Resolved: That We, your Memorialists, the Members of the 118th Legislature, now assembled in this First Special Session, respectfully recommend and urge the United States Postal Service to issue a stamp honoring Joshua Lawrence Chamberlain; and be it further

Resolved: That suitable copies of this Memorial, duly authenticated by the Secretary of State, be transmitted to the Honorable William J. Clinton, President of the United States, the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, to each member of the Maine Congressional Delegation and to the Postmaster General of the United States Postal Service.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources:

Patrick A. Shea, of Utah, to be Director of the Bureau of Land Management.

Kathleen M. Karpan, of Wyoming, to be Director of the Office of Surface Mining Reclamation and Enforcement.

Robert G. Stanton, of Virginia, to be Director of the National Park Service.

Kneeland C. Youngblood, of Texas, to be a Member of the Board of Directors of the U.S. Enrichment Corporation for a term expiring February 24, 2002.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. MCCAIN, from the Committee on Commerce, Science, and Transportation:

Jane Garvey, of Massachusetts, to be Administrator of the Federal Aviation Administration for the term of 5 years.

(The above nomination was reported with the recommendation that she be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. JEFFORDS, from the Committee on Labor and Human Resources:

Louis Caldera, of California, to be a Managing Director of the Corporation for National and Community Service.

Ernestine P. Watlington, of Pennsylvania, to be a Member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1999.

John T. Broderick, Jr., of New Hampshire, to be a Member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1999.

Gina McDonald, of Kansas, to be a Member of the National Council on Disability for a term expiring September 17, 1998.

Bonnie O'Day, of Minnesota, to be a Member of the National Council on Disability for a term expiring September 17, 1998.

Paul Simon, of Illinois, to be a Member of the National Institute for Literacy Advisory Board for a term expiring September 22, 1998.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. THURMOND. Mr. President, for the Committee on Armed Services, I report favorably 16 nomination lists in the Air Force, Army, Marine Corps, and the Navy which were printed in full in the CONGRESSIONAL RECORDS of June 12, 17, 23, 27, July 8 and 9, 1997, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

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

(The nominations ordered to lie on the Secretary's desk were printed in the RECORDS of June 12, 17, 23, 27, July 8 and 9, 1997, at the end of the Senate proceedings.)

NOMINATIONS PLACED ON THE SECRETARY'S DESK

IN THE AIR FORCE

Beginning James W Adams and ending Michael B Wood, received by Senate and appeared in Congressional Record of June 17, 1997.

Beginning James M Abatti and ending Scott A Zuerlein, received by Senate and appeared in Congressional Record of July 8, 1997.

IN THE ARMY

Juliet T. Tanada, received by Senate and appeared in Congressional Record of June 17, 1997.

Beginning Cornelius S. Mccarthy and ending *Todd A. Mercer, received by Senate and appeared in Congressional Record of June 23, 1997.

Beginning Terry L. Belvin and ending James A. Zernicke, received by Senate and appeared in Congressional Record of June 27, 1997.

Beginning Daniel J. Adelstein and ending *Alan S. Mccoy, received by Senate and appeared in Congressional Record of July 8, 1997.

Maureen K. Leboeuf, received by Senate and appeared in Congressional Record of July 8, 1997.

Beginning James A. Barrineau, Jr., and ending Deborah C. Wheeling, received by Senate and appeared in Congressional Record of July 8, 1997.

IN THE MARINE CORPS

Thomas W. Spencer, received by Senate and appeared in Congressional Record of June 23, 1997.

Dennis M. Arinello, received by Senate and appeared in Congressional Record of June 23, 1997.

Carlo A. Montemayor, received by Senate and appeared in Congressional Record of June 23, 1997.

Beginning Demetrice M. Babb and ending John E. Zeger, Jr., received by Senate and appeared in Congressional Record of June 27, 1997.

Anthony J. Zell, received by Senate and appeared in Congressional Record of July 8, 1997.

Mark G. Garcia, received by Senate and appeared in Congressional Record of July 8, 1997.

IN THE NAVY

Beginning John A Achenbach and ending Sreten Zivovic, received by Senate and appeared in Congressional Record of June 12, 1997.

Beginning Layne M. K. Araki and ending Charles F. Wrightson, received by Senate and appeared in Congressional Record of July 8, 1997.

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. COCHRAN:

S. 1054. A bill to amend title II of the Social Security Act to establish, for purposes of disability determinations under such titles, a uniform minimum level of earnings, for demonstrating ability to engage in substantial gainful activity, at the level currently applicable solely to blind individuals; to the Committee on Finance.

By Mr. DURBIN (for himself, Ms. MOSELEY-BRAUN, and Mr. REID):

S. 1055. A bill to amend title 23, United States Code, to extend the Interstate 4R discretionary program; to the Committee on Environment and Public Works.

By Mr. BURNS (for himself, Mr. COATS, and Mr. LUGAR):

S. 1056. A bill to provide for farm-related exemptions from certain hazardous materials transporation requirements; to the Committee on Commerce, Science, and Transportation.

By Mr. REED (for himself, Mr. BRYAN, Mr. HOLLINGS, and Mr. JOHNSON):

S. 1057. A bill to amend the Federal Election Campaign Act of 1971 to require mandatory spending limits for Senate candidates and limits on independent expenditures, to ban soft money, and for other purposes; to the Committee on Rules and Administration.

By Mr. DURBIN:

S. 1058. A bill to amend the National Forest Management Act of 1976 to prohibit below-cost timber sales in the Shawnee National Forest; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CHAFEE (for himself, Mr. KEMPTHORNE, and Mr. GRAHAM):

S. 1059. A bill to amend the National Wildlife Refuge System Administration Act of 1966 to improve the management of the National Wildlife Refuge System, and for other purposes; to the Committee on Environment and Public Works.

By Mr. LAUTENBERG (for himself, Mr. WYDEN, Mr. DURBIN, and Mr. HARKIN):

S. 1060. A bill to restrict the activities of the United States with respect to foreign laws that regulate the marketing of tobacco products and to subject cigarettes that are exported to the same restrictions on labeling as apply to the sale or distribution of cigarettes in the United States; to the Committee on Commerce, Science, and Transportation.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. MURKOWSKI (for himself, Mr. STEVENS, Mr. GORTON, and Mr. HELMS):

S. Res. 109. A resolution condemning the Government of Canada for its failure to accept responsibility for the illegal blockade of a U.S. vessel in Canada, and calling on the President to take appropriate action; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DURBIN (for himself, Ms. MOSELEY-BRAUN and Mr. REID):

S. 1055. A bill to amend title 23, United States Code, to extend the Interstate 4R discretionary program; to the Committee on Environment and Public Works.

THE INTERSTATE SYSTEM IMPROVEMENT ACT OF 1997

Mr. DURBIN. Mr. President, today I am introducing legislation that would help improve our country's aging Interstate System—the Interstate System Improvement Act of 1997. My colleagues, Senators MOSELEY-BRAUN and REID have joined me as original cosponsors.

This bill is simple. It would fund the discretionary Interstate 4R [I–4R] program at a level of $800 million annually, a significant increase from the current level of $66 million in fiscal year 1997. I believe that the I–4R program is one of the most crucial aspects of the upcoming Intermodal Surface Transportation and Efficiency Act [ISTEA] reauthorization. And, I hope to work with my colleagues on the Environment and Public Works Committee to incorporate this important measure into ISTEA legislation later this year.

The I–4R program is critical to the resurfacing, restoration, rehabilitation, and reconstruction of our country's vital infrastructure. This year, the program is funded at $66 million. However, demand for funds has outpaced available money by more than 9 to 1. For example, in fiscal year 1997, 25 States requested $1.2 billion in I–4R funds under the discretionary program. Only six States received assistance, most at greatly reduced levels. Nineteen States will receive no I–4R discretionary funds in fiscal year 1997 and over $1 billion in funding requests have gone unanswered.

States with major interstate projects would benefit greatly from this legislation. In Illinois alone, the State faces a highway funding shortage because of crucial projects like the Stevenson Expressway in Chicago and I–74 in Peoria. These projects are simply too important to delay. A healthy I–4R discretionary program is necessary in order to rebuild this vital infrastructure.

Mr. President, I urge my colleagues to join me in advancing this important legislation.

Ms. MOSELEY-BRAUN. Mr. President, I am pleased to introduce the Interstate System Improvement Act of 1997 with my colleague from Illinois, Senator DURBIN.

This legislation would increase the authorization for the discretionary I–4R program from its current level of around $60 to $800 million annually. This change would allow States with large interstate improvement projects to compete for discretionary grants at the Federal level.

As our Nation's interstate system ages, it is going to become more important for many States to have access to large, discretionary grants for major interstate improvement projects. For my home State of Illinois, this legislation would provide an opportunity to compete for funds to reconstruct a 15-mile segment of the aging Stevenson Expressway, one of the Chicago area's most important arteries, and one that is badly in need of repair.

I believe this change is important to improve our current system of highway funding, and I urge my colleagues on the Environment and Public Works Committee who are involved in drafting legislation to reauthorize the Intermodal Surface Transportation and Efficiency Act to include this legislation as part of their reauthorization bill.

By Mr. BURNS (for himself, Mr. COATS, and Mr. LUGAR):

S. 1056. A bill to provide for farm-related exemptions from certain hazardous materials transportation requirements; to the Committee on Commerce, Science, and Transportation.

FARM-RELATED EXEMPTIONS LEGISLATION

Mr. BURNS. Mr. President, I am introducing today a bill to provide for farm-related exemptions for certain hazardous materials and transportation requirements. I send it to the desk and ask for its appropriate referral.

The PRESIDING OFFICER. The bill will be read twice and then referred to the appropriate committee.

Mr. BURNS. Mr. President, today, I rise to introduce a bill that will provide further regulatory relief for our farmers and ranchers.

Let me give you some background on this issue. Earlier this year, the U.S. Department of Transportation published a rule under the HM–200 docket which severely restricts the transportation of agricultural products classified as hazardous materials.

This aspect of the HM–200 rule could cost the agricultural retail industry and the farm economy millions of dollars every year.

Currently, States model their regulations concerning the transport of hazardous materials on Federal Hazardous Materials Regulations [HMR's]. However, some States with large farm economies provide exceptions from the State HMR's to the agricultural industry for the short-haul, intrastate, retail-to-farm transport of agricultural inputs.

HM–200 would supersede all State HMR's, eliminate these exceptions, and apply Federal regulations to the short-haul, seasonal and mostly rural transport of farm products.

The cost of this regulatory burden is estimated to be in excess of $12,300 a year for each agricultural retailer. Industrywide, it is estimated that it could cost the agricultural economy nearly $62 million annually.

We all want safe highways, safe food production, and a safe workplace, but when DOT, OSHA, and EPA regulations are stirred together in a pot, the stew can turn out to be quite rancid. Placing these Federal burdens on the backs of farmers and ranchers in Montana's rural communities, can mean the difference between flying or dying.

HM–200 will require agricultural retailers to comply with time consuming and costly regulations that will not make our rural roads safer, but only increase the cost of doing business, cause confusion, and require unnecessary paperwork. These expenses will be passed on to farmers who already are burdened with slimming margins and ever higher cost of production.

States and the agricultural community have an excellent track record for protecting the environment and keeping the public safe. The agricultural retail industry complies with numerous safety measures such as requiring all drivers to have Commercial Drivers Licenses [CDL's] drug and alcohol testing for drivers, HAZMAT handling experience, and so forth.

Additionally, States which do not provide exceptions to their own HMR's for the agricultural community will face a new regulatory burden since these States rarely enforce the regulations that they have in place. The U.S. DOT has made it abundantly clear that they will expect all States to actively enforce HM–200, thereby making it an unfunded mandate.

Despite petitions for reconsideration from the agricultural community—all of which have gone unanswered by DOT—HM–200 is due to be implemented on October 1, 1997—it was published in February of this year.

This legislation seeks to delay implementation of HM–200 with respect to agricultural transports, until October 1, 1999, or until the reauthorization of Federal Hazardous Materials legislation. By allowing for a delay in HM–200 implementation, I believe we can properly address and examine the facts as they stand with regard to the need for this new regulation.

I urge my colleagues to support this vital legislation, and help keep our agricultural community from having to bear a needless expense which has little safety value to the public.

By Mr. REED (for himself, Mr. BRYAN, Mr. HOLLINGS, and Mr. JOHNSON):

S. 1057. A bill to amend the Federal Election Campaign Act of 1971 to require mandatory spending limits for Senate candidates and limits on independent expenditures, to ban soft money, and for other purposes; to the Committee on Rules and Administration.

THE CAMPAIGN SPENDING CONTROL ACT OF 1997

Mr. REED. Mr. President, I rise today to discuss legislation I have just introduced, the Campaign Spending Control Act of 1997. The 1996 elections, unfortunately, will be remembered for two remarkable facts. First, Federal campaigns produced record spending; over $2.7 billion or almost $28 for every voter. Second, the election produced record-low voter participation: less than half of those eligible chose to vote. These two tragic facts are inextricably linked.

Due to the vast sums of money spent on campaigns, most Americans believe

our current campaign system is tainted by special interest money. Under a flood of money and television ads, voters view their voice as meaningless, their concerns as unaddressed, and their votes as unimportant. In order to restore public confidence, campaign finance reform must accomplish three goals. It must significantly reduce campaign spending; level the playing field for those who challenge incumbents; and, finally, encourage greater public participation and debate.

These goals cannot be successfully addressed without significantly changing the rules which govern campaigns. Campaign scandals have posed a threat to the health of our democracy throughout our Nation's history. In 1907, after enduring embarrassment over a campaign scandal, President Teddy Roosevelt championed legislation prohibiting corporations from financing Federal candidates. In 1974, responding to the scandals of the 1972 elections and the resignation of President Nixon, Congress overwhelmingly passed legislation limiting spending by candidates, parties, and wealthy individuals.

In 1996, all the past campaign reforms imploded, with a flood of corporate and individual money overwhelming legal limits. Million-dollar corporate contributions funded advertisements to impact Presidential and congressional campaigns. Well-funded individuals and organizations also got into the act. By spending a record $70 million on so-called issue advertising, labor unions, business organizations, and ideological groups circumvented limits on direct contributions to candidates. Thus, candidates, awash in a sea of outside money, were pushed to not only trounce their opponents in fundraising, but to match outside groups. The chase for dollars sapped candidates' time which could have been spent debating, attending forums, and otherwise engaging voters. Once solicited, most of these millions were spent on uninformative, 30-second advertisements, which only served to further alienate the electorate. Unchecked, this campaign system will spiral into exponential spending increases, further disenfranchisement, and less dialog. The system is already close to collapsing under its own weight; the time to act is now.

