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Senate

The Senate met at 9:30 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

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

Dear Father, the best that can happen today is that we will experience deep fellowship with You and enjoy You. The worst that can happen is that we might become so busy or distracted by life's demands that we would miss this privilege of friendship with You. This puts into perspective our secondary goals for today or the glitches in our plans that might occur.

This is the day You have made. We will rejoice and be glad in You, not just in another day. You alone are the source of the joy of any day.

You have taught us that the secret of a truly great day is that You will show the way. You have plans for us today. We don't want to miss them. Make us sensitive to the surprises You send our way. So help us not to forget that You are with us and want to have a moment-by-moment dialog with us throughout the day about the crucial issues before us. Thank You for Your grace and guidance. Through our Lord and Saviour. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader, Senator GRASSLEY, is recognized.

SCHEDULE

Mr. GRASSLEY. Mr. President, on behalf of Senator LOTT, the majority leader, I will make this announcement.

We announce that this morning, following morning business, at 10:30 a.m., the Senate will begin consideration of S. 39. That is the tuna-dolphin bill. Under a previous agreement, there will be 30 minutes for debate. It will be on that measure. Then it will be followed by a vote on the passage of S. 39.

Also under the order, a vote on the passage of S. 1048, the Transportation appropriations bill, will follow the tuna-dolphin vote. Therefore, Senators can anticipate two rollcall votes this morning. Hopefully that would be around 11 a.m.

As Members are aware, the House did file H.R. 2015, the conference report to accompanying the Balanced Budget Act of 1997; therefore, the Senate will hopefully begin consideration of that measure today at noon. Under the statute, there are 10 hours for debate on that conference report. And as always, Members will be notified as to when that rollcall vote can be expected.

Senator LOTT thanks our colleagues for their attention.

MORNING BUSINESS

The PRESIDING OFFICER (Mr. INHOFE). Under the previous order, there will now be a period of morning business until the hour of 10:30 a.m., with Senator DASCHLE or his designee in control of 30 minutes, and Senator GRASSLEY or his designee in control of 30 minutes.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

THE INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT

Mr. GRASSLEY. I have the privilege this morning, with our outstanding colleague, Senator KERREY of Nebraska, to announce my intention to introduce a piece of legislation, the Internal Revenue Service Restructuring Act, that is a product of the National Commission on Restructuring the IRS. That commission functioned for approximately 12 months. The success of the commission is a result of the leadership of Senator KERREY and Congressman ROB PORTMAN of Ohio.

As a member of the Commission on Restructuring the IRS, also as a current senior member of the IRS Oversight Subcommittee on the Finance Committee, and as the chief Senate sponsor of previous legislation that has been called the Taxpayers Bill of Rights I and the Taxpayers Bill of Rights II—and of course I am a taxpayer myself—I have been involved in several ways for many years in an effort to finally reach this point that we will make substantial changes, hopefully passing legislation, that will make substantial changes in the IRS and how it functions.

Congress is on the verge of a very major shift in power from the Federal Government to the people. The recommendations of this commission are a blueprint for the transfer of power. Understandably, there is much anxiety within the Federal Government at this moment. It is in anticipation of this loss of power. The anxiety is at the highest levels in the executive branch that I have seen it.

The American taxpayers have waited a long time for this to happen. They have suffered through decades of encounters with an agency that has been unaccountable, unresponsive, misleading, arrogant, and even abusive. The IRS has been granted enormous powers that at times seems to disrespect, even to undermine, civil liberties. The responsibilities to our citizens that go along with such power was not exercised by that agency.

Furthermore, IRS management seemed to have taken a vacation. Billions of dollars have been wasted. Performance failures were not met with discipline. Questionable activities were covered up by secrecy, mostly by abusing the authority of what we would all recognize as section 6103, the so-called privacy provisions. Congressional oversight of the IRS has been rendered all but impotent because of absurd 6103 restrictions. These restrictions make the Pentagon's highly secret and highly restrictive Joint Chiefs of Staff vault seem like a Freedom of Information office.

