1,500,000 of the funds appropriated herein may be used to continue the cost-shared, fish-friendly turbine program''.

BUMPERS AMENDMENT NO. 871

Mr. DOMENICI (for Mr. BUMPERS) proposed an amendment to the bill, S. 1004, supra; as follows:

On page 9, line 12, insert the following before the period: '': *Provided further,* That, using funds appropriated in this Act, the Secretary of the Army may construct the Ten and Fifteen Mile Bayou channel enlargement as an integral part of the work accomplished on the St. Francis Basin, Arkansas and Missouri Project, authorized by the Flood Control Act of 1950''.

DASCHLE (AND JOHNSON) AMENDMENT NO. 872

Mr. DOMENICI (for Mr. DASCHLE, for himself and Mr. JOHNSON) proposed an amendmnent to the bill, S. 1004, supra; as follows:

On page 15, line 10, insert the following before the period: '': *Provided further,* That the Secretary of the Interior may use $185,000 of the funding appropriated herein for a feasibility study of alternatives for the Crow Creek Rural Water Supply System to meet the drinking water needs on the Crow Creek Sioux Indian Reservation''.

LEVIN AMENDMENT NO. 873

Mr. DOMENICI (for Mr. LEVIN) proposed an amendment to the bill, S. 1004, supra; as follows:

On page 12, between lines 12 and 13, insert the following:

SEC. 1 . GREAT LAKES BASIN.

No funds made available under this Act may be used by the Secretary of the Army to consider any application for a permit that, if granted, would result in the diversion of ground water from the Great Lakes Basin.

MOSELEY-BRAUN AMENDMENT NO. 874

Mr. DOMENICI (for Ms. MOSELEY-BRAUN) proposed an amendment to the bill, S. 1004, supra; as follows:

On page 7, line 2 insert the following before the period: ''*Provided further,* That the Assistant Secretary of the Army for Civil Works shall consider the recommendations of the Special Reevaluation Report for the McCook Reservoir as developed by the Corps of Engineers Chicago District''.

DORGAN AMENDMENT NO. 875

Mr. DOMENICI (for Mr. DORGAN) proposed an amendment to the bill, S. 1004, supra; as follows:

On page 7, line 2, before the period, insert the following: '': *Provided further,* That the Secretary of the Army, acting through the Chief of Engineers, may use up to $5,000,000 of the funding appropriated herein to initiate construction of an emergency outlet from Devils Lake, North Dakota, to the Sheyenne River, and that this amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(b)(2)(D)(i)); except that funds shall not become available unless the Secretary of the Army determines that an emergency (as defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)) exists with respect to the emergency need for the outlet and reports to Congress that the construction is technically sound, economically justified, and environmentally acceptable and in compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.): *Provided further,* That the economic justification for the emergency outlet shall be prepared in accordance with the principles and guidelines for economic evaluation as required by regulations and procedures of the Army Corps of Engineers for all flood control projects, and that the economic justification be fully described, including the analysis of the benefits and costs, in the project plan documents: *Provided further,* That the plans for the emergency outlet shall be reviewed and, to be effective, shall contain assurances provided by the Secretary of State, after consultation with the International Joint Commission, that the project will not violate the requirements or intent of the Treaty Between the United States and Great Britain Relating to Boundary Waters Between the United States and Canada, signed at Washington January 11, 1909 (36 Stat. 2448; TS 548) (commonly known as the 'Boundary Waters Treaty of 1909') *Provided further,* That the Secretary of the Army shall submit the final plans and other documents for the emergency outlet to Congress: *Provided further,* That no funds made available under this Act or any other Act for any fiscal year may be used by the Secretary of the Army to carry out the portion of the feasibility study of the Devils Lake Basin, North Dakota, authorized under the Energy and Water Development Appropriations Act, 1993 (Public Law 102–377), that addresses the needs of the area for stabilized lake levels through inlet controls, or to otherwise study any facility or carry out any

activity that would permit the transfer of water from the Missouri River Basin into Devils Lake''.

NOTICE OF HEARINGS

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. JEFFORDS. Mr. President, I would like to announce for information of the Senate and the public that a hearing of the Senate Committee on Labor and Human Resources will be held on Thursday, July 17, 1997, 2 p.m., in SD–430 of the Senate Dirksen Building. The subject of the hearing is Improving the Quality of Child Care. For further information, please call the committee, 202/224–5375.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce that a full committee hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will take place Tuesday, July 29, 1997, at 9:30 a.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on S. 967, a bill to amend the Alaska Native Claims Settlement Act and the Alaska National Interest Lands Conservation Act, and for other purposes, and S. 1015, a bill to provide for the exchange of lands within Admiralty Island National Monument, and for other purposes.