The roots of this abysmal situation can be traced to a misguided Supreme Court decision. In Buckley versus Valeo, a 1976 case which challenged the 1974 campaign reform legislation, the Court held that, in order to avoid corruption, contributions to candidates and committees could be limited. However, the Court invalidated expenditure limits on candidates and independent entities as infringements on free speech rights. The Court surmised that unlimited spending would increase the number and depth of issues discussed. Twenty years of campaign spending has proven the Court's decision fatally flawed: fewer issues are discussed, less debate occurs, and voter participation has declined. The single most important step to reform elections and revitalize our democracy is to reverse the Buckley decision by limiting the amount of money that a candidate or his allies can spend.

For this reason, Senators BRYAN, HOLLINGS, JOHNSON, and I are introducing legislation which directly challenges the Buckley decision and places mandatory limits on all campaign expenditures. These limits do not favor incumbents. Over the last three elections, these limits would have restricted 80 percent of incumbents, while only impacting 18 percent of those who challenged incumbents. Additionally, this legislation would fully ban corporate contributions, as well as unlimited and unregulated contributions by wealthy individuals and organizations. Further, our bill would limit campaign expenditures by supposedly, neutral, independent groups, and restrict corporations, labor unions, and other organizations from influencing campaigns under the guise of issue advocacy. The end result of this legislation would be to eliminate over $500 million from the system, discourage violations, encourage challenges to incumbents, and further promote debate among both candidates and the electorate.

What effect would these limits have on political debate? Contrary to the Supreme Court, I believe such limits would increase dialog. Candidates would be free from the burdens of unending fundraising and thus be available to participate in debates, forums, and interviews. With greater access to candidates and less reason to believe that candidates were captives of their contributors, voters might well be more prepared to invest the time needed to be informed on issues of concern and ask candidates to address them.

Some will argue that this legislation impinges upon freedom of speech. The bill will marginally restrict the rights of a few to spend money—not speak—so that the majority of voters might restore their faith in the process. Thus, speech will be restricted no more than necessary to fulfill what I believe to be several compelling interests. Such a restriction conforms with constitutional jurisprudence and has been demonstrated necessary by history. The fact is all democratic debates are restricted by rules. My legislation would simply implement necessary rules into our campaign system. Finally, it is important to remember that the vast majority of Americans, 96 percent, have never made a political contribution at any level of government. Capping expenditures will truly impact very few individuals, and that restriction will be marginal, but necessary.

Implementing spending caps is a grass-roots initiative. Elected officials from 33 States have urged that the Buckley decision be revisited and limits implemented. Legislative bodies in Ohio and Vermont have implemented sweeping reform by enacting mandatory caps on candidate expenditures. Other States, such as my own, have embraced public financing as a means of reform. Yet, today, Congress struggles to even consider the most modest of reforms, such as banning so called soft money: unlimited donations by corporations, labor unions, and wealthy individuals to political party committees. Unfortunately, because most of the current reform proposals accept the reasoning enunciated in the Buckley decision, they will only serve to redirect an unlimited flow of cash. While I enthusiastically support any substantive reform, if we are to address the underlying cancer which has disintegrated voter trust and participation, the problem of unlimited expenditures must be directly confronted. This is a step that one municipality and two States have embraced. Many more State officials as well as prominent constitutional law scholars have urged such a course. Expenditure limitations have been proposed by congressional reformers in the past, and it is time to rededicate ourselves to this goal.

Mr. President, I have a list of the 33 State officials and 24 State attorneys general who have urged the reversal of Buckley. I ask unanimous consent that these documents be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit 1.)

Mr. REED. Mr. President, our democracy is dependent upon participation, stimulated by a belief that the system works for everyone. Just as scandals led to reform in 1907 and 1974, Congress must now rise to the task once again to address a threat to our democratic process. Polls continue to demonstrate that a majority of Americans believe the political process is controlled by wealthy interests. The most dangerous aspect of the current situation is that polls also show that voters have no faith in the ability of their representatives to implement reform. If we do not address the influence of money in our electoral system, the health of our democracy will endure increasing risk. It is time to begin true, comprehensive reform. I would like to thank Senators BRYAN, HOLLINGS, and JOHNSON for joining me in this endeavor. Their leadership on this issue in the past has proven invaluable, and I am proud that they have chosen to join me in this important effort. It is my hope that the Senate will now move to address the problem of our campaign system at its root. Finally, Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

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

S. 1057

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Campaign Spending Control Act of 1997''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Statement of purpose.
Sec. 3. Findings of fact.

TITLE I—SENATE ELECTION SPENDING LIMITS

Sec. 101. Senate election spending limits.

TITLE II—COORDINATED AND INDEPENDENT EXPENDITURES

Sec. 201. Adding definition of coordination to definition of contribution.
Sec. 202. Treatment of certain coordinated contributions and expenditures.
Sec. 203. Political party committees.
Sec. 204. Limit on independent expenditures.
Sec. 205. Clarification of definitions relating to independent expenditures.
Sec. 206. Elimination of leadership PACs.

TITLE III—SOFT MONEY

Sec. 301. Soft money of political party committee.
Sec. 302. State party grassroots funds.
Sec. 303. Reporting requirements.
Sec. 304. Soft money of persons other than political parties.

TITLE IV—ENFORCEMENT

Sec. 401. Filing of reports using computers and facsimile machines.
Sec. 402. Audits.
Sec. 403. Authority to seek injunction.
Sec. 404. Increase in penalty for knowing and willful violations.
Sec. 405. Prohibition of contributions by individuals not qualified to vote.
Sec. 406. Use of candidates' names.
Sec. 407. Expedited procedures.

TITLE V—SEVERABILITY; REGULATIONS; EFFECTIVE DATE

Sec. 501. Severability.
Sec. 502. Regulations.
Sec. 503. Effective date.

SEC. 2. STATEMENT OF PURPOSE.

The purposes of this Act are to—

(1) restore the public confidence in and the integrity of our democratic system;

(2) strengthen and promote full and free discussion and debate during election campaigns;

(3) relieve Federal officeholders from limitations on their attention to the affairs of the Federal government that can arise from excessive attention to fundraising;

(4) relieve elective office-seekers and officeholders from the limitations on purposeful political conduct and discourse that can arise from excessive attention to fundraising;

(5) reduce corruption and undue influence, or the appearance thereof, in the financing of Federal election campaigns; and

(6) provide non-preferential terms of access to elected Federal officeholders by all interested members of the public in order to uphold the constitutionally guaranteed right to petition the Government for redress of grievances.

SEC. 3. FINDINGS OF FACT.

Congress finds the following:

(1) The current Federal campaign finance system, with its perceived preferential access to lawmakers for interest groups capable of contributing sizable sums of money to lawmakers' campaigns, has caused a widespread loss of public confidence in the fairness and responsiveness of elective government and undermined the belief, necessary to a functioning democracy, that the Government exists to serve the needs of all people.

(2) The United States Supreme Court, in *Buckley v. Valeo*, 424 U.S. 1 (1976), disapproved the use of mandatory spending limits as a remedy for such effects, while approving the use of campaign contribution limits.

(3) Since that time, campaign expenditures have risen steeply in Federal elections with spending by successful candidates for the United States Senate between 1976 and 1996 rising from $609,100 to $3,775,000, an increase that is twice the rate of inflation.

(4) As campaign spending has escalated, voter turnout has steadily declined and in 1996 voter turnout fell to its lowest point since 1924, and stands now at the lowest level of any democracy in the world.

(5) Coupled with out-of-control campaign spending has come the constant necessity of fundraising, arising, to a large extent, from candidates adopting a defensive ''arms race'' posture of constant readiness against the risk of massively financed attacks against whatever the candidate may say or do.

(6) The current campaign finance system has had a deleterious effect on those who hold public office as endless fundraising pressures intrude upon the performance of constitutionally required duties. Capable and dedicated officials have left office in dismay over these distractions and the negative public perceptions that the fundraising process engenders and numerous qualified citizens have declined to seek office because of the prospect of having to raise the extraordinary amounts of money needed in today's elections.

(7) The requirement for candidates to fundraise, the average 1996 expenditure level required a successful Senate candidate to raise more than $12,099 a week for 6 years, significantly impedes on the ability of Senators and other officeholders to tend to their official duties, and limits the ability of candidates to interact with the electorate while also tending to professional responsibilities.

(8) As talented incumbent and potential public servants are deterred from seeking office in Congress because of such fundraising pressures, the quality of representation suffers and those who do serve are impeded in their effort to devote full attention to matters of the Government by the campaign financing system.

(9) Contribution limits are inadequate to control all of these trends and as long as campaign spending is effectively unrestrained, supporters can find ways to protect their favored candidates from being outspent. Since 1976 major techniques have been found and exploited to get around and evade contribution limits.

(10) Techniques to evade contribution limits include personal spending by wealthy candidates, independent expenditures that assist or attack an identified candidate, media campaigns by corporations, labor unions, and nonprofit organizations to advocate the election or defeat of candidates, and the use of national, State, or local political parties as a conduit for money that assists or attacks such candidates.

(11) Wealthy candidates may, under the present Federal campaign financing system, spend any amount they want out of their own resources and while such spending may not be self-corrupting, it introduces the very defects the Supreme Court wants to avoid. The effectively limitless character of such resources obliges a wealthy candidate's opponent to reach for larger amounts of outside support, causing the deleterious effects previously described.

(12) Experience shows that there is an identity of interest between candidates and political parties because the parties exist to support candidates, not the other way around. Party expenditures in support of, or in opposition to, an identifiable candidate are, therefore, effectively spending on behalf of a candidate.

(13) Political experience shows that so-called ''independent'' support, whether by individuals, committees, or other entities, can be and often is coordinated with a candidate's campaign by means of tacit understandings without losing its nominally independent character and, similarly, contributions to a political party, ostensibly for ''party-building'' purposes, can be and often are routed, by undeclared design, to the support of identified candidates.

(14) The actual, case-by-case detection of coordination between candidate, party, and independent contributor is, as a practical matter, impossible in a fast-moving campaign environment.

(15) So-called ''issue advocacy'' communications, by or through political parties or independent contributors, need not, as a practical matter, advocate expressly for the election or defeat of a named candidate in order to cross the line into election campaign advocacy; any clear, objective indication of purpose, such that voters may readily observe where their electoral support is invited, can suffice as evidence of intent to impact a Federal election campaign.

(16) When State political parties or other entities operating under State law receive funds, often called ''soft money'', for use in Federal elections, they become de facto agents of the national political party and the inclusion of these funds under applicable Federal limitations is necessary and proper for the effective regulation of Federal election campaigns.

(17) The exorbitant level of money in the political system has served to distort our democracy by giving some contributors, who constitute less than 3 percent of the citizenry, the appearance of favored access to elected officials, thus undermining the ability of ordinary citizens to petition their Government. Concerns over the potential for corruption and undue influence, and the appearances thereof, has left citizens cynical, the reputation of elected officials tarnished, and the moral authority of Government weakened.

(18) The 2 decades of experience since the Supreme Court's *Buckley v. Valeo* ruling in 1976 have made it evident that reasonable limits on election campaign expenditures are now necessary and these limits must comprehensively address all types of expenditures to prevent circumvention of such limits.

(19) The Supreme Court based its *Buckley v. Valeo* decision on a concern that spending limits could narrow political speech ''by restricting the number of issues discussed, the depth of their exploration, and the size of the audience reached''. The experience of the past 20 years has been otherwise as experience shows that unlimited expenditures can drown out or distort political discourse in a flood of distractive repetition. Reasonable spending limits will increase the opportunity for previously muted voices to be heard and thereby increase the number, depth, and diversity of ideas presented to the public.

(20) Issue advocacy communications that do not promote or oppose an identified candidate should remain unregulated, as should the traditional freedom of the press to report and editorialize about candidates and campaigns.

(21) In establishing reasonable limits on campaign spending, it is necessary that the limits reflect the realities of modern campaigning in a large, diverse population with sophisticated and expensive modes of communication. The limits must allow citizens to benefit from a full and free debate of issues and permit candidates to garner the resources necessary to engage in that debate.

(22) The expenditure limits established in this Act for election to the United States Senate were determined after careful review of historical spending patterns in Senate campaigns as well as the particular spending level of the 3 most recent elections as evidenced by the following:

(A) The limit formula allows candidates a level of spending which guarantees an ability to disseminate their message by accounting for the size of the population in each State as well as historical spending trends including the demonstrated trend of lower campaign spending per voter in larger States as compared to voter spending in smaller States.

(B) The candidate expenditure limits included in this legislation would have restricted 80 percent of the incumbent candidates in the last 3 elections, while only impeding 18 percent of the challengers.

(C) It is clear from recent experience that expenditure limits as set by the formula in this Act will be high enough to allow an effective level of competition, encourage candidate dialogue with constituents, and circumscribe the most egregiously high spending levels, so as to be a bulwark against future campaign finance excesses and the resulting voter disenfranchisement.

TITLE I—SENATE ELECTION SPENDING LIMITS

SEC. 101. SENATE ELECTION SPENDING LIMITS.

(a) IN GENERAL.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following:

"SEC. 324. SPENDING LIMITS FOR SENATE ELECTION CAMPAIGNS

''(a) IN GENERAL.—The amount of funds expended by a candidate for election to the Senate and the candidate's authorized committees with respect to an election may not exceed the election expenditure limits of subsections (b), (c), and (d).

''(b) PRIMARY ELECTION EXPENDITURE LIMIT.—The aggregate amount of expenditures for a primary election by a Senate candidate and the candidate's authorized committees shall not exceed 67 percent of the general election expenditure limit under subsection (d).

''(c) RUNOFF ELECTION EXPENDITURE LIMIT.—The aggregate amount of expenditures for a runoff election by a Senate candidate and the candidate's authorized committees shall not exceed 20 percent of the general election expenditure limit under subsection (d).

''(d) GENERAL ELECTION EXPENDITURE LIMIT.—

''(1) IN GENERAL.—The aggregate amount of expenditures for a general election by a Senate candidate and the candidate's authorized committees shall not exceed the greater of—

''(A) $1,182,500; or

''(B) $500,000; plus

''(i) 37.5 cents multiplied by the voting age population not in excess of 4,000,000; and

''(ii) 31.25 cents multiplied by the voting age population in excess of 4,000,000.