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

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I urge my colleagues to seize the moment. IRS reform is long overdue and is very vital.

Mr. President, I want to highlight just a few important issues recommended by the commission.

To restore accountability to the taxpayers, the commission has made several recommendations.

The one attracting the greatest attention has been the commission's proposal for an independent board to oversee the IRS. The commission's belief is that an independent board will provide an infusion of talent from the private sector to set appropriate performance measurements and reward or discipline managers who either meet or fail to meet these performance measures.

In private meetings, the administration appears to be divided on another proposal, the proposal for an independent board to run the IRS. But it appears unfortunate that some who oppose this proposal are doing so only because it signifies a monumental power struggle that they stand to lose.

Treasury officials, who years ago could not find the IRS even if they were standing at the corner of 11th and Constitution, are suddenly in fits about losing some control over part of their budget and their bureaucracy.

They must be reminded that the IRS is one of the few Government agencies that has a significant impact on almost every American. The American taxpayer deserves a modern IRS that provides taxpayer customer service on a level equal to that provided by private financial institutions throughout this country.

We have seen a lot of promises of reform coming from the Treasury of late, wholly in response to the work of this commission. Treasury assures us that IRS reform is their top priority and their best people are on it. But if Congress turns its back now on reforming the IRS and listens to the siren song of the Treasury Department, I predict that a year from now Congress will face the justified wrath of the American taxpayer.

Treasury officials who are locked in this power struggle trying to preserve their bureaucratic empire would do well to remember the quote of the first Secretary of the Treasury, Alexander Hamilton, who said, ''Here, sir, the people govern.'' That is the essence of what this commission would do, return power from the Federal Government to the people of this country.

I am also pleased that the commission did not call for the easy solution. The easy solution around Washington is just to give more money to some Federal bureaucracy. And the plea was made to us: More money is what is needed at the IRS. One Treasury official privately admitted recently that the IRS never would be serious about embracing reform as long as Congress kept throwing money at the bureaucracy.

Until 2 years ago, the IRS had seen continued increases in its budget for 40 years. This commission uncovered that hundreds of millions of taxpayers' dollars were being wasted. Clearly, the problem at the IRS is management, not money.

The commission made several findings and recommendations about protecting taxpayers and strengthening taxpayers' rights. I note that in the past, the Congress has focused its energies on giving rights to taxpayers who are in dispute with the IRS. The commission's recommendations build on this. We recommend a strengthening of taxpayers' rights in a number of areas, but I think of equal importance is the emphasis the commission has placed on protecting taxpayers, that is, preventing problems even before they ever happen by emphasizing quality of work and customer service by our IRS employees.

We all know the story of the small business owner who gets a notice from the IRS that he owes maybe $2,000 in additional taxes. The business owner goes to his accountant, who says he does not owe the IRS $2,000, but it is going to cost $5,000 to fight the IRS. So what does the small businessperson do? He pays the $2,000.

Why does this happen? Because the IRS puts such little emphasis upon quality control and upon taxpayers' rights. The IRS still measures its managers on dollars assessed, whether or not it is a proper tax owed.

Is it any surprise then that when a taxpayer does appeal, the IRS loses 72 cents on the dollar? It is wrong that many taxpayers have to spend millions of dollars fighting the IRS because there is no quality control.

I am pleased that the commission also emphasized the need for customer service. We recommend that taxpayers who are subject to examination or collection efforts or who simply try to contact the IRS to resolve a problem are provided a chance to comment on the service given. While revolutionary to the IRS, this is old hat for many State tax collection agencies as well as for business in the private sector. By measuring managers on customer service, we hope to begin to change the culture of the IRS and its employees.

Emphasizing quality service and customer service are ways to protect the taxpayers in the first place. It is also a way to measure the performance in an appropriate manner that will hold managers and employees at the IRS accountable for their action.