Those who wish to testify or to submit written testimony should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. Presentation of oral testimony is by committee invitation only. For further information, please contact Jo Meuse or Brian Malnak at (202) 224–6730.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. STEVENS. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee Special Investigation to meet on Tuesday, July 15, at 10 a.m. for a hearing on campaign financing issues.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, July 15, 1997, at 10 a.m., 2 p.m., and 4 p.m. to hold hearings.

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

COMMITTEE ON THE JUDICIARY

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on the Judiciary, be authorized to hold an executive business meeting during the session of the Senate on Tuesday, July 15, 1997, at 2 p.m., in room 226 of the Senate Dirksen Office Building.

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

SUBCOMMITTEE ON ADMINISTRATIVE OVERSIGHT AND THE COURTS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Subcommittee on Administrative Oversight and the Courts, of the Senate Committee on the Judiciary, be authorized to meet during the session of the Senate on Tuesday, July 15, 1997, at 10 a.m. to hold a hearing in room 226, Senate Dirksen Building, on: ''Judicial Activism: Assessing the Impact.''

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

SUBCOMMITTEE ON FINANCIAL INSTITUTIONS AND REGULATORY RELIEF

Mr. STEVENS. Mr. President, I ask unanimous consent that the Subcommittee on Financial Institutions and Regulatory Relief and the Subcommittee on Housing Opportunity and Community Development of the Committee on Banking, Housing, and Urban Affairs be authorized to meet jointly during the session of the Senate on Tuesday, July 15, 1997, to conduct a hearing on the Real Estate Settlement Procedures Act [RESPA], the Truth in Lending Act [TILA] and problems surrounding the mortgage origination process.

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

ADDITIONAL STATEMENTS

TRIBUTE TO THE TOWN OF BARRINGTON ON ITS 275TH ANNIVERSARY

● Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to the town of Barrington, NH. On July 20, 1997, the people of Barrington will gather in celebration of the 275th anniversary of the town's charter.

On May 10, 1722 Gov. Samuel Shute signed Barrington's charter on behalf of King George I, encouraging the settlement of a new plantation of 50 dwelling houses, a meeting house for public worship, a parsonage, and a school. However, when Barrington's first settlers crossed the 20 miles between the harbor town of Portsmouth and their new plots of white pine forest land, they found the terrain wrought with the tough, plow-bending granite which has come to make New Hampshire famous. Early accounts depict fields overrun with rattle snakes and forests brimming with less-than-hospitable native tribes.

Nevertheless, in quintessential Yankee fashion, the people of Barrington cut out a tiny foothold for themselves. Together, they burned back the brush, felled the towering hardwoods, and quarried the granite using crude handheld drills and chisels. By 1742, granite boulders had been hewn into foundations and apple orchards had been planted. By 1750, Barrington's lumber mills were providing the timber for ships' masts in England, posts and beams for homes in surrounding towns, and chord wood for firing the seacoast's early ironworks.

Mr. President, on Sunday I will join with the people of Barrington on the steps of its landmark Calef's Country Store to commemorate this historic birthday. Since its rudimentary beginnings the town of Barrington has grown into a prosperous township of 6,600 people. Joining me on Sunday will be members of Barrington's volunteer fire department, Barrington's volunteer emergency medical service and Barrington's volunteer youth association. I am pleased to report the unwavering dedication to community is alive and well in Barrington after 275 years.

Happy birthday, Barrington. Live Free or Die.●

TRIBUTE TO THE 1997 GRADUATES OF THE AMERICAN ASSOCIATION OF HEALTH PLANS' MINORITY MANAGEMENT DEVELOPMENT PROGRAM

● Ms. MIKULSKI. Mr. President, I rise today to congratulate 14 individuals who recently completed the American Association of Health Plans [AAHP] Minority Management Development Program [MMDP]. This intensive yearlong fellowship program prepares minority managers for middle management positions in network-based health plans.