''(2) EXCEPTION.—In the case of a Senate candidate in a State that has not more than 1 transmitter for a commercial Very High Frequency (VHF) television station licensed to operate in that State, paragraph (1)(B) shall be applied by substituting—

''(A) '$1.00' for '37.5 cents' in clause (i); and

''(B) '87.5 cents' for '31.25 cents' in clause (ii).

''(3) INDEXING.—The monetary amounts in paragraphs (1) and (2) shall be increased as of the beginning of each calendar year based on the increase in the price index determined under section 315(c), except that the base period shall be calendar year 1997.

''(e) EXEMPTED EXPENDITURES.—In determining the amount of funds expended for purposes of this section, there shall be excluded any amounts expended for—

''(1) Federal, State, or local taxes with respect to earnings on contributions raised;

''(2) legal and accounting services provided solely in connection with complying with the requirements of this Act;

''(3) legal services related to a recount of the results of a Federal election or an election contest concerning a Federal election; or

''(4) payments made to or on behalf of an employee of a candidate's authorized committees for employee benefits—

''(A) including—

''(i) health care insurance;

''(ii) retirement plans; and

''(iii) unemployment insurance; but

''(B) not including salary, any form of compensation, or amounts intended to reimburse the employee.''.

TITLE II—COORDINATED AND INDEPENDENT EXPENDITURES

SEC. 201. ADDING DEFINITION OF COORDINATION TO DEFINITION OF CONTRIBUTION.

(a) DEFINITION OF CONTRIBUTION.—Section 301(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)) is amended—

(1) in subparagraph (A)—

(A) in clause (i), by striking ''or'' at the end;

(B) in clause (ii) by striking the period and inserting ''; or''; and

(C) by adding at the end the following:

''(iii) a payment made for a communication or anything of value that is for the purpose of influencing an election for Federal office and that is a payment made in coordination with a candidate.''; and

(2) by adding at the end the following:

''(C) PAYMENT MADE IN COORDINATION WITH.—The term 'payment made in coordination with' means—

''(i) a payment made by any person in cooperation, consultation, or concert with, at the request or suggestion of, or pursuant to any general or particular understanding with, a candidate, a candidate's authorized committees, an agent acting on behalf of a candidate or a candidate's authorized committee, or (for purposes of paragraphs (9) and (10) of section 315(a)) another person;

''(ii) the financing by any person of the dissemination, distribution, or republication, in whole or in part, of any broadcast or any written, graphic, or other form of campaign materials prepared by the candidate or the candidate's authorized committees (not including a communication described in paragraph (9)(B)(i) or a communication that expressly advocates the candidate's defeat); or

''(iii) payments made based on information about the candidate's plans, projects, or needs provided to the person making the payment by the candidate, the candidate's authorized committees, or an agent of a candidate or a candidate's authorized committees.''.

(b) CONFORMING AMENDMENTS.—

(1) SECTION 315.—Section 315(a)(7)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(7)(B)) is amended to read as follows:

''(B) expenditures made in coordination with a candidate, within the meaning of section 301(8)(C), shall be considered to be contributions to the candidate and, in the case of limitations on expenditures, shall be treated as an expenditure for purposes of this section; and''.

(2) SECTION 316.—Section 316(b)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)(2)) is amended by striking ''shall include'' and inserting ''shall have the meaning given those terms in paragraphs (8) and (9) of section 301 and shall also include''.

SEC. 202. TREATMENT OF CERTAIN COORDINATED CONTRIBUTIONS AND EXPENDITURES.

Section 315(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)) is amended by adding at the end the following:

''(9) For purposes of this section, contributions made by more than 1 person in coordination with each other (within the meaning of section 301(8)(C)) shall be considered to have been made by a single person.

''(10) For purposes of this section, an independent expenditure made by a person in coordination with (within the meaning of section 301(8)(C)) another person shall be considered to have been made by a single person.''.

SEC. 203. POLITICAL PARTY COMMITTEES.

(a) LIMIT ON COORDINATED AND INDEPENDENT EXPENDITURES BY POLITICAL PARTY COMMITTEES.—Section 315(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(d)) is amended—

(1) in paragraph (1), by inserting ''and independent expenditures'' after ''Federal office''; and

(2) in paragraph (3)—

(A) by inserting '', including expenditures made'' after ''make any expenditure''; and

(B) by inserting ''and independent expenditures advocating the election or defeat of a candidate,'' after ''such party''.

(b) RULES APPLICABLE WHEN LIMITS NOT IN EFFECT.—For purposes of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), during any period beginning after the effective date of this Act in which the limitation under section 315(d)(3) (as amended by subsection (a)) is not in effect the following amendments shall be effective:

(1) INDEPENDENT VERSUS COORDINATED EXPENDITURES BY A POLITICAL PARTY COMMITTEE.—Section 315(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(d)) is amended—

(A) in paragraph (1)—

(i) by striking ''(2) and (3) of this subsection'' and inserting ''(2), (3), and (4) of this subsection''; and

(ii) by inserting ''coordinated'' after ''make'';

(B) in paragraph (3), by inserting ''coordinated'' after ''make''; and

(C) by adding at the end the following:

''(4) PROHIBITION AGAINST MAKING BOTH COORDINATED EXPENDITURES AND INDEPENDENT EXPENDITURES.—

''(A) IN GENERAL.—A committee of a political party shall not make both a coordinated expenditure in excess of $5,000 and an independent expenditure with respect to the same candidate during an election cycle.

''(B) CERTIFICATION.—Before making a coordinated expenditure in excess of $5,000 in connection with a general election campaign for Federal office, a committee of a political party that is subject to this subsection shall file with the Commission a certification, signed by the treasurer, stating that the committee will not make independent expenditures with respect to such candidate.

''(C) TRANSFERS.—A party committee that certifies under this paragraph that the committee will make coordinated expenditures with respect to any candidate shall not, in the same election cycle, make a transfer of funds to, or receive a transfer of funds from, any other party committee unless that committee has certified under this paragraph that it will only make coordinated expenditures with respect to candidates.

''(D) DEFINITION OF COORDINATED EXPENDITURE.—In this paragraph, the term 'coordinated expenditure' shall have the meaning given the term 'payments made in coordination with' in section 301(8)(C).''.

(2) LIMIT ON CONTRIBUTIONS TO POLITICAL PARTY COMMITTEES.—Section 315(a) of Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)) is amended—

(A) in paragraph (1)(B), by striking ''which, in the aggregate, exceed $20,000'' and inserting ''that—

''(i) in the case of a political committee that certifies under subsection (d)(4) that it will not make independent expenditures in connection with the general election campaign of any candidate, in the aggregate, exceed $20,000; or

''(ii) in the case of a political committee that does not certify under subsection (d)(4) that it will not make independent expenditures in connection with the general election campaign of any candidate, in the aggregate, exceed $5,000''; and

(B) in paragraph (2)(B), by striking ''which, in the aggregate, exceed $15,000'' and inserting ''that—

''(i) in the case of a political committee that certifies under subsection (d)(4) that it will not make independent expenditures in connection with the general election campaign of any candidate, in the aggregate, exceed $15,000; or

''(ii) in the case of a political committee that does not certify under subsection (d)(4) that it will not make independent expenditures in connection with the general election campaign of any candidate, in the aggregate, exceed $5,000''.

(c) DEFINITION OF ELECTION CYCLE.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by adding at the end the following:

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

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

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

SEC. 204. LIMIT ON INDEPENDENT EXPENDITURES.

(a) IN GENERAL.—Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a) is amended by adding at the end the following:

''(i) LIMIT ON INDEPENDENT EXPENDITURES.—No person shall make an amount of independent expenditures advocating the election or defeat of a candidate during an election cycle in an aggregate amount greater than the limit applicable to the candidate under section 315(d)(3).''.

(b) RULES APPLICABLE WHEN RULES IN SUBSECTION (a) NOT IN EFFECT.—For purposes of the Federal Election Campaign Act of 1971, during any period beginning after the effective date of this Act in which the limit on independent expenditures under section 315(i) of the Federal Election Campaign Act of 1971, as added by subsection (a), is not in effect section 324 of such Act, as added by section 101(a), is amended by adding at the end the following:

''(f) INCREASE IN EXPENDITURE LIMIT IN RESPONSE TO INDEPENDENT EXPENDITURES.—

''(1) IN GENERAL.—The applicable election expenditure limit for a candidate shall be increased by the aggregate amount of independent expenditures made in excess of the limit applicable to the candidate under section 315(d)(3)—

''(A) on behalf of an opponent of the candidate; or

''(B) in opposition to the candidate.

''(2) NOTIFICATION.—

''(A) IN GENERAL.—A candidate shall notify the Commission of an intent to increase an expenditure limit under paragraph (1).

''(B) COMMISSION RESPONSE.—Within 3 business days of receiving a notice under subparagraph (A), the Commission must approve or deny the increase in expenditure limit.

''(C) ADDITIONAL NOTIFICATION.—A candidate who has increased an expenditure limit under paragraph (1) shall notify the Commission of each additional increase in increments of $50,000.''.

SEC. 205. CLARIFICATION OF DEFINITIONS RELATING TO INDEPENDENT EXPENDITURES.

(a) DEFINITION OF INDEPENDENT EXPENDITURE.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by striking paragraph (17) and inserting the following:

''(17) INDEPENDENT EXPENDITURE.—The term 'independent expenditure' means an expenditure that—

(A) contains express advocacy; and

(B) is made without the participation or cooperation of, or without consultation with, or without coordination with a candidate or a candidate's authorized committee or agent (within the meaning of section 301(8)(C)).''.

(b) DEFINITION OF EXPRESS ADVOCACY.—Section 301 of Federal Election Campaign Act of 1971 (2 U.S.C. 431), as amended by section 202(c), is amended by adding at the end the following:

''(21) EXPRESS ADVOCACY.—The term 'express advocacy' includes—

''(i) a communication that conveys a message that advocates the election or defeat of a clearly identified candidate for Federal office by using an expression such as 'vote for,' 'elect,' 'support,' 'vote against,' 'defeat,' 'reject,' '(name of candidate) for Congress,' 'vote pro-life,' or 'vote pro-choice,' accompanied by a listing or picture of a clearly identified candidate described as 'pro-life' or 'pro-choice,' 'reject the incumbent,' or an expression susceptible to no other reasonable interpretation but an unmistakable and unambiguous exhortation to vote for or against a specific candidate; or

''(ii) a communication that is made through a broadcast medium, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising—

''(A) that is made on or after a date that is 90 days before the date of a general election of the candidate;

''(B) that refers to the character, qualifications, or accomplishments of a clearly identified candidate, group of candidates, or candidate of a clearly identified political party; and

''(C) that does not have as its sole purpose an attempt to urge action on legislation that has been introduced in or is being considered by a legislature that is in session.''.

SEC. 206. ELIMINATION OF LEADERSHIP PACS.

(a) DESIGNATION AND ESTABLISHMENT OF AUTHORIZED COMMITTEE.—Section 302(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(e)) is amended by—

(1) striking paragraph (3) and inserting the following:

''(3) No political committee that supports, or has supported, more than one candidate may be designated as an authorized committee, except that—

''(A) a candidate for the office of President nominated by a political party may designate the national committee of such political party as the candidate's principal campaign committee, if that national committee maintains separate books of account with respect to its functions as a principal campaign committee; and

''(B) a candidate may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee.''; and

(2) adding at the end the following:

''(6)(A) A candidate for Federal office or any individual holding Federal office may not directly or indirectly establish, finance, maintain, or control any political committee other than a principal campaign committee of the candidate, designated in accordance with paragraph (3). A candidate for more than one Federal office may designate a separate principal campaign committee for each Federal office. This paragraph shall not preclude a Federal officeholder who is a candidate for State or local office from establishing, financing, maintaining, or controlling a political committee for election of the individual to such State or local office.

''(B) A political committee prohibited by subparagraph (A), that is established before the date of enactment of this Act, may continue to make contributions for a period that ends on the date that is 1 year after the date of enactment of this paragraph. At the end of such period the political committee shall disburse all funds by 1 or more of the following means:

''(1) Making contributions to an entity described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Act that is not established, maintained, financed, or controlled directly or indirectly by any candidate for Federal office or any individual holding Federal office.

''(2) Making a contribution to the Treasury.

''(3) Making contributions to the national, State, or local committees of a political party.

''(4) Making contributions not to exceed $1,000 to candidates for elective office.''.

TITLE III—SOFT MONEY

SEC. 301. SOFT MONEY OF POLITICAL PARTY COMMITTEE.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following:

''SEC. 325. SOFT MONEY OF PARTY COMMITTEES.

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

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

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

''(2) ACTIVITY EXCLUDED FROM PARAGRAPH (1).—

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

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

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

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

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

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

''(B) FUNDRAISING COSTS.—Any amount spent by a national, State, district, or local committee, by an entity that is established, financed, maintained, or controlled by a State, district, or local committee of a political party, or by an agent or officer of any such committee or entity to raise funds that are used, in whole or in part, to pay the costs of an activity described in paragraph (1) shall be made from funds subject to the limitations, prohibitions, and reporting requirements of this Act.

''(c) TAX-EXEMPT ORGANIZATIONS.—A national, State, district, or local committee of a political party (including a national congressional campaign committee of a political party, an entity that is directly or indirectly established, financed, maintained, or controlled by any such national, State, district, or local committee or its agent, an agent acting on behalf of any such party committee, and an officer or agent acting on behalf of any such party committee or entity), shall not solicit any funds for or make any donations to an organization that is exempt from Federal taxation under section 501(c) of the Internal Revenue Code of 1986.

''(d) CANDIDATES.—

''(1) IN GENERAL.—A candidate, individual holding Federal office, or agent of a candidate or individual holding Federal office shall not—

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

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

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

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

''(C) solicit, receive, or transfer any funds on behalf of any person that are not subject to the limitations, prohibitions, and reporting requirements of the Act if the funds are for use in financing any campaign-related activity or any communication that refers to a clearly identified candidate for Federal office.

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

SEC. 302. STATE PARTY GRASSROOTS FUNDS.

(a) INDIVIDUAL CONTRIBUTIONS.—Section 315(a)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(1)) is amended—

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

(2) in subparagraph (C), by striking the period at the end and inserting ''; or''; and

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

''(D) to—

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

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

except that the aggregate contributions described in this subparagraph that may be made by a person to the State Party Grassroots Fund and all committees of a State Committee of a political party in any State in any calendar year shall not exceed $20,000.''.

(b) LIMITS.—

(1) IN GENERAL.—Section 315(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)) is amended by striking paragraph (3) and inserting the following:

''(3) OVERALL LIMITS.—

''(A) INDIVIDUAL LIMIT.—No individual shall make contributions during any calendar year that, in the aggregate, exceed $30,000.