I suggest that the emphasis upon quality service and customer service is in keeping with what many saw as a mandate given to the Congress in 1994—moving power from Government to the people. The reforms suggested by the commission certainly emphasize that it is the taxpayer who comes first and it is serving the taxpayer as a customer that must be a top priority at the IRS.

Mr. President, I want to just briefly touch on a third point, the need for greater openness at the IRS. The commission found that the IRS was a very closed and insular organization. The commission put forward a first step to make the IRS more open to the Congress, more importantly, to the press as a policing agency within our process of Government. If we are going to be at all successful in changing the culture of the IRS, a key ingredient must be greater openness at the organization.

To encourage openness and also ensure accountability, there are three areas.

One, the IRS must be timely in responding to Freedom of Information Act requests.

Two, the IRS should not abuse its authority under section 6103 to cover up embarrassing information about management mistakes. For example, the commission highlighted that the IRS had abused its 6103 authority to hide from the press the fact that the IRS had provided Congress false information.

Three, the IRS must maintain and preserve documents. The commission itself discovered first hand several times that the former IRS historian Shelly Davis is right—that the IRS doesn't preserve records. Many requests by the commission for documents and data were met with the response that the data no longer existed or the documents could not be found.

Addressing these three areas of openness may not be headline grabbing, but my experience has shown me that they will go far in bringing accountability at the IRS and changing its culture.

My final point is to emphasize the commission's findings on the need to simplify the Tax Code. We heard from countless witnesses, as well as hundreds of IRS employees and thousands of taxpayers that the complexity of the code is crippling to IRS management.

While I've spent a lot of my time here criticizing IRS, let me make clear that the complex code is not the fault of the IRS, it is a burden placed on IRS management by Congress and the White House. It is clear that if we wish to see improvements at the IRS in customer service and relations with taxpayers, steps must be taken to simplify the code.

This IRS Restructuring Act will lead to better management of the IRS and better customer service in the field. I encourage all of may colleagues to cosponsor it.

Mr. President, before I yield the floor, my colleague is responsible for the tremendous product of this commission. It is not me. It is because he gave it the time it needed, the expert leadership it needed. I speak of Senator KERREY of Nebraska.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. KERREY. Mr. President, I am pleased to announce my intention to introduce the IRS Reform and Restructuring Act of 1997 with the senior Senator from Iowa, Senator GRASSLEY, who also was a day-to-day participant

in this effort and gave it a great deal of energy and expertise. As one can tell from listening to him, he has offered a tremendous amount of enthusiasm and orientation to the taxpayers concerned, the customers themselves, as well as the need to open the IRS up. He cited the example of Shelly Davis, who brought to the attention of the public, the taxpayers, the significant problems the IRS is having and found that, as her reward for doing that, she lost her job. I very much appreciate Senator GRASSLEY's leadership. I look forward to working with him on the Finance Committee to try to get this piece of legislation heard and marked up and, hopefully, on to final passage yet this year.

This legislation reflects the recommendations of the National Commission on Restructuring the Internal Revenue Service. My co-sponsor, Senator GRASSLEY, and I have been the Senate members of the National Commission for the last year, and have been part of the most unprecedented review of a government agency that an independent commission has ever conducted. Senator GRASSLEY and I will shortly introduce legislation based on this commission's work. The goal of this legislation is to make the IRS work for the American taxpayer.

This legislation is so important because there are twice as many people who pay taxes as vote. Citizens' faith that their government can be fair and efficient is dependent on a well functioning IRS. The days of the old-fashioned tax collector are over—the core of this legislation is based on a vision for a new IRS. We believe, in today's world, the job of the IRS is to operate as an efficient financial management organization. It is a myth that the bulk of the Federal revenue is generated through heavy enforcement. While the IRS must maintain a strong enforcement presence, its core and the core of the Federal revenue stream lie in a revamped, modern organization that can assist taxpayers promptly and efficiently, track account information, and send out clear notices. There is a breathtaking gap between the service levels of the IRS and those of the private sector.