The 1997 graduates are: Cheryl Bitoun, M.H.A.; Michelle Browne, M.P.A., M.S.W.; Kendrick Carpenter; Janice Cartera; Bernadette Cooper, M.H.A.; Lisa Lawrence Eggleston, R.N., M.H.A.; Juli Harkins, M.S.H.A.; Lisa Little Axe; Elizabeth Mendoza, M.B.A., M.H.A.; and Erik Thorne, M.P.H.

The Minority Management Development Program was created in 1994 when AAHP and the health plan community recognized the need to develop diverse management teams—especially in light of the growing number of minorities joining health plans. Since the MMDP's inception in 1992, 42 fellows of diverse ethnic backgrounds have participated in this innovative management training program and have distinguished themselves as leaders throughout the health care community. The MMDP is a comprehensive program designed to provide managerial training, work experience, and knowledge of health plans through focused didactic and practical interactive training opportunities. The program's varied curriculum is focused on key health care related management tools, including quality management and accreditation, marketing, delivery systems, financial management, and operations.

Fellows in the 1997 class trained at health plans in Washington, DC, and in several neighboring counties in Maryland. This year's training sites were Kaiser Foundation Health Plan/Mid-Atlantic States, Rockville, MD; NYLCare

Health Plans, Greenbelt, MD; Blue Cross & Blue Shield of the National Capital Area and Chartered Health Plan in Washington, DC, and Total Health Care, Inc. and Prudential Health Care Plan in Baltimore, MD. Next year, the program will expand to provide training at additional sites in four southwestern States: Arizona, New Mexico, Texas, and California.

AAHP is the national association representing health maintenance organizations [HMO's], preferred provider organizations [PPO's], and other similar health plans. Together, these health plans provide care for more than 140 million Americans.

I hope that this Congress will recognize that programs such as the Minority Management Development Program are of vital importance and that they meet a critical need in the education and training of America's health professionals.●

TRIBUTE TO JAMES BOWSE

● Mr. JEFFORDS. Mr. President, I rise today to pay tribute to James Bowse. Jim died unexpectedly on Tuesday, June 17. As president/chief executive officer at the Rutland Regional Medical Center since 1989, Jim was considered to be one of the most progressive and effective leaders in the field of health care.

Jim understood the challenges facing community hospitals, but never lost sight of the human element in medicine. During his tenure at the Rutland facility Jim was instrumental in creating the first State-owned health maintenance organization [HMO]. He established a Rutland-based system of physicians to provide high quality service while simultaneously containing costs.

Jim strove to develop a community approach in medicine. To that end, he maintained reserves to cover the costs associated with patients that could not afford the treatment they required. Jim was able to freeze patient fees since 1991, while doubling annual revenues to $100 billion. In addition, he played a vital role in the establishment of an orthopedic clinic and the expansion of outpatient services as well as preventative health projects.

Jim had a great sense of humor and an uncanny ability to make the most complex issues seem simple. His dedication to the people of Vermont is in the State's finest tradition. Through his efforts, Jim made a lasting impression upon the community which will be slow to fade. I extend my condolences to his family and friends.●

PLEASANT HILL ELEMENTARY SCHOOL—A 1997 NATIONAL BLUE RIBBON SCHOOL OF EXCELLENCE

● Mr. ROCKEFELLER. Mr. President, I would like to take a moment to recognize a worthy school in my State.

The National Blue Ribbon Schools Program annually identifies elementary and middle schools which attain high academic standards, foster an educational community, productive communication and strong leadership, and indicate a hopeful future. These schools are acknowledged for their achievements and held up publicly as models for other schools.

In testament to West Virginia's strong commitment to education, I am proud that my State contains more blue ribbon schools this year than most others—7 schools out of the 263 honored across the country. Of these, I wish to highlight the achievement of one today: Pleasant Hill Elementary School in Grantsville, WV.

Pleasant Hill's two-story brick building is tucked among the forests of Calhoun County, far from any city or even a fast-food restaurant. It is a place where West Virginians face many financial challenges, yet those at Pleasant Hill have struggled and succeeded in the face of these obstacles. They see that education is the way to a better future.

For 8 years, under a community vision that every child must first master a backbone of basic skills, the school has steadily improved its standing. When teachers were not satisfied with math scores, they examined their teaching methods and implemented a new approach which emphasized practicing skills after they were learned. Now Pleasant Hill students placed in the 91 percentile in math. With this strategy, directing attention to one needy area at a time, the whole school has raised itself to a level which deserves notice.