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

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

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

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

(c) DEFINITIONS.—Section 301 of the Federal Election Campaign Act of 1970 (2 U.S.C. 431), as amended by section 205(b), is amended by adding at the end the following:

''(22) GENERIC CAMPAIGN ACTIVITY.—The term 'generic campaign activity' means a campaign activity that promotes a political party and does not refer to any particular Federal or non-Federal candidate.

''(23) STATE PARTY GRASSROOTS FUND.—The term 'State Party Grassroots Fund' means a separate segregated fund established and maintained by a State committee of a political party solely for purposes of making expenditures and other disbursements described in section 326(d).''.

(d) STATE PARTY GRASSROOTS FUNDS.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by section 301, is amended by adding at the end the following:

''SEC. 326. STATE PARTY GRASSROOTS FUNDS.

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

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

''(1) has established a separate segregated fund for the purposes described in subsection (d); and

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

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

''(1) IN GENERAL.—Any amount received by a State Party Grassroots Fund from a State or local candidate committee for expenditures described in subsection (d) that are for the benefit of that candidate shall be treated as meeting the requirements of 325(b)(1) and section 304(e) if—

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

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

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

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

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

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

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

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

''(d) DISBURSEMENTS AND EXPENDITURES.—A State committee of a political party may make disbursements and expenditures from its State Party Grassroots Fund only for—

''(1) any generic campaign activity;

''(2) payments described in clauses (v), (ix), and (xi) of paragraph (8)(B) and clauses (iv), (viii), and (ix) of paragraph (9)(B) of section 301;

''(3) subject to the limitations of section 315(d), payments described in clause (xii) of paragraph (8)(B), and clause (ix) of paragraph (9)(B), of section 301 on behalf of candidates other than for President and Vice President;

''(4) voter registration; and

''(5) development and maintenance of voter files during an even-numbered calendar year.''.

SEC. 303. REPORTING REQUIREMENTS.

(a) REPORTING REQUIREMENTS.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) is amended by adding at the end the following:

''(e) POLITICAL COMMITTEES.—

''(1) NATIONAL AND CONGRESSIONAL POLITICAL COMMITTEES.—The national committee of

a political party, any congressional campaign committee of a political party, and any subordinate committee of either, shall report all receipts and disbursements during the reporting period, whether or not in connection with an election for Federal office.

''(2) OTHER POLITICAL COMMITTEES TO WHICH SECTION 325 APPLIES.—A political committee (not described in paragraph (1)) to which section 325(b)(1) applies shall report all receipts and disbursements made for activities described in paragraphs (1) and (2)(iii) of section 325(b).

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

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

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

(b) BUILDING FUND EXCEPTION TO THE DEFINITION OF CONTRIBUTION.—Section 301(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)) is amended—

(1) by striking clause (viii); and

(2) by redesignating clauses (ix) through (xiv) as clauses (viii) through (xiii), respectively.

(c) REPORTS BY STATE COMMITTEES.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434), as amended by subsection (a), is amended by adding at the end the following:

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

(d) OTHER REPORTING REQUIREMENTS.—

(1) AUTHORIZED COMMITTEES.—Section 304(b)(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(4)) is amended—

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

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

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

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

(2) NAMES AND ADDRESSES.—Section 304(b)(5)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(5)(A)) is amended by inserting '', and the election to which the operating expenditure relates'' after ''operating expenditure''.

SEC. 304. SOFT MONEY OF PERSONS OTHER THAN POLITICAL PARTIES.

Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434), as amended by subsection 303, is amended by adding at the end the following:

''(g) ELECTION ACTIVITY OF PERSONS OTHER THAN POLITICAL PARTIES.—

''(1) IN GENERAL.—A person other than a committee of a political party that makes aggregate disbursements totaling in excess of $10,000 for activities described in paragraph (2) shall file a statement with the Commission—

''(A) within 48 hours after the disbursements are made; or

''(B) in the case of disbursements that are made within 20 days of an election, within 24 hours after the disbursements are made.

''(2) ACTIVITY.—The activity described in this paragraph is—

''(A) any activity described in section 316(b)(2)(A) that refers to any candidate for Federal office, any political party, or any Federal election; and

''(B) any activity described in subparagraph (B) or (C) of section 316(b)(2).

''(3) ADDITIONAL STATEMENTS.—An additional statement shall be filed each time additional disbursements aggregating $10,000 are made by a person described in paragraph (1).

''(4) APPLICABILITY.—This subsection does not apply to—

''(A) a candidate or a candidate's authorized committees; or

''(B) an independent expenditure.

''(5) CONTENTS.—A statement under this section shall contain such information about the disbursements as the Commission shall prescribe, including—

''(A) the name and address of the person or entity to whom the disbursement was made;

''(B) the amount and purpose of the disbursement; and

''(C) if applicable, whether the disbursement was in support of, or in opposition to, a candidate or a political party, and the name of the candidate or the political party.''.

TITLE IV—ENFORCEMENT

SEC. 401. FILING OF REPORTS USING COMPUTERS AND FACSIMILE MACHINES.

Section 302(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)) is amended by striking paragraph (11) and inserting the following:

''(11) FILING OF REPORTS USING COMPUTERS AND FACSIMILE MACHINES.—

''(A) REQUIRED FILING.—The Commission may promulgate a regulation under which a person required to file a designation, statement, or report under this Act—

''(i) is required to maintain and file a designation, statement, or report for any calendar year in electronic form accessible by computers if the person has, or has reason to expect to have, aggregate contributions or expenditures in excess of a threshold amount determined by the Commission; and

''(ii) may maintain and file a designation, statement, or report in that manner if not required to do so under regulations prescribed under clause (i).

''(B) FACSIMILE MACHINE.—The Commission shall promulgate a regulation that allows a person to file a designation, statement, or report required by this Act through the use of facsimile machines.

''(C) VERIFICATION OF SIGNATURE.—

''(i) IN GENERAL.—In promulgating a regulation under this paragraph, the Commission shall provide methods (other than requiring a signature on the document being filed) for verifying a designation, statement, or report covered by the regulations.

''(ii) TREATMENT OF VERIFICATION.—A document verified under any of the methods shall be treated for all purposes (including penalties for perjury) in the same manner as a document verified by signature.''.

SEC. 402. AUDITS.

(a) RANDOM AUDITS.—Section 311(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(b)) is amended—

(1) by inserting ''(1)'' before ''The Commission''; and

(2) by adding at the end the following:

''(2) RANDOM AUDITS.—

''(A) IN GENERAL.—Notwithstanding paragraph (1), the Commission may conduct random audits and investigations to ensure voluntary compliance with this Act.

''(B) LIMITATION.—The Commission shall not institute an audit or investigation of a candidate's authorized committee under subparagraph (A) until the candidate is no longer a candidate for the office sought by the candidate in that election cycle.

''(C) APPLICABILITY.—This paragraph does not apply to an authorized committee of a candidate for President or Vice President subject to audit under section 9007 or 9038 of the Internal Revenue Code of 1986.''.

(b) EXTENSION OF PERIOD DURING WHICH CAMPAIGN AUDITS MAY BE BEGUN.—Section 311(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(b)) is amended by striking ''6 months'' and inserting ''12 months''.

SEC. 403. AUTHORITY TO SEEK INJUNCTION.

Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)) is amended—

(1) by adding at the end the following:

''(13) AUTHORITY TO SEEK INJUNCTION.—

''(A) IN GENERAL.—If, at any time in a proceeding described in paragraph (1), (2), (3), or (4), the Commission believes that—

''(i) there is a substantial likelihood that a violation of this Act is occurring or is about to occur;

''(ii) the failure to act expeditiously will result in irreparable harm to a party affected by the potential violation;

''(iii) expeditious action will not cause undue harm or prejudice to the interests of others; and

''(iv) the public interest would be best served by the issuance of an injunction;

the Commission may initiate a civil action for a temporary restraining order or a preliminary injunction pending the outcome of the proceedings described in paragraphs (1), (2), (3), and (4).

''(B) VENUE.—An action under subparagraph (A) shall be brought in the United States district court for the district in which the defendant resides, transacts business, or may be found, or in which the violation is occurring, has occurred, or is about to occur.'';

(2) in paragraph (7), by striking ''(5) or (6)'' and inserting ''(5), (6), or (13)''; and

(3) in paragraph (11), by striking ''(6)'' and inserting ''(6) or (13)''.

SEC. 404. INCREASE IN PENALTY FOR KNOWING AND WILLFUL VIOLATIONS.

Section 309(a)(5)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(5)(B)) is amended by striking ''the greater of $10,000 or an amount equal to 200 percent'' and inserting ''the greater of $15,000 or an amount equal to 300 percent''.

SEC. 405. PROHIBITION OF CONTRIBUTIONS BY INDIVIDUALS NOT QUALIFIED TO VOTE.

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

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

(2) in subsection (a)—

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

''(a) PROHIBITIONS.—

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

(B) by adding at the end the following:

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

(b) INCLUSION IN DEFINITION OF IDENTIFICATION.—Section 301(13) of the Federal Election

Campaign Act of 1971 (2 U.S.C. 431(13)) is amended—

(1) in subparagraph (A)—

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

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

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

SEC. 406. USE OF CANDIDATES' NAMES.

Section 302(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(e)) is amended by striking paragraph (4) and inserting the following:

''(4)(A) The name of each authorized committee shall include the name of the candidate who authorized the committee under paragraph (1).

''(B) A political committee that is not an authorized committee shall not—

''(i) include the name of any candidate in its name, or

''(ii) except in the case of a national, State, or local party committee, use the name of any candidate in any activity on behalf of such committee in such a context as to suggest that the committee is an authorized committee of the candidate or that the use of the candidate's name has been authorized by the candidate.''.

SEC. 407. EXPEDITED PROCEDURES.

Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)), as amended by section 403, is amended by adding at the end the following:

''(14) EXPEDITED PROCEDURE.—

''(A) 60 DAYS PRECEDING AN ELECTION.—If the complaint in a proceeding was filed within 60 days immediately preceding a general election, the Commission may take action described in this subparagraph.

''(B) RESOLUTION BEFORE ELECTION.—If the Commission determines, on the basis of facts alleged in the complaint and other facts available to the Commission, that there is clear and convincing evidence that a violation of this Act has occurred, is occurring, or is about to occur and it appears that the requirements for relief stated in paragraph (13)(A) (ii), (iii), and (iv) are met, the Commission may—

''(i) order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties; or

''(ii) if the Commission determines that there is insufficient time to conduct proceedings before the election, immediately seek relief under paragraph (13)(A).

''(C) COMPLAINT WITHOUT MERIT.—If the Commission determines, on the basis of facts alleged in the complaint and other facts available to the Commission, that the complaint is clearly without merit, the Commission may—

''(i) order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties; or

''(ii) if the Commission determines that there is insufficient time to conduct proceedings before the election, summarily dismiss the complaint.''.

TITLE V—SEVERABILITY; REGULATIONS; EFFECTIVE DATE

SEC. 501. SEVERABILITY.

If any provision of this Act or amendment made by this Act, or the application of a provision or amendment to any person or circumstance, is held to be unconstitutional, the remainder of this Act and amendments made by this Act, and the application of the provisions and amendment to any person or circumstance, shall not be affected by the holding.

SEC. 502. REGULATIONS.

The Federal Election Commission shall promulgate any regulations required to carry out this Act and the amendments made by this Act.

SEC. 503. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act and the amendments made by this Act take effect on the date that is 30 days after the date of enactment of this Act.

EXHIBIT 1

[From the Secretary of State, State of West Virginia]

On May 20, officials of 33 states, including secretaries of state, attorneys general and state regulators of campaign finance (in those states where the secretary of state does not have that responsibility) registered their support of a court challenge to the 1976 U.S. Supreme Court decision in the case of Buckley v. Valeo. The officials in these 33 states made known their support as amicus curiae in a pending appeal in the 6th Circuit Court of Appeals in a case entitled Kruse v. City of Cincinnati, which concerns a Cincinnati ordinance limiting candidates for the city council to spending no more than three times their annual salary. The ordinance was declared unconstitutional by a Federal district court, based on the Buckley v. Valeo decision, which ruled that such limits violated First Amendment freedom of speech protection. Whichever way the 6th Circuit Court of Appeals rules, it is almost certain to be appealed to the U.S. Supreme Court, thus paving the way for a re-argument of Buckley v. Valeo.

Officials in the following states filed the amicus brief:

Arizona—A.G.
Arkansas—SOS and A.G.
Connecticut—SOS and A.G.
Florida—SOS and A.G.
Georgia—SOS.
Hawaii—Campaign Spending Commisison and A.G.
Indiana—A.G.
Iowa—A.G.
Kansas—A.G.
Kentucky—Registry of Campaign Finance and A.G.
Maine—SOS.
Massachusetts—SOS and A.G.
Michigan—A.G.
Minnesota—SOS and A.G.
Mississippi—SOS.
Montana—SOS and A.G.
Nevada—SOS and A.G.
New Hampshire—SOS and A.G.
New Mexico—SOS.
North Carolina—Chief Elections Officer.
North Dakota—A.G.
Ohio—A.G.
Oklahoma—Ethics Commission and A.G.
Oregon—SOS and A.G.
Rhode Island—SOS.
South Carolina—SOS.
South Dakota—A.G.
Tennessee—SOS.
Utah—A.G.
Vermont—A.G.
Washington—SOS and A.G.
West Virginia—SOS and A.G.
Wisconsin—SOS.
Territory of Guam—Lt. Gov. and A.G.

[From the Department of Justice, State of Iowa]

24 STATE ATTORNEYS GENERAL ISSUE CALL FOR THE REVERSAL OF BUCKLEY V. VALEO

DES MOINES, IOWA—The attorneys general for twenty-four states released a joint statement Tuesday calling for the reversal of a 1976 Supreme Court decision which struck down mandatory campaign spending limits on free speech grounds. The attorneys general statement comes amidst a growing national debate about the validity of that court ruling, *Buckley* v. *Valeo.*

Former U.S. Senator Bill Bradley has denounced the decision and has helped lead the recent push in the U.S. Congress for a constitutional amendment to allow for mandatory spending limits in federal elections. The City of Cincinnati is litigating the first direct court challenge to the ruling, defending an ordinance passed in 1995 by the City Council which sets limits in city council races. And, in late October 1996, a group of prominent constitutional scholars from around the nation signed a statement calling for the reversal of *Buckley*.