The IRS has a 20-percent error rate for processing paper returns and expends an incredible amount of resources and focus to correct these errors. It captures only 40 percent of the data from returns and is still drowning in a sea of paper. It is typically 18 months before a return can be matched against 1099s. A private sector business that took on average 18 months to send someone a bill, certainly wouldn't stay in business very long.

This legislation offers both a realistic goal for those who will take charge of the agency and a credible plan for reaching that goal.

We spent the last year studying the problems and solutions for the IRS.

Clearly, our access to the IRS's operations and employees was unprecedented. We spent 12 days in public hearings, interviewed 300 IRS employees in field offices, and interviewed over 500 current and former officials from the IRS, the Treasury Department, congressional committees that oversee the IRS, and other IRS experts. We also commissioned consulting reports and internal reviews of IRS management, governance, work force, compliance, and customer service. Finally, we heard directly from citizens through town meetings and surveys. During all of this work, we continually asked the question: How can we make the IRS serve the American people?

There are many visible problems at the IRS that should be noted by all colleagues, especially those who take the view that perhaps we don't need to change. All of these visible problems dictate that we act and that we change the law.

The IRS has a law enforcement mentality, but the vast majority of its employees perform service functions including tracking finances, sending out notices, and assisting taxpayers.

In addition, the IRS has the general attitude that taxpayers are guilty, even though 90 percent of taxpayers are compliant.

Taxpayers also have a low opinion of service levels provided by the IRS and do not believe the IRS is trying to help make paying taxes easier.

Next, training is not a priority, and employees do not have the skills of their private sector counterparts.

Fifth, the IRS uses employee evaluation measures that do not encourage employees to provide quality service to taxpayers.

Next, the IRS management and governance structure makes strategic planning impossible and has caused a massive failure of the IRS' $3.4 billion computer modernization program.

Further, IRS computer systems were developed during the 1960's and 1970's and lack the capability to provide taxpayers with quality service.

Wasteful inefficiencies and high error rates exist in the processing of paper forms.

The Treasury Department has basically left the IRS to its own devices, leaving a vacuum in executive branch oversight of the agency.

Congressional oversight of IRS is scattered and can send confusing signals to IRS that can be manipulated by the IRS to avoid accountability.

Last, complexity and constant changing of the tax code is a major obstacle that intensifies all of these problems.

We heard from witnesses who estimate that the American taxpayers spend nearly $200 billion a year just to comply with the Tax Code. Complexity is a problem, not only in giving customer service, but as far as a drain on the U.S. economy.

A key problem identified by the Commission was a lack of a coherent, accountable structure to implement a long-term vision and goals. At the top levels of the IRS and at Treasury there are murky lines of accountability, a lack of necessary expertise to operate in the new information age, and no people of authority with significant tenure to get the job done. The officials at the Treasury Department have expertise in tax law, but do not have the expertise in areas of customer service, technology, and management to oversee the IRS. Worse, they are not around long enough to ensure focus on multi-year projects like the tax system modernization [TSM] or changing the culture of the agency to be more responsive to taxpayers.

Additionally, Treasury does not coordinate its own oversight: The Commissioner of the IRS must deal with various assistant secretaries on budget, operations, computers, and others. At the end of the day, the IRS Commissioner really reports to the Deputy Secretary who also manages 11 other agencies—not to mention the economy. The recently retired Commissioner of the IRS, Margaret Richardson, told us that she reported to three different Deputy Secretarys during her 4-year tenure as IRS Commissioner. Aware of these glaring problems, the Restructuring Commission began developing ideas for a new governance structure. Our criteria for success were: First, clear accountability, second, expertise in running a modern customer-oriented organization, and third, continuity.

To provide for accountability, expertise, and continuity the legislation we will introduce will include:

First, an Internal Revenue Service Oversight Board, appointed by the President for staggered 5-year terms. The board will: Approve the mission, objectives, and annual strategic plans of the IRS; oversee the IRS management; have significant tenure to force change throughout the organization; and have unique public and private sector expertise in managing large service organizations.

Second, the Commissioner will be appointed for a 5-year term, so he or she will be around long enough to achieve real change.