But the whole community—not just the teachers—has also changed the atmosphere at Pleasant Hill. Under the leadership of administrators like Principal Lawrence Stinn, the faculty and parents see themselves as members of the same team aspiring together to teach the children. When a school community is so united, perhaps the most important aspect of education is already achieved: a sense of optimism. And the Pleasant Hill community certainly has reason to see a bright future.

During a time when our public schools face innumerable obstacles, it is comforting to see places like Pleasant Hill. They reassure us that, with a little determination, all schools in America can improve. Thus I am pleased to congratulate the accomplishments and continuing efforts of the people of Grantsville. I am proud they are from West Virginia and know that they will continue to represent the best that our State has to offer.●

TRIBUTE TO MILDRED SOSH

● Mr. MCCONNELL. Mr. President, I rise today to commend an extraordinary woman for her lifelong dedication to service and charity. Ninety-two-year-old Mildred Sosh volunteers at the Wayside Christian Mission in Louisville one morning every week where she showers needy infants with loving care.

Mrs. Sosh never had children of her own, so she loves the children at Wayside with all her heart. Mrs. Sosh also taught first grade for 44 years. This remarkable woman has volunteered at Wayside Christian Mission for 28 years where she first worked with the Mission's auxiliary mending clothes and making homemade gravy. She later volunteered in the day care where she remains today. Mrs. Sosh also volunteers at Salem United Church of Christ where she is a member. Mrs. Sosh was deservedly honored this spring at the J.C. Penney Golden Rule Awards Banquet for her dedication to helping the homeless.

Despite her dependence on a cane to walk, Mrs. Sosh arrives at Wayside every Tuesday morning to rock the babies. She recruited a friend about 4 years ago to volunteer also so that she would always have a ride to the mission. Although not everyone can volunteer as extensively as Mildred Sosh, we can all take inspiration from her selfless sacrifice for the sake of others.

Mr. President, I ask that you join me in honoring Mildred Sosh.●

ORDERS FOR WEDNESDAY, JULY 16, 1997

Mr. DOMENICI. Mr. President, in behalf of the majority leader, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 10 a.m. on Wednesday, July 16. I further ask that on Wednesday, immediately following the prayer, the routine requests through the morning hour be granted and the Senate then proceed to a period of morning business until the hour of 11 a.m. with Senators permitted to speak for up to 5 minutes, with the following exceptions: Senators HAGEL and CLELAND, 20 minutes; Senator TORRICELLI, 15; Senator DORGAN, 20.

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

Mr. DOMENICI. On behalf of the leader, I also ask that at 11 a.m. the Senate begin consideration of S. 955, the foreign operations appropriations bill.

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

Mr. DOMENICI. I thank the Chair.

PROGRAM

Mr. DOMENICI. For the information of all Senators, in behalf of the leader, I state the following. Tomorrow, the Senate will be in a period of morning business until the hour of 11 a.m. By previous consent, at 11 a.m. the Senate will begin consideration of S. 955, the foreign operations appropriations bill. By previous consent, a vote on final passage of S. 1004, the energy and water appropriations bill, will occur following the first vote relative to the foreign operations bill.

Thus far, we have been able to make considerable progress on four appropriations bills cleared for floor action.

It is the leader's hope that this progress with respect to the foreign operations appropriations bill and the legislative branch appropriations bill will continue.

Senators are reminded that the Senate hopes to complete action on two more appropriations bills this week, so the cooperation of Members in the scheduling of floor action is appreciated.

I thank my colleagues for their attention.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. DOMENICI. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 7:21 p.m., adjourned until Wednesday, July 16, 1997, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate July 15, 1997:

DEPARTMENT OF DEFENSE

JOHN J. HAMRE, OF SOUTH DAKOTA, TO BE DEPUTY SECRETARY OF DEFENSE, VICE JOHN P. WHITE, RESIGNED.

THE JUDICIARY

CHARLES J. SIRAGUSA, OF NEW YORK, TO BE U.S. DISTRICT JUDGE FOR THE WESTERN DISTRICT OF NEW YORK, VICE MICHAEL A. TELESCA, RETIRED.

RICHARD L. YOUNG, OF INDIANA, TO BE U.S. DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF INDIANA, VICE GENE E. BROOKS, RETIRED.

DEPARTMENT OF JUSTICE

SHARON J. ZEALEY, OF OHIO, TO BE U.S. ATTORNEY FOR THE SOUTHERN DISTRICT OF OHIO FOR THE TERM OF 4 YEARS, VICE EDMUND A. SARGUS, JR.