The attorneys general statement reads as follows:

''Over two decades ago, the United States Supreme Court, in *Buckley* v. *Valeo,* 424 U.S. 1 (1976), declared mandatory campaign expenditure limits unconstitutional on First Amendment grounds. We, the undersigned state attorneys general, believe the time has come for that holding to be revisited and reversed.

''U.S. Supreme Court Justice Louis Brandeis once wrote '[I]n cases involving the Federal Constitution, where correction through legislative action is practically impossible, this court has often overruled its earlier decision. The court bows to the lessons of experience and the force of better reasoning . . .' *Burnet* v. *Coronado Oil & Gas Co.*, 285 U.S. 393, 406–408 (1932) (Brandeis, J., dissenting).

''As state attorneys general—many of us elected—we believe the experience of campaigns teaches the lesson that unlimited campaign spending threatens the integrity of the election process. As the chief legal officers of our respective states, we believe that the force of better reasoning compels the conclusion that it is the absence of limits on campaign expenditures—not the restrictions—which strike 'at the core of our electoral process and of the First Amendment freedoms.' *Buckley* v. *Valeo,* 424 U.S. 1, 39 (1976) (quoting *Williams* v. *Rhodes*, 393 U.S. 23, 32 (1968).''

The United States has witnessed a more than a 700% increase in the cost of federal elections since the *Buckley* ruling. The presidential and congressional campaigns combined spent more than $2 billion this past election cycle, making the 1996 elections the costliest ever in U.S. history.

Iowa Attorney General Tom Miller, Nevada Attorney General Frankie Sue Del Papa, Arizona Attorney General Grant Woods, and the National Voting Rights Institute of Boston initiated Tuesday's statement. The Institute is a non-profit organization engaged in constitutional challenges across the country to the current campaign finance system. The Institute serves as special counsel for the City of Cincinnati in its challenge to *Buckley,* now in federal district court in Cincinnati and due for its first court hearing on January 31,

''*Buckley* stands today as a barrier to American democracy,'' says Attorney General Del Papa. ''As state attorneys general, we are committed to helping remove that barrier.'' Del Papa says the twenty-four state attorneys general will seek to play an active role in efforts to reverse the *Buckley* decision, including the submission of friend-of-the-court briefs in emerging court cases which address the ruling.

''Maybe it wasn't clear in 1976, but it is clear today that financing of campaigns has gotten totally out of control,'' says Iowa Attorney General Tom Miller. ''The state has a compelling interest in bringing campaign finances back under control and protecting the integrity of the electoral process.''

Arizona Attorney General Grant Woods adds, ''I believe that it is a major stretch to say that the First Amendment requires that no restrictions be placed on individual campaign spending. The practical results, where millionaires dominate the process to the detriment of nearly everyone who cannot compete financially, have perverted the electoral process in America.''

The full listing of signatories is as follows:

Attorney General Grant Woods of Arizona (R).

Attorney General Richard Blumenthal of Connecticut (D).

Attorney General Robert Butterworth of Florida (D).

Attorney General Alan G. Lance of Idaho (R).

Attorney General Tom Miller of Iowa (D).

Attorney General Carla J. Stovall of Kansas (R).

Attorney General Albert B. Chandler III of Kentucky (D).

Attorney General Andrew Ketterer of Maine (D).

Attorney General Scott Harshbargor of Massachusetts (D).

Attorney General Frank Kelley of Michigan (D).

Attorney General Hubert H. Humphrey of Minnesota (D).

Attorney General Mike Moore of Mississippi (D).

Attorney General Joseph P. Mazurek of Montana (D).

Attorney General Frankie Sue Del Papa of Nevada (D).

Attorney General Jeff Howard of New Hampshire (R).

Attorney General Tom Udall of New Mexico (D).

Attorney General Heidi Heitkamp of North Dakota (D).

Attorney General Drew Edmondson of Oklahoma (D).

Attorney General Charles W. Burson of Tennessee (D).

Attorney General Jan Graham of Utah (D).

Attorney General Wallace Malley of Vermont (R).

Attorney General Darrel V. McGraw of West Virginia (D).

Attorney General Christine O. Gregoire of Washington (D).

Attorney General James Doyle of Wisconsin (D).

By Mr. LAUTENBERG (for himself, Mr. WYDEN, Mr. DURBIN, and Mr. HARKIN):

S. 1060. A bill to restrict the activities of the United States with respect to foreign laws that regulate the marketing of tobacco products and to subject cigarettes that are exported to the same restrictions on labeling as apply to the sale or distribution of cigarettes in the United States; to the Committee on Commerce, Science, and Transportation.

THE WORLDWIDE TOBACCO DISCLOSURE ACT OF 1997

Mr. LAUTENBERG. Mr. President, today I am introducing the Worldwide Tobacco Disclosure Act of 1997. I am joined by Senators WYDEN, DURBIN, and HARKIN. Our bill will address a loophole in current law that enables packages of cigarettes to be exported from this country without warning labels and to prevent the executive branch from undermining other countries' restrictions on tobacco.

Within a few decades, the World Health Organization estimates that 10 million people will die annually from tobacco-related disease, up from 3 million per year. An astonishing 70 percent of those deaths will be in developing countries. To give my colleagues a basis for comparison, in America, today, approximately 400,000 die a year from tobacco. While smoking has declined 10 percent since 1990 in developed countries, the WHO concludes it has risen an alarming 67 percent in developing countries during that same period. American tobacco exports have increased by almost 340 percent since the mid-1970's, and these exports now account for more than half of our tobacco companies' sales.

America is rightfully proud of its exports and the standards it upholds in international trade. But with tobacco, we're exporting death. We are the largest exporter of a product we know kills, and that is not something about which we should be proud. With marketing savvy and millions of dollars, American tobacco companies have significantly increased cigarette consumption in developing countries. It is estimated that cigarette consumption increased by 10 percent as a direct result of American tobacco companies entering the markets of Japan, South Korea, Thailand, and Taiwan.

Why should Congress care if hundreds of thousands of teenage boys and girls in China become addicted to nicotine? Why not let their government deal with this matter? Mr. President, morally, we are obligated to warn them, to the extent we know of tobacco's dangers. We are obligated to support the efforts of our trading partners to protect the health of their citizens.

Mr. President, cigarettes kill and the label should clearly state that. One component of the proposed tobacco settlement between the State attorneys general and the tobacco industry was stronger warning labels on cigarette packages, similar to those I included in legislation introduced earlier this year. While we are taking additional steps to make our citizens more aware of the dangers of tobacco, my colleagues may be surprised to know that our Government requires no warning on exported cigarette packages. We know that smoking is addictive and can kill, but you would never guess that by looking at a pack of Camels exported from this country into Africa or Eastern Europe. When we enacted the Federal Cigarette Labeling and Advertising Act of 1965, we may have thought that other countries would require their own warning labels and these would be adequate. We know, Mr. President, that this is simply not the case.

Too many countries, especially in the developing world, have no warning labels on cigarette packages, and those that do, are inadequate to fully alert their citizens to the dangers of tobacco. Coupled with a poor national health system, citizens in these countries have no chance against tobacco promotional giveaways or slick advertising. Not knowing of the health risks associated with cigarettes, they are easily addicted and a significant percentage of them will die from this product.

Mr. President, barring further steps, a health crisis resulting from tobacco will occur in the developing world within the next few decades. Our country alone spends $50 billion a year more on health care as a result of tobacco. Imagine what the worldwide cost of tobacco related illness will be in 20 years. Today limited funds are spent combating hunger, AIDS and other infectious diseases, and infant mortality worldwide. In about 10 years, we can add tobacco related illnesses to the list.

One part of this legislation, Mr. President, requires exported packages of cigarettes to have warning labels in the language of the country where the cigarette will be consumed. Before exporting hazardous materials, Congress requires exports to alert our Government prior to export so that we might warn the government of the importing country that a certain product is being shipped to its borders. Cigarettes are a hazardous product and should be treated differently than an exported widget. Foreign subsidiaries of American tobacco companies will also be required to comply with this legislation because we do not want to put our farmers at a competitive disadvantage. This is a global problem that must be addressed by whatever means we have available. Should a country require more stringent labels than ours, the administration could grant a waiver of this provision for that country.

Mr. President, the success tobacco companies have had selling death overseas is not solely due to their own own efforts. In the past, the U.S. Government assisted U.S. tobacco companies in hooking foreigners by using trade policy to dismantle foreign tobacco regulations, such as advertising bans, in several key markets. While most of this assistance occurred in the 1980's, its effects are felt today. Japan, South Korea, Thailand, and Taiwan were on the other side of this dispute with our Government over their antitobacco laws. They lost, their citizens lost, and the U.S. tobacco companies won. Smoking in those countries is higher as a result of past action by the U.S. Trade Representative.

Our bill will prevent the USTR from undermining another country's tobacco restrictions if those restrictions are applied to both foreign and domestic products in the same manner. If a country has an advertising ban on tobacco products, our Government should not be spending money trying to dismantle that law if it equally affects foreign and domestic companies.

This legislation is consistent with a GATT decision from 1990, which held that member nations can use various policies to protect health as long as they are applied evenly to domestic and foreign products, and with statements made by our current U.S. Trade Representative. Charlene Barshefsky

stated last year that the U.S. Government should not object when foreign government take steps to protect their citizens by adopting health measures to restrict the consumption of tobacco.

Mr. President, I hope my colleagues would agree that we should not, in good conscience, turn a blind eye to the untold suffering caused by U.S. exports of this deadly product. We know too much about tobacco to sit idly by while our companies poison tens of millions throughout the world. And if foreign governments do not warn their citizens of tobacco's dangers, enacting this legislation is the very least we can and should do.

Mr. President, I ask unanimous consent that the full text of my legislation be printed in the CONGRESSIONAL RECORD along with letters of support for this legislation from the American Lung Association, the National Center for Tobacco-Free Kids, and the American Heart Association, and two articles from the Washington Post documenting our Government's actions in Asia in the 1980's and how U.S. tobacco companies are targeting overseas markets.

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

S. 1060

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 ''Worldwide Tobacco Disclosure Act of 1997''.

SEC. 2. DEFINITIONS.

In this Act:

(1) CIGARETTE.—The term ''cigarette'' means—

(A) any roll of tobacco wrapped in paper or in any substance not containing tobacco which is to be burned,

(B) any roll of tobacco wrapped in any substance containing tobacco which, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling is likely to be offered to, or purchased by consumers as a cigarette described in subparagraph (A),

(C) little cigars which are any roll of tobacco wrapped in leaf tobacco or any substance containing tobacco (other than any roll of tobacco which is a cigarette within the meaning of subparagraph (A)) and as to which 1000 units weigh not more than 3 pounds, and

(D) loose rolling tobacco and papers or tubes used to contain such tobacco.

(2) DOMESTIC CONCERN.—The term ''domestic concern'' means—

(A) any individual who is a citizen, national, or resident of the United States; and

(B) any corporation, partnership, association, joint-stock company, business trust, unincorporated organization, or sole proprietorship which has its principal place of business in the United States, or which is organized under the laws of a State of the United States or a territory, possession, or commonwealth of the United States.

(3) NONDISCRIMINATORY LAW OR REGULATION.—The term ''nondiscriminatory law or regulation'' means a law or regulation of a foreign country that adheres to the principle of national treatment and applies no less favorable treatment to goods that are imported into that country than it applies to like goods that are the product, growth, or manufacture of that country.

(4) PACKAGE.—The term ''package'' means a pack, box, carton, or other container of any kind in which cigarettes or other tobacco products are offered for sale, sold, or otherwise distributed to customers.

(5) SALE OR DISTRIBUTION.—The term ''sale or distribution'' includes sampling or any other distribution not for sale.

(6) STATE.—The term ''State'' includes, in addition to the 50 States, the District of Columbia, Guam, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, American Samoa, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

(7) TOBACCO PRODUCT.—The term ''tobacco product'' means—

(A) cigarettes;

(B) little cigars;

(C) cigars as defined in section 5702 of the Internal Revenue Code of 1986;

(D) pipe tobacco;

(E) loose rolling tobacco and papers used to contain such tobacco;

(F) products referred to as spit tobacco; and

(G) any other form of tobacco intended for human use or consumption.

(8) UNITED STATES.—The term ''United States'' includes the States and installations of the Armed Forces of the United States located outside a State.

SEC. 3. RESTRICTIONS ON NEGOTIATIONS REGARDING FOREIGN LAWS REGULATING TOBACCO PRODUCTS.

No funds appropriated by law may be used by any officer, employee, department, or agency of the United States—

(1) to seek, through negotiation or otherwise, the removal or reduction by any foreign country of any nondiscriminatory law or regulation, or any proposed nondiscriminatory law or regulation, in that country that restricts the advertising, manufacture, packaging, taxation, sale, importation, labeling, or distribution of tobacco products; or

(2) to encourage or promote the export, advertising, manufacture, sale, or distribution of tobacco products.

SEC. 4. CIGARETTE EXPORT LABELING.

(a) LABELING REQUIREMENTS FOR EXPORT OF CIGARETTES.—

(1) IN GENERAL.—It shall be unlawful for any domestic concern to export from the United States, or to sell or distribute in, or export from, any other country, any cigarettes whose package does not contain a warning label that—

(A) complies with Federal labeling requirements for cigarettes manufactured, imported, or packaged for sale or distribution within the United States; and

(B) is in the primary language of the country in which the cigarettes are intended for consumption.

(2) LABELING FORMAT.—Federal labeling format requirements shall apply to a warning label described in paragraph (1) in the same manner, and to the same extent, as such requirements apply to cigarettes manufactured, imported, or packaged for sale or distribution within the United States.

(3) ROTATION OF LABELING.—Federal rotation requirements for warning labels shall apply to a warning label described in paragraph (1) in the same manner, and to the same extent, as such requirements apply to cigarettes manufactured, imported, or packaged for sale or distributed within the United States.

(4) WAIVERS.—

(A) IN GENERAL.—The President may waive the labeling requirements required by this Act for cigarettes, if the cigarettes are exported to a foreign country included in the list described in subparagraph (B) and if that country is the country in which the cigarettes are intended for consumption. A waiver under this subparagraph shall be in effect prior to the exportation of any cigarettes not in compliance with the requirements of this section by a person to a foreign country included in the list.

(B) LIST OF ELIGIBLE COUNTRIES FOR WAIVER.—

(i) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the President shall develop and publish in the Federal Register a list of foreign countries that have in effect requirements for the labeling of cigarette packages substantially similar to or more stringent than the requirements for labeling of cigarette packages set forth in paragraphs (1) through (3). The President shall use the list to grant a waiver under subparagraph (A).