Third, the Commissioner will be given greater flexibility to hire or fire his or her own team of executives, who will bring new expertise into the IRS. While the board will keep an eye on long-range strategic issues, the Commissioner will run the organization and be given greater authority to do so.

Fourth, congressional oversight will be coordinated among the authorizing committees, the appropriating committees, and the Government oversight committees. Our legislation codifies coordinated oversight, stating that committee leaders, majority and minority, meet regularly to ensure that the IRS receives clear guidance from Congress, and that Congress is given the proper information to oversee the IRS.

This legislation draws clear lines of accountability between tax policy and tax administration, leaving all tax policy matters to the Secretary of the

Treasury. The legislation makes the Secretary of the Treasury a member of this new board, recognizing the link between tax policy and tax administration. Additionally, the Secretary of the Treasury would continue to have final say over the IRS budget before it is sent to Congress. Under this legislation, the board would send Congress a copy of their budget at the same time they send it to the Secretary, giving Congress an independent view of how much money to appropriate. In short, our new structure will bring heightened accountability to the IRS and tax administration.

Mr. President, the American people know that the status quo is no longer tolerable and that the IRS needs fixing; $3.4 billion was wasted on a failed modernization project. IRS operations are antiquated and outdated, and taxpayers—close to 90 percent of whom voluntarily pay their taxes—are generally, and unfairly, treated as if they are guilty of something when they contact the IRS.

The IRS's problems are rooted in the lack of strategic vision and focus, measures that do not encourage employees to treat taxpayers well, operational units that do not communicate with each other, and a systemic lack of expertise and continuity in management and governance. The legislation Senator GRASSLEY and I will introduce will put the IRS on the road to recovery with a reasoned, comprehensive approach to fixing these problems. When implemented into law, I am confident the result will be: Restored public confidence in the IRS; increased focus on customer service; cohesive oversight and governance; efficiency gains in IRS operations; and innovative compliance and customer service programs.

We hope for expedited action on our legislation so that the American people have the IRS they expect and deserve. Our work to restructure the IRS will go a long way toward restoring taxpayers' faith not only in our tax system, but in our Government, as well.

Mr. President, again, I congratulate and applaud and appreciate the dedicated service and expertise and leadership of the distinguished Senator from Iowa, Senator GRASSLEY.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I yield to the Senator from Arizona such time as he may require.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

CAMPAIGN FINANCE REFORM

Mr. MCCAIN. Mr. President, my colleagues and I have come to the floor this morning to briefly discuss the issue of campaign finance reform. It is our hope that during the August recess, discussions will progress and a plan developed to bring campaign finance reform before the Senate no later than the end of September.

Almost daily I have approached the majority leader and told him that we must move forward on campaign finance reform. The leader has been exceedingly gracious and shown much patience in listening to my missives. I want to thank the majority leader for his time and hope that soon, we can come to an agreement for floor time to debate campaign finance reform.

But I also understand that the leader is under great pressure to move many bills, and may feel constrained to commit at this time. I understand that situation. The leader has to deal with the wishes of 99 other Senators. However, my colleagues and I feel compelled to put the Senate on notice that the time to act on this matter is rapidly expiring.

We believe that we must begin the debate on campaign finance reform no later than the end of September, and therefore, if we cannot come to some agreement to bring the bill up freestanding, with an up or down vote on the bill itself, we will feel compelled to bring the bill to the floor by offering it as an amendment to some unrelated measure.

This is not an approach we relish. But we realize that we may have no other choice.

Delay no longer serves any purpose. Since before the last election, talk of campaign finance reform has dominated the American conversation. The public has a right to have this issue debated. Members have recognized this fact, and as proof of that recognition, have introduced over 70 campaign finance bills.

I recognize that many of those bills have laudable features. I want to sit down and work with the sponsors of those bills. And I further recognize that McCain-Feingold is far from perfect. As I have stated on numerous occasions, we have only two fundamental principles that are nonnegotiable:

First, we must seek to level the playing field between challengers and incumbents; and

Second, we must seek to lessen the influence of money in elections.