(ii) UPDATE OF LIST.—The President shall—

(I) update the list described in clause (i) to include a foreign country on the list if the country meets the criteria described in clause (i), or to remove a foreign country from the list if the country fails to meet the criteria; and

(II) publish the updated list in the Federal Register.

(b) PENALTIES.—

(1) FINE.—Any person who violates the provisions of subsection (a) shall be fined not more than $100,000 per day for each such violation. Any person who knowingly reexports from or transships cigarettes through a foreign country included in the list described in subsection (a)(4)(B) to avoid the requirements of this Act shall be fined not more than $150,000 per day for each such occurrence.

(2) INJUNCTION PROCEEDINGS.—The district courts of the United States shall have jurisdiction, for cause shown, to prevent and restrain violations of subsection (a) upon the application of the Attorney General of the United States.

(c) REPEAL.—Section 12 of the Federal Cigarette Labeling and Advertising Act (15 U.S.C. 1340) is repealed.

(d) REGULATORY AUTHORITY.—Not later than 90 days after the date of enactment of this Act, the President shall promulgate such regulations and orders as may be necessary to carry out this section.

(e) EFFECTIVE DATE.—The provisions of subsections (a) through (c) shall take effect upon the effective date of the regulations promulgated under subsection (d).

AMERICAN LUNG ASSOCIATION,
Washington, DC, July 22, 1997.

Hon. FRANK LAUTENBERG,
U.S. Senate,
Washington, DC.

DEAR SENATOR LAUTENBERG: The American Lung Association supports your legislation addressing U.S. economic and foreign policy towards the international sale and labeling of tobacco products.

Tobacco use continues to be the single most preventable cause of premature death and disease in the United States. Worldwide, smoking causes one death every ten seconds, 3 million people a year. Unless strong measures are taken, it is estimated that in three decades the death toll will rise to about 10 million people each year, with 70 percent of those deaths occurring in developing countries.

In the past, the United States government has assisted U.S. tobacco companies in their efforts to expand tobacco advertising, promotion and exports. Using Section 301 of the Trade Act of 1974, previous administrations have issued formal threats to force other nations to import U.S. tobacco products and to weaken health laws that would reduce tobacco use. Your legislation would end the

U.S. government's proactive involvement in the exportation of tobacco's death and disease to other countries by curtailing federal agencies from intervening internationally on behalf of the industry.

The American Lung Association believes the United States should be a world leader in tobacco control and that the U.S. should not help open international markets so companies here can profit from death and disease elsewhere. This policy is unacceptable and must end. The adoption of your legislation would be a major step in the right direction.

Thank you for your leadership on this and other tobacco control-related issues.

Sincerely,

FRAN DU MELLE,
Deputy Managing Director.

NATIONAL CENTER FOR TOBACCO-FREE KIDS,
Washington, DC, July 23, 1997.

Hon. FRANK LAUTENBERG,
U.S. Senate,
Washington, DC.

DEAR SENATOR LAUTENBERG: We are writing on behalf of the National Center for Tobacco Free Kids to express the center's strong support for your effort, as a part of the Worldwide Tobacco Disclosure Act, to ensure that the United States does not interfere with actions taken by foreign governments to reduce the dangers that tobacco products pose to their citizens. This would help to save lives and improve the public health of people around the world.

There is clear need for action to be taken to prevent the spread of tobacco caused disease throughout the world. In 1994, over 4.6 trillion cigarettes were consumed in foreign nations. In 1995, over 3.1 million people died as a result of tobacco use, with over 1.2 million of those deaths occurring in developing countries. As worldwide tobacco use and tobacco related disease has reached astronomical levels, U.S. tobacco exports have continued to climb. In 1995, the U.S. exported an estimated 240 billion cigarettes, up from less than 60 billion ten years earlier.

In the past, America has taken action against governments that promulgate rules to curb tobacco caused disease. During the previous administration, the U.S. pressured Thailand, Taiwan, South Korea and other countries not to enact tough new laws to curb tobacco marketing, even though these laws were to be applied in a non-discriminatory manner. The U.S. also encouraged Taiwan to repeal new requirements for cigarette warning labels. The Worldwide Tobacco Disclosure Act would prevent American officials from using economic muscle to promote higher cigarette exports by blocking legitimate health laws in other countries.

We commend you for taking the lead in introducing this important piece of legislation and urge the Senate to stand up for the health of millions of people around the world.

Sincerely Yours,

WILLIAM D. NOVELLI,
President.

MATTHEW L. MYERS,
Executive Vice President and General Counsel.

AMERICAN HEART ASSOCIATION,
Washington, DC, July 23, 1997.

Hon. FRANK LAUTENBERG,
U.S. Senate,
Washington, DC.

DEAR SENATOR LAUTENBERG: The American Heart Association (AHA) is pleased to express its strong support for your legislation, the Worldwide Tobacco Disclosure Act of 1997, a critical step in addressing the inadequacy of current laws on U.S. economic and foreign policy regarding the international sale of tobacco products. In general, we believe that the U.S. should actively promote the global adoption of U.S. domestic tobacco control policies.

The AHA is a non-profit organization representing the interests of over 4.6 million volunteers nationwide who give their time and energies to reducing cardiovascular disease and stroke, this nation's number one and three killers respectively. Despite our efforts, and the efforts of our partners in tobacco control, tobacco use continues to be the number one preventable cause of premature death and disease in the United States.

Worldwide, smoking causes one death every 10 seconds. The global smoking rate is increasing steadily, despite decreases in the United States and other developed nation. The World Health Organization (WHO) predicts that more than 500 million people alive today eventually will die of diseases caused by smoking, unless strong action is taken to stem this epidemic.

Historically, U.S. government agencies and Congress have assisted U.S. tobacco companies in their efforts to expand tobacco advertising, promotion and exports around the world. Previous administrations have issued formal trade threats under Section 301 of the Trade Act of 1974, to force other nations to import U.S. tobacco products and to weaken health laws that would reduce tobacco use.

The AHA supports the primary goals of this legislation: That exported cigarettes carry the same federal labeling format requirements as those manufactured, imported or packaged for sale or distribution within the United States, and that there be a prohibition on the use of federal funds to aid any effort by the United States, through negotiation or otherwise, to weaken the tobacco control laws of foreign countries.

Sincerely,

MARTHA, N. HILL, R.N., Ph.D.,
President.

[From the Washington Post, Nov. 17, 1996]

U.S. AIDED CIGARETTE FIRMS IN CONQUESTS ACROSS ASIA

AGGRESSIVE STRATEGY FORCED OPEN LUCRATIVE MARKETS

(By Glenn Frankel)

On the streets of Manila, ''jump boys'' as young as 10 hop in and out of traffic selling Marlboros and Lucky Strikes to passing motorists. In the discos and coffee shops of Seoul, young Koreans light up foreign brands that a decade ago were illegal to possess. Downtown Kiev has become the Ukrainian version of Marlboro Country, with the gray socialist cityscape punctuated with colorful billboards of cowboy sunsets and chiseled faces. And in Beijing, America's biggest tobacco companies are competing for the right to launch cooperative projects with the state-run tobacco monopoly in hopes of capturing a share of the biggest potential market in the world.

Throughout the bustling cities of a newly prosperous Asia and the ruined economies of the former Soviet Bloc, the American cigarette is king. It has become a symbol of affluence and sophistication, a statement and an aspiration. At home—where the American tobacco industry is besieged by anti-smoking activists, whistle-blowers, government regulators, grand juries and plaintiffs' lawyers—cigarette consumption has undergone a 15-year decline. Thanks to foreign sales, however, the companies are making larger profits than ever before.

But the industry did not launch its campaign for new overseas markets alone. The Reagan and Bush administrations used their economic and political clout to pry open markets in Japan, South Korea, Taiwan, Thailand and China for American cigarettes. At a time when one arm of the government was warning Americans about the dangers of smoking, another was helping the industry recruit a new generation of smokers abroad.

To this day, many U.S. officials see cigarette exports as strictly an issue of free trade and economic fairness, while tobacco industry critics and public health advocates consider it a moral question. Even the Clinton administration finds itself torn: It is the most vocally anti-smoking administration in U.S. history, yet it has been in the uncomfortable role of challenging or delaying some anti-smoking efforts overseas.

At the same time, fledgling anti-smoking movements are rising up with support from American activists, passing restrictions that in some cases are tougher than those in the United States.

Having exported its cigarette industry, the United States is now in effect exporting its anti-smoking movement as well.

Just as the industry's overseas campaign has produced new smokers and new profits, it has also produced new consequences. International epidemiologist Richard Peto of Oxford University estimates that smoking is responsible for 3 million deaths per year worldwide; he projects that 30 years from now the number will have reached 10 million, most of them in developing nations. In China alone, Peto says 50 million people who are currently 18 or younger eventually will die from smoking-related diseases. ''In most countries, the worst is yet to come,'' he warned.

Asia is where tobacco's search for new horizons began and where the industry came to rely most on Washington's help. U.S. officials in effect became the industry's lawyers, agents and collaborators. Prominent politicians such as Robert J. Dole, Jesse Helms, Dan Quayle and Al Gore played a role. ''No matter how this process spins itself out,'' George Griffin, commercial counselor at the U.S. Embassy in Seoul, told Matthew N. Winokur, public affairs manager of Philip Morris Asia, in a ''Dear Matt'' letter in January 1986, ''I want to emphasize that the embassy and the various U.S. government agencies in Washington will keep the interests of Philip Morris and the other American cigarette manufacturers in the forefront of our daily concerns.''

U.S. officials not only insisted that Asian countries allow American companies to sell cigarettes, they also demanded that the companies be allowed to advertise, hold giveaway promotions and sponsor concerts and sports events in what critics say was a blatant appeal to women and young people. They regularly consulted with company representatives and relied upon the industry's arguments and research. They ignored the protests of public health officials in the United States and Asia who warned of the consequences of the market openings they sought. Indeed, their constant slogan was that health factors were irrelevant. This was, they insisted, solely an issue of free trade.

But then-Vice President Quayle suggested another motive when he told a North Carolina farming audience in 1990 that the government also was seeking to help the tobacco industry compensate for shrinking markets at home. ''I don't think it's any news to North Carolina tobacco farmers that the American public as a whole is smoking less,'' said Quayle. ''We ought to think about the exports. We ought to think about opening up markets, breaking down the barriers.''

A handful of American health officials vigorously opposed the government's campaign, yet were either stymied or ignored. ''I feel

the most shameful thing this country did was to export disease, disability and death by selling our cigarettes to the world,'' said former surgeon general C. Everett Koop. ''What the companies did was shocking, but even more appalling was the fact that our own government helped make it possible.''

WAGING THE WAR

Clayton Yeutter, an affable, high octane Nebraska Republican with a wide smile and serious political aspirations, came to the Office of the U.S. Trade Representative in 1985 with a mission: to put a dent in the record U.S. trade deficit by forcing foreign countries to lower their barriers against American products.

Yeutter (prounced ''Yi-ter'') took office at a time when Washington was on the verge of declaring a trade war against some of its staunchest allies in the Far East. Asian tigers such as Japan, South Korea, Taiwan and Thailand were running up huge trade surpluses with the United States on goods ranging from T-shirts to computer chips to luxury sedans. The U.S. annual trade deficit in 1984 totaled a record $123 billion. Congressional Democrats proposed a 25 percent surcharge on products from Japan, Taiwan, South Korea and Brazil, while the House and Senate overwhelmingly approved resolutions calling for retaliation against Japan if it didn't increase its purchases of exports.

In heeding that warning, the Reagan administration turned to a small, elite and little-known federal agency. The Office of the U.S. Trade Representative (USTR) had only 164 permanent employees, but it enjoyed cabinet-level status and a self-styled half-joking, half-serious reputation as ''the Jedi knights of the trade world.'' Operating out of the four-story, Civil War-era Winder Building on 17th Street NW, USTR's staff was known for its dedication and aggressiveness. Most staff members came from departments such as Commerce, State and Agriculture, and they saw the trade rep's office as a place where they could practice their craft free from the fetters of larger, more rigid bureaucracies. They worked long hours and displayed a fierce loyalty to each other and the agency they served.

In 1985 they got a new boss to match their mood. Yeutter had worked as a deputy trade representative during the Ford administration, then went on to become president of the Chicago Mercantile Exchange. He came back to Washington with an eye toward using USTR as a launching pad for becoming a U.S. senator, secretary of agriculture or even vice president, according to friends. Yeutter was not a member of Ronald Reagan's inner circle, and he was eager to show the president what he could do. ''They told me they needed a high-energy person,'' he recalled in a interview. ''I told them I was ready to hit the ground running.''

Yeutter knew that USTR had a weapon in its arsenal that was tailor-made for softening up recalcitrant trading partners. Section 301 of the 1974 Trade Act empowered USTR to launch a full-scale investigation of unfair trading practices and required that Washington invoke retaliatory sanctions within a year if a targeted government did not agree to change its ways. Launching a 301 was like setting a time bomb; both sides could hear the clock ticking.

Yeutter had no trouble persuading the administration to allow him to use Section 301 aggressively. ''There was a lot of momentum for attempting something new,'' he said.

The U.S. tobacco industry had been trying for years to get a foothold in these promising new Asian markets. In 1981 the big three—Philip Morris Inc., R.J. Reynolds Tobacco Co. and Brown & Williamson—had formed a trade group called the U.S. Cigarette Export Association to pursue a joint industry-wide policy on the issue. But the companies had felt frustrated during the first term of the Reagan administration.

Japan, the West's second largest market for cigarettes, remained virtually closed to American brands due to high tariffs and discriminatory distribution. South Korean law effectively made it a crime to buy or sell a pack of foreign cigarettes. Taiwan and Thailand remained tightly shut. All of these countries but Taiwan were signatories to the General Agreement on Tariffs and Trade, and Taipei hoped to join soon. Yet each appeared to violate free trade principles.

''In international trade terms, it's really very rare that the issues are so clear-cut and so blatant,'' recalled Owen C. Smith, a Philip Morris foreign trade expert who serves as president of the association. ''These countries were sitting with published laws which on their face discriminated against American products. It was an untenable situation. . . . These were, frankly, open-and-shut cases.''

When Yeutter and his staff looked at the cigarette business in these countries, they saw blatant hypocrisy. Each Asian government sought to justify its ban on imported cigarettes in the name of public health, yet each had its own protected, state-controlled tobacco monopoly that manufactured and sold cigarettes—and provided large amounts of tax revenue to the government. The state companies' marketing techniques were in many ways just as cynical as those of the American companies. In Taiwan, for example, the most popular state brand was called Long Life. These were classic, state-run companies; bloated and inefficient, they produced overpriced, low-quality and poorly marketed cigarettes that could never compete with jazzier American brands in free competition.

Health was simply a smoke screen, Yeutter quickly decided, raised by recalcitrant foreign governments hooked on cigarette profits. ''I would have had no problem with Japan or Korean or Taiwan putting up genuine health restrictions,'' he insisted. ''But that's not what these governments were doing. They were restricting trade, and it was just blatant.''

What Yeutter didn't seem to appreciate was that the very flaws of the state-run monopolies were exactly what a doctor might have ordered: Their high price and poor quality had helped limit smoking mostly to older men who had the money and taste for harsh, tar-heavy local brands. The monopolies seldom, if ever, advertised and did not target the great untapped markets of women and young people. Per capita sales remained low in every country except Japan. From a public health standpoint, maintaining the monopolies was far preferable to opening the gates to American companies with their milder blends and state-of-the-art marketing.

''When the multinational companies penetrate a new country, they not only sell U.S. cigarettes but they transform the entire market,'' said Gregory Connolly, a veteran anti-smoking activist who heads the Massachusetts Tobacco Control Program. ''They transform how tobacco is presented, how it's advertised, how it's promoted. And the result is the creation of new demand, especially among women and young people.''

Connolly, who traveled widely through Asia, documented how American companies skirted advertising restrictions by sponsoring televised rock concerts and sporting events, placing cigarette brands in movies and lending their brand names to non-tobacco products such as clothing and sports gear. A Madonna concert in Spain became a ''Salem Madonna Concert'' when televised in Hong Kong, while the U.S. Open tennis tournament in New York became the ''Salem Tennis Open'' in Malaysia. Tennis stars Pat Cash, Michael Chang, Jimmy Connors and John McEnroe appeared in live matches in Malaysia sponsored by RJR.

None of this troubled Yeutter and his trade warriors. They saw foreign advertising restrictions as one more form of trade discrimination. The interagency committee that advised Yeutter on the issue consisted of representatives from State, Agriculture, Commerce, Labor and Treasury, but not from Health and Human Services. There was no one with a public health or tobacco control background to argue that there was a link between advertising and health.

The companies convinced Yeutter that helping them sell cigarettes meant helping American trade. They produced studies showing that aside from heavy aviation parts, cigarettes were America's most successful manufactured export in terms of the net balance of trade. They estimated that cigarette exports—largely to Western Europe and Latin America—accounted for 250,000 full-time jobs in the United States and contributed more than $4 billion to the positive side of the trade ledger.

The industry also turned up the political heat. In a January 1984 letter to an official in the Commerce Department, Robert H. Bockman, then director of corporate affairs for Philip Morris Asia, described trade barriers against his company's products in South Korea. He then went on to discuss what he called ''the politics of tobacco in this election year. Attached please find a listing of the 1980 election results in the major tobacco-growing areas in the United States. You will note that the margin of victory for the president [Ronald Reagan] was narrow in some key areas.''

Jesse Helms (R–N.C.), who at the time chaired the Senate Agriculture Committee, also intervened. In July 1986 Helms wrote to Japanese Prime Minister Yasuhiro Nakasone congratulating him on his recent election victory and pointing out that American cigarettes accounted for less than 2 percent of the Japanese market. ''Your friends in Congress will have a better chance to stem the tide of anti-Japanese trade sentiment if and when they can cite tangible examples of your doors being opened to American products,'' wrote Helms. ''I urge that you make a commitment to establish timetable for allowing U.S. cigarettes a specific share of your market. May I suggest a goal of 20 percent within the next 18 months.''

At Yeutter's urging, Reagan decided not to wait for a formal filing from the industry against Japan. Instead, for the first time the White House filed three 301 complaints with USTR in September 1985, one of them against Japanese restrictions on the sale of U.S. cigarettes.

According to the USTR log of the case, U.S. officials presented a lengthy questionnaire at their opening session with Japanese trade representatives, demanding detailed data on the Japanese market. Meanwhile, other U.S. bureaucrats began drawing up lists of products for possible retaliation—all part of what one negotiator called the ''ratcheting-up process.''

Japanese negotiators hung tough over the course of 14 sessions. Joseph A. Massey, who was in charge of trade negotiations with Japan, recalled they argued that Japan Tobacco, the state-run cigarette monopoly, was too inefficient to withstand U.S. competition, and that in any case the Americans should continue the previous long-standing practice of giving Japan an indefinite time period to comply.

Massey recalled one other unusual aspect of the negotiation: Industry representatives

from both sides sat in on bargaining sessions. ''The Japanese insisted that Japan Tobacco should be in the room,'' he said. ''We said, 'If that's the case, there needs to be parallelism.' . . . They did not sit at the table. They sat quietly along the back wall.''

Finally in late September 1986, a year after the 301 complaint was filed, Yeutter received a phone call at his McLean home late one evening from Japanese Finance Minister Kiichi Miyazawa. The minister wanted more time, but Yeutter was unrelenting. He recalls telling Miyazawa that the completed retaliation documents were to be forwarded to the White House the following day. ''I said, 'I'm sorry, Mr. Minister, but your government has run out of time,'.'' Yeutter recalled.

Within days the Japanese capitulated, signing an agreement allowing in American-made cigarettes. By giving in on such a politically well-connected product as cigarettes, Japanese commentators said, Tokyo hoped to buy time on other trade issues. It was, commented the Asahi Shimbun newspaper, a ''blood offering.''

And so Japan was transformed into a battleground for the world's biggest tobacco companies. Philip Morris aimed at Japanese women with Virginia Slims; Japan Tobacco fought back with Misty, a thin, mildblended cigarette. When RJR wooed young smokers with Joe Camel, JT countered with Dean, named after fabled actor James Dean. Cigarettes became the second most-advertised product on television in Tokyo—up from 40th just a year earlier.

Today, imported brands control 21 percent of the Japanese market and earn more than $7 billion in annual sales. Female smoking is at an all-time high, according to Japan Tobacco's surveys, and one study showed female college freshmen four times more likely to smoke than their mothers.

Yeutter and his colleagues insisted they had done nothing for tobacco they would not have done for any other industry. But the fact remained that at a time when the United States could not overcome Japan's resistance on a broad range of exports—from beef to cars to super-computers—U.S. cigarettes flourished, thanks to the perseverance of the trade warriors.

INTO SOUTH KOREA

The next target was South Korea, which had a $1.7 billion domestic tobacco market. The U.S. tobacco industry filed a 301 complaint against Seoul in January 1988, and USTR initiated its investigation a month later, South Korea's state cigarette monopoly had done little advertising over the years, and a few months before the 301 case, the Seoul government had formally outlawed cigarette ads. But the United States insisted on defining ''fair access'' as including the right to advertise.

Even before the formal complaint was filed, tobacco state lawmakers and their allies had supported opening South Korea's market. Senators Dole (R–Kan.) and Helms and 14 others—including Gore, then a senator from Tennessee—wrote to South Korean President Chun Doo Hwan in July 1987 demanding that tobacco companies be allowed ''the right to import and distribute without discriminatory taxes and duties, as well as the right to advertise and promote their products.''

The companies did their own work as well. RJR hired former Reagan national security adviser Richard Allen to lobby the government in Seoul and give the company more influence than its corporate rivals. Philip Morris gave a $250,000 contract to former White House aide Michael Deaver, who hired two former USTR officials and later obtained a $475,000 lobbying contract with the South Korean government, according to testimony at his 1987 trial for perjury. (Deaver was convicted of lying to Congress about his lobbying activities after he left the White House.)

In May 1988 Seoul formally agreed to open its doors to American brands. The deal allowed cigarette signs and promotions at shops, 120 pages of advertisements in magazines and cigarette company sponsorship of social, cultural and sporting events. Cigarettes quickly became one of the most heavily advertised products in South Korea; from no advertising in 1986, American tobacco companies spent $25 million in 1988. Student activists, anti-smoking groups, the South Korean consumers' union and the local cigarette retail association all staged protests against ''tobacco imperialism'' and boycotted American cigarettes, and the companies accused the state cigarette monopoly of constant violations of the agreement. Still, within a year, American companies had captured 6 percent of the market.

USTR also made fast work of Taiwan. On the heels of the Japanese agreement, Taiwan had agreed in October 1985 to liberalize barriers to wine, beer and cigarettes. But a year passed and the market remained effectively closed. Reagan then ordered Yeutter to propose ''proportional countermeasures,'' while U.S. officials threatened to oppose Taiwan's application for membership in GATT.

''Since Taiwan wasn't a GATT member, we were not under GATT constraints,'' said a senior USTR negotiator. ''I hate to say it, but you can do whatever you want with Taiwan and Taiwan knows it. They're much more vulnerable than other countries.''

Six weeks after Reagan's order, Taiwan folded. ''The atmosphere in the negotiations was very bad for us,'' recalled Chien-Shien Wang, then deputy minister of commerce, who was Taiwan's chief negotiator. ''We were told the U.S. had lost patience with us and was about to put us on the 301 list. So we had no choice but to agree.''

While some USTR officials now concede they were uneasy about using their power on behalf of America's most controversial industry, they say they had no choice.

''For us it was an issue of, it's a U.S. product and it deserves fair market access,'' said Robert Cassidy, the current assistant U.S. trade representative for Asia and the Pacific. ''There are lots of products people here might prefer not to pursue—I myself didn't much like exporting machines to manufacture bullets. But that's not the issue. The issue was, is this discriminatory treatment or not?''

Following the agreement, consumption of imported cigarettes in Taiwan soared. According to one industry trade journal, foreign brands went from 1 percent of annual cigarette sales to more than 20 percent in less than two years, while state-manufactured brands declined accordingly. RJR sponsored a dance at a Taipei disco popular with teenagers and offered free admission for five empty packs of Winstons. Studies by Taiwanese public health specialist Ted Chen, now a professor at Tulane University Medical Center, tracked a steadily rising rate of smoking among high schoolers.

THE ANTI-SMOKING CRUSADE

The 301 cases were a boon to the industry. The Boston-based National Bureau of Economic Research estimated in a recent report that sales of American cigarettes were 600 percent higher in the targeted countries in 1991 then they would have been without U.S. intervention. In 1990, after he became secretary of agriculture, Yeutter told a news conference, ''I just saw the figures on tobacco exports here a few days ago and, my, have the turned out to be a marvelous success story.''

The tobacco companies insist that the government's efforts merely allowed them to gain a fair share of existing markets. But the National Bureau projected that American entry pushed up average cigarette consumption per capita by nearly 10 percent in the targeted countries. The report said fiercer price competition and sophisticated advertising campaigns had stimulated the increase.

Then-surgeon general Koop, a fierce critic of the industry, first heard about the 301s when he visited the Japanese Health Ministry during the swing through the Far East in the mid-1980s. ''They greeted me with, 'What are you trying to do for us? We will never be able to pay the medical bill,'.'' he recalled. ''I had no idea what they were talking about.''

Koop soon found out that USTR was, in his words, ''trading Marlboros for Toyotas.'' But it took several years for anti-smoking activists to become mobilized. In 1988 Koop attempted to hold a hearing on cigarette exports in his Interagency Committee on Smoking and Health, but said he was advised a few days before that the Reagan White House wanted him to drop the subject and uninvite witnesses such as Judith Mackay, a prominent anti-smoking activist from Hong Kong.

Koop refused. Officials from State and Commerce who had agreed to appear suddenly withdrew, but Mackay and a parade of critics testified. She accused the United States of waging ''a new Opium War'' against Asia, an allusion to Britain's 19th-century effort to force China to allow trade of the addictive drug.

When Yeutter learned of the criticism, he wrote to Koop to defend his record. ''I have never smoked, have no desire to do so and believe this addiction to be a terrible human tragedy,'' he told Koop. ''However, what we are about in our trade relationships is something entirely different.''

Koop found Yeutter's letter unconvincing. ''I'm a firm believer in the difference between a moral compromise and a political compromise,'' Koop said in a recent interview. ''I suppose Yeutter can say he was just doing his job, but when you really are exporting death and disease to the Third World, that's a moral compromise that I would never make.''

During congressional hearings on the trade issue in May 1990, the government's sole witness was Sandra Kristoff, then assistant trade representative for Asia and the Pacific, who had negotiated the agreements with South Korea and Taiwan and who vigorously defended USTR's role. She mocked the idea of taking into account health issues in trade policy matters, saying such considerations might result in banning trade in cholesterol-laden cookies ''or hormones in red meat. . . . U.S. trade policy is not in the business of picking winners or losers in terms of products.''

After the hearing, two lobbyists for Philip Morris wrote a memo to their boss praising her testimony. ''The best witness we had was USTR Representative Sandy Kristoff . . . ,'' they wrote. ''She was tremendously effective.'' Kristoff, who now serves on the staff of the National Security Council, declined to be interviewed.

EYEING NEW MARKETS

When anti-smoking activist Gregory Connolly toured Asia in 1988 he was astonished by how entrenched American cigarettes already had become. In Taipei he discovered 17 billboards advertising foreign cigarettes within sight of a local high school. In Bangkok he was shown student notebooks decorated with the Marlboro logo. In Manila he took photographs of jump boys huddling

in an alley smoking Marlboros. Afterward, he protested to Filipino health activist Phyllis Tabla: ''You've got to do something about this!''

Her reply: ''Don't lecture us! It's not us! It's you!''

Philip Morris was so delighted with the success of the 301 cases that when Yeutter left USTR in 1989 to become secretary of agriculture in the Bush administration, the company threw a celebration in his honor at the Decatur Club here. When critics raised questions about the reception, Yeutter told the Senate Agriculture Committee: ''It's unfortunate that when people try to say thank you, it becomes a potential conflict of interest issue, but that's the way the world is these days.''

Looking back, Yeutter said he now feels the reception was a mistake. ''Philip Morris shouldn't have done it,'' he said, ''They were simply trying to be gracious. . . . It simply was not good judgment on their part. And in retrospect I probably should have done more to discourage it.''

Today Yeutter practices international trade law from a corner office at Hogan & Hartson, Washington's largest law firm. He also sits on the board of British-American Tobacco (BAT), the British-based tobacco conglomerate that owns Brown & Williamson, the Louisville-based cigarette manufacturer that was one of the participants in the 301s. He insists he has not changed his mind about the dangers of smoking. But cigarettes remain a legal product, and, he says, BAT is an excellent, well-run company that he is proud to serve.