All else is negotiable.

Some of our colleagues in the House have begun discussing a scaled-down version of McCain-Feingold. I welcome those talks and want to state that if that is what is necessary to change our electoral system, then let's move in that direction.

Fundamentally changing the electoral system in order to restore the faith of the American people in our Democratic Government is our goal. We are open to compromise and negotiation. But we must act soon. It is our duty.

Last week the Economist published an editorial entitled ''The Fear of Foreign Cash.'' Although the title is slightly misleading, I would like to quote from this editorial.

The answer, at least on the strength of the hearings so far, is straightforward: foreign money is worse only because it is not American. And two meanings can be read into that. One is xenophobia: that century-old American fear of little yellow mercenary men, scurrying round now at the behest of a newly menacing power on the world stage. And the second meaning is that foreign money provides a convenient distraction. While it is being comprehensively investigated, with CIA men parked behind screens and giant blow-up charts of the destinations of Mr. Huang's telephone calls, politicians can be left free to attend their dinners, go to their fund-raisers, and continue in all the ways they know best to let their consciences and their legislative proposals be shaped, like warm wax, by the promise of a cheque.

While Mr. Thompson's hearings have been getting into gear, in other parts of Congress some 57 separate bills to reform campaign finance have been dying for lack of interest. Should anyone really care how good clean American money flows through the machine of American democracy? Well, yes, gentlemen: someone should.

Mr. President, I ask unanimous consent that this entire editorial be printed in the RECORD.

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

THE FEAR OF FOREIGN CASH

For two drowsy weeks, Senator Fred Thompson's committee has been conducting hearings into campaign-finance abuses during America's recent election. As a result, Americans now know that there was a Chinese plot to influence the 1996 campaign, though not who masterminded it or how wide it went. They know that John Huang, who once worked for an Indonesian bank with ties to the Chinese government, was given a post at the Commerce Department because he was such a good fund-raiser for the Democrats; but they do not know quite what use he made of his office and his fax machine. They are aware that Bill Clinton appreciated Mr. Huang and his fellow-fund-raiser, Charlie Trie, at whose Chinese restaurant in Little Rock Mr. Clinton often packed away the dim sum. But they are not yet clear what orders, if any, came down from the White House, beyond the sort that could be filled in small aluminium trays.

The largest question to be answered, however, is a simpler one. It is this: why is foreign money, applied to elections, so much worse than the American sort? When the Democratic National Committee learned that this money was ''illegal, inappropriate or suspect'', officials instantly returned it, as if it would corrode their hands. Yet how much was involved here? A mere $2.8m, out of $2 billion spent by both parties on campaigning. Of that total, $250m was ''soft'' money, subject to no limits, sent in by unions and corporations for the nebulous purpose of ''party-building''. Mr. Thompson's committee has undertaken to look into soft money later; but, meanwhile, how much of it has been returned as suspect? None, of course.

PERILS, YELLOW AND OTHERWISE

Democrats and Republicans alike will insist that the cases are not the same. Foreign contributions are illegal for good reason: outside powers may well be trying to weaken America, steal its secrets, compromise its security. Yet the supposed Chinese plot appears to have had nothing to do with national secrets, nor with persuading America to treat it kindly over trade. China just seems to have wanted to make friends in high places, as all lobbyists do; and it may well wonder why election money was so evil, when American congressmen have happily, and legally, availed themselves of $400,000-

worth of free trips to China over the past 18 months.

Is democracy hurt by this? Possibly; but no more than when a party or politician accepts money from any source with an interest to promote. Suppose that the Chinese government gave money in the hope of winning concessions in Asia-Pacific trade. Is this worse than the trade distortions and higher domestic prices already caused by years of election contributions from America's own sugar and peanut farmers? Or perhaps China thought an election contribution would encourage a blind eye to its abuses of human rights. Is this worse than the contributions that have won, for years, indulgent treatment for America's cigarette companies?