When Yeutter moved to Agriculture, incoming President Bush appointed Carla Hills, a highly regarded lawyer and former housing and urban development secretary, to succeed him at USTR. One canny political pro replaced another. And USTR set its sights on opening more cigarette markets in Asia.

Next on the agenda was Thailand.

Conditions there were similar to those in Japan, South Korea and Taiwan: a very promising market in a country undergoing explosive economic growth; a state-run monopoly: tight restrictions on imported cigarettes; an advertising ban purportedly based on health claims.

After their success in Japan, South Korea and Taiwan, officials were highly optimistic about Thailand.

The Thai Finance Ministry already was holding discussions about opening its market.

Thailand, both U.S. officials and industry representatives agreed, would be easy.

Only they were wrong. As they were about to find out, in pressing on into Thailand, Washington and the industry had gone a country too far.

TWO ON TOP OF THE WORLD

THE LARGEST INDEPENDENT TOBACCO MERCHANTS ARE BASED IN VA. BUT THEIR GROWTH IS ABROAD

(By Frank Swoboda and Martha M. Hamilton)

RICHMOND.—The faint, pungent smell of tobacco leaf is the first thing you notice when you enter the second-floor executive offices of Universal Corp., the world's largest independent tobacco leaf merchant.

At Universal, as at the Danville, Va., headquarters of its second largest rival, Dimon, Inc., the smell of tobacco is the smell of money.

The two companies (and their only other major competitor, Standard Universal Corp. of North Carolina) are the middlemen in the world tobacco industry. They don't make cigarettes or other consumer tobacco products. Instead, they buy, ship, process, pack, store and finance leaf tobacco for sale to cigarette manufacturers.

Together the two had $5.7 billion in revenue in 1996 from operations in locations that included the United States, Brazil, Tanzania, Zimbabwe, Italy, Bulgaria and China. Despite declining U.S. consumption, and a multibillion-dollar legal settlement by manufacturers that is apt to cut domestic consumption even further, there is no sense of panic in the corridors of these tobacco merchants. Universal and Dimon know the world market—it's enormous and still growing.

''The world market is where the bulk of the growth is,'' said Universal Vice President James H. Starkey III. Worldwide tobacco consumption has been rising by 1.2 percent to 1.5 percent a year, providing Universal with a consistent 18 percent to 19 percent annual return on equity.

About a third of the tobacco grown in the United States is exported. Last year, that came to 340 million tons of flue-cured tobacco, which is harvested over a several-week period and cured by heat, and about 160 million tons of burley tobacco, which is hung to dry and cure, according to Randy Weber, associate administrator for the Farm Service Agency of the U.S. Department of Agriculture.

''I don't see us shifting away from tobacco. We have continued to reinvest in tobacco as opportunities arise. We're constantly looking for opportunities for expansion,'' said Starkey.

His optimism is echoed by those who follow the industry, ''I'd say the future is very strong, although there are going to be short-term ripples because of the cigarette settlement and the imposition of higher prices,'' said David A. Goldman, an industry analyst with Robinson-Humphrey in Atlanta.

Universal noted in its annual report to stockholders that ''demand for leaf continues to increase in response to an estimated 1 percent annual growth in world cigarette consumption and consumption of American-blend cigarettes is increasing by 3 to 4 percent annually.''

There is a growing global market for the mild tobacco mixture known as ''American blend'' and for American-style cigarettes, of which Universal is a major supplier. More and more of the leaf that goes into those products is being harvested abroad, putting pressure on U.S. growers but increasing profitability for processors by lowering the price of tobacco. As an example of the shift, Starkey points to France, where, he said, the public is beginning to move away from ''dark tobacco'' cigarettes such as the well-known Gaulois to milder, American blend cigarettes as manufacturers introduce low-cost, generic brands to cultivate a taste for the new blend with the smoking public.

Universal has operations in 30 countries around the globe. It first went into China in the 1920s, and there and elsewhere it has survived civil wars, communist takeovers and political unrest. ''The one thing we've been good at is managing through instability. We stick to our knitting. We don't get involved in politics,'' Starkey said.

Karen W.L. Whelan, Universal's treasurer, said the company keeps ''liaison people'' at its headquarters who travel back and forth to various countries to help it keep track of changes overseas.

The search for new markets has taken Universal from Eastern Europe to the emerging nations of Africa. In the early 1990s, Universal and Philip Morris purchased the largest tobacco processing company in Kazakhstan from the government. In China—the world's largest tobacco producer, growing more than half the world's supply of flue-cured tobacco—Universal manages a new leaf processing plant near Bengbu for the Shanghai Tobacco Co.

Universal buys the leaf processed at the Chinese plant and has agreed to export a minimum of 70 percent of the tobacco. ''It's the only export operation in China managed by a foreign company,'' Starkey said.

The company first entered China in 1925, and it remained until the communist takeover. It returned to China when the Nixon administration reopened relations with the Asian nation in the 1970s.

Like almost all the other U.S.-based multinationals, America's tobacco merchants are watching the vast Chinese market closely, for an obvious reason: Smokers in China consume approximately 1.7 trillion cigarettes a year, far more than the 450 billion a year smoked by U.S. consumers, according to Scott & Stringfellow analyst John F. Kasprzak.

More than just a tobacco merchant, Universal's interests include lumber and building products distribution in the Netherlands and Belgium. It also buys, processes and distributes tea, rubber, sunflower seeds, dried fruits and seasonings as part of a joint venture with COSUN, a Dutch sugar cooperative. But tobacco is by far its biggest business, accounting for 71 percent of the company's revenues and 83 percent of its operating profits.

Rival Dimon Inc. is also enjoying an upcurve, reaching almost $2.2 billion in sales last year. Dimon operates in 36 countries, and like its Richmond competitor its business is not one-dimensional: It ranks as the world's largest exporter and distributor of fresh-cut flowers. Dimon was formed in 1995 by a merger of 120-year-old Dibrell Bros. Inc. of Danville with tobacco processor Monk-Austin of Farmville, N.C. That union created a company that ranked second in its industry to Universal; a deal consummated earlier this year in which Dimon acquired British-based Intabex Holdings Worldwide SA narrowed the gap between the two companies.

Intabex was a privately-owned company that was the fourth-largest leaf tobacco dealer in the world. It owned tobacco buying, processing and exporting operations in the United States, Brazil, Argentina, Malawi, Italy and Thailand and was affiliated with a Zimbabwe company that Dimon also acquired. Its acquisition will offer Dimon considerable opportunity to cut costs, Kasprzak said, by consolidating operations and refinancing Intabex's considerable debt.

Officials from Dimon declined to be interviewed for this story.

Both Universal and Dimon have benefited from industry consolidation, which has in the past several years cut the number of major leaf merchants from eight to three. But the same consolidation has hurt U.S. tobacco growers, said Jerry Jenkins, a grower in Lunenberg County, Va., who is also chairman of Tobacco Associates, the export promotion organization for the nation's flue-cured growers.

''The problem with the recent mergers and consolidations in the industry is that they reduce competition,'' said Jenkins, who farms about 30 acres of flue-cured tobacco and 3.5 acres of dark fire-cured tobacco. ''It's generally not to the benefit of the seller of the product.''

Virginia farmers grow flue-cured tobacco on approximately 40,000 acres and burley tobacco on about 10,000 acres. Maryland is also a tobacco-growing state but on a much smaller level. Only about 8,000 acres there are devoted to tobacco cultivation, according to the USDA's Weber.

The increasing worldwide demand for tobacco that is filling the coffers of Universal and Dimon may not be the long-term salvation of these farmers. Although the world's

smokers are developing a taste for American blend, U.S.-grown tobacco is simply too expensive for many world markets. U.S. tobacco is still as much as 30 percent higher in price than competitive tobacco products from Brazil and Zimbabwe, according to Universal's Starkey.

Perhaps an even greater problem for American growers is the financing role the processing companies play in overseas markets. According to analyst Goldman, companies like Dimon contract with a cigarette maker like R.J. Reynolds Tobacco Co. to deliver a certain grade of tobacco a year from now and ask for a down payment. They then use that down payment to provide cash advances to growers in countries such as Brazil, helping to finance farmers there without putting their own funds at risk.

''When you're loaning a man money to grow a crop or underwriting his loan and furnishing technical advice, it only seems natural that you're going to want to buy his crop first to recoup that investment,'' said tobacco grower Jenkins. To compete, tobacco growers in Virginia have had to cultivate larger acreages to achieve efficiencies of scale, he said.

''We don't like to buy without having an order,'' said Universal's Whelan, adding that most of the company's tobacco purchases are made at local auction, which is how tobacco is sold in this country. She said that in only a handful of countries does Universal have advance contracts with growers, in countries such as Brazil, Guatemala, Mexico and Italy.

The next possible target for expansion for Universal, Dimon and Standard may be processing tobacco for U.S. cigarette manufacturers who now do their own processing, said Scott & Stringfellow's Kasprzak. In recent years Lorillard Tobacco and RJR turned over their leaf purchasing and some processing to Dimon's predecessors, and others may follow suit.

In the meantime, Virginia's tobacco merchants can look forward to doing business in a world that every year consumes more cigarettes with no sign of slowing down.

ADDITIONAL COSPONSORS

S. 89

At the request of Ms. SNOWE, the names of the Senator from Louisiana [Ms. LANDRIEU] and the Senator from New York [Mr. D'AMATO] were added as cosponsors of S. 89, a bill to prohibit discrimination against individuals and their family members on the basis of genetic information, or a request for genetic services.

S. 194

At the request of Mr. CHAFEE, the name of the Senator from Missouri [Mr. ASHCROFT] was added as a cosponsor of S. 194, a bill to amend the Internal Revenue Code of 1986 to make permanent the section 170(e)(5) rules pertaining to gifts of publicly traded stock to certain private foundations and for other purposes.

S. 202

At the request of Mr. LOTT, the name of the Senator from Missouri [Mr. ASHCROFT] was added as a cosponsor of S. 202, a bill to amend title II of the Social Security Act to eliminate the earnings test for individuals who have attained retirement age.

S. 260

At the request of Mr. ABRAHAM, the name of the Senator from Georgia [Mr. COVERDELL] was added as a cosponsor of S. 260, a bill to amend the Controlled Substances Act with respect to penalties for crimes involving cocaine, and for other purposes.

S. 358

At the request of Mr. DEWINE, the names of the Senator from Minnesota [Mr. WELLSTONE] and the Senator from Nevada [Mr. REID] were added as cosponsors of S. 358, a bill to provide for compassionate payments with regard to individuals with blood-clotting disorders, such as hemophilia, who contracted human immunodeficiency virus due to contaminated blood products, and for other purposes.

S. 370

At the request of Mr. GRASSLEY, the name of the Senator from Maine [Ms. SNOWE] was added as a cosponsor of S. 370, a bill to amend title XVIII of the Social Security Act to provide for increased medicare reimbursement for nurse practitioners and clinical nurse specialists to increase the delivery of health services in health professional shortage areas, and for other purposes.

S. 766

At the request of Ms. SNOWE, the name of the Senator from Louisiana [Ms. LANDRIEU] 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. 830

At the request of Mr. JEFFORDS, the name of the Senator from Nebraska [Mr. HAGEL] was added as a cosponsor of S. 830, a bill to amend the Federal Food, Drug, and Cosmetic Act and the Public Health Service Act to improve the regulation of food, drugs, devices, and biological products, and for other purposes.

S. 887

At the request of Ms. MOSELEY-BRAUN, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 887, a bill to establish in the National Service the National Underground Railroad Network to Freedom Program, and for other purposes.

S. 896

At the request of Mr. LEAHY, the names of the Senator from Wyoming [Mr. THOMAS] and the Senator from Missouri [Mr. BOND] were added as cosponsors of S. 896, a bill to restrict the use of funds for new deployments of antipersonnel landmines, and for other purposes.

S. 974

At the request of Mr. REED, the name of the Senator from New Jersey [Mr. TORRICELLI] was added as a cosponsor of S. 974, a bill to amend the Immigration and Nationality Act to modify the qualifications for a country to be designated as a visa waiver pilot program country.

S. 980

At the request of Mr. DURBIN, the name of the Senator from Oregon [Mr. WYDEN] was added as a cosponsor of S. 980, a bill to require the Secretary of the Army to close the U.S. Army School of the Americas.

S. 1037

At the request of Mr. JEFFORDS, the name of the Senator from Kansas [Mr. ROBERTS] was added as a cosponsor of S. 1037, a bill to amend the Internal Revenue Code of 1986 to establish incentives to increase the demand for and supply of quality child care, to provide incentives to States that improve the quality of child care, to expand clearing-house and electronic networks for the distribution of child care information, to improve the quality of child care provided through Federal facilities and programs, and for other purposes.

SENATE CONCURRENT RESOLUTION 30

At the request of Mr. HELMS, the name of the Senator from Wyoming [Mr. THOMAS] was added as a cosponsor of Senate Concurrent Resolution 30, a concurrent resolution expressing the sense of the Congress that the Republic of China should be admitted to multilateral economic institutions, including the International Monetary Fund and the International Bank for Reconstruction and Development.

SENATE RESOLUTION 98

At the request of Mr. BYRD, the names of the Senator from Nevada [Mr. REID], the Senator from Nevada [Mr. BRYAN], the Senator from Tennessee [Mr. THOMPSON], and the Senator from Colorado [Mr. CAMPBELL] were added as cosponsors of Senate Resolution 98, a resolution expressing the sense of the Senate regarding the conditions for the United States becoming a signatory to any international agreement on greenhouse gas emissions under the United Nations Framework Convention on Climate Change.

SENATE RESOLUTIONS 109—CONDEMNING THE GOVERNMENT OF CANADA

Mr. MURKOWSKI (for himself, Mr. STEVENS, Mr. GORTON, and Mr. HELMS) submitted the following resolution; which was considered and agreed to:

S. RES. 109

Whereas, Canadian fishing vessels blockaded the M/V MALASPINA, a U.S. passenger vessel operated by the Alaska Marine Highway System, preventing that vessel from exercising its right to innocent passage from 8:00 a.m. on Saturday, July 19, 1997 until 9:00 p.m. Monday, July 21, 1997;

Whereas, the Alaska Marine Highway System is part of the United States National Highway System and blocking this critical link between Alaska and the contiguous States is similar in impact to a blockade of a major North American highway or air-travel route;

Whereas, the M/V MALASPINA was carrying over 300 passengers, mail sent through the U.S. Postal Service, quantities of fresh perishable foodstuff bound for communities without any other road connections to the contiguous States, and the official traveling exhibit of the Vietnam War Memorial;

Whereas, international law, as reflected in Article 17 of the United Nations Convention