The answer, at least on the strength of the hearings so far, is straightforward: foreign money is worse only because it is not American. And two meanings can be read into that. One is xenophobia: that century-old American fear of little yellow mercenary men, scurrying round now at the behest of a newly menacing power on the world stage. And the second meaning is that foreign money provides a convenient distraction. While it is being comprehensively investigated, with CIA men parked behind screens and giant blow-up charts of the destinations of Mr. Huang's telephone calls, politicians can be left free to attend their dinners, go to their fund-raisers, and continue in all the ways they know best to let their consciences and their legislative proposals be shaped, like warm wax, by the promise of a cheque.

While Mr. Thompson's hearings have been getting into gear, in other parts of Congress some 57 separate bills to reform campaign finance have been dying for lack of interest. Should anyone really care how good clean American money flows through the machine of American democracy? Well, yes, gentlemen: someone should.

Mr. McCAIN. Mr. President, the Economist is exactly right. ''Should anyone really care how good clean American money flows through the machine of American democracy? Well, yes, gentlemen, someone should.''

Yes, we should and must. And we will have the opportunity to demonstrate our understanding of this issue when we return from recess.

Finally, I would like to thank my friend, RUSS FEINGOLD, my friend Senator COLLINS, Senator CLELAND, and so many others who have been involved in this issue and have made this a bipartisan issue, and one that I think deserves the attention of the Senate, and I think clearly deserves an answer for the American people.

Mr. President, I thank my friend, Senator FEINGOLD.

I yield the floor.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER (Mr. COATS). The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I yield myself such time as I require.

Mr. President, it is truly a pleasure to be here on the floor with my friend and colleague and fellow campaign finance reformer from Arizona, the senior Senator, Mr. MCCAIN, as well as our other colleagues who join with us today, including the junior Senator from Maine, Senator COLLINS, and shortly expected the senior Senator from Michigan, Mr. LEVIN, and, of course, my good friend, the junior Senator from Georgia, Mr. CLELAND.

We are all among a group of 33 Members of this body who have already cosponsored the McCain-Feingold legislation. As the Senator from Arizona said, we are here today to announce that we will be seeking consideration of bipartisan campaign finance reform legislation during the month of September.

We will continue our discussions, as the Senator from Arizona indicated, with the majority leader. And I am hopeful that we will be able to reach a compromise that will allow us to have an open public debate on this issue, and allow all Senators the opportunity to participate in offering amendments to our proposal.

However, as the Senator from Arizona has just indicated, if such an agreement with the majority leader cannot be reached, we are prepared to use other legislative proposals as a vehicle for campaign finance reform. That is not our preference. But we are committed to having a discussion of this issue and making sure there are votes on campaign finance reform during the month of September.

We have said for some time now—and the Senator from Arizona just reiterated—that our bipartisan proposal is far from perfect. We have repeatedly told Senators on both sides of the aisle that we are open to making changes for modifications to this package. We do have some fundamental issues, however, that we will not waiver on.

First, this proposal will ban soft money. The days when corporations, labor unions, and wealthy individuals could make unlimited contributions to the national parties will be over.

Second, the proposal must try to level the playing field between incumbents and challengers. Currently, we have a system that provides incumbent Senators with a reelection rate of 90 to 95 percent and provides virtually no assistance to legitimate challengers who are essentially being shut out of the democratic process.

We must provide an opportunity for candidates, particularly underfunded challengers taking on well-entrenched incumbents, to run a competitive campaign without having to raise and spend millions of dollars.

Finally, Mr. President, whatever package of reforms we consider and whatever modifications we are willing to make, those reforms must be balanced and bipartisan.

I am pleased at this point, Mr. President, to insert into the RECORD a statement today from the President of the United States, William J. Clinton, with regard to the campaign finance reform legislation.

Mr. President, I would now like to read from the President's statement, which he asked us to present as a part of this presentation.

The President says:

In my State-of-the-Union Address, I called on Congress to enact bipartisan campaign finance reform legislation. I said that delay could be the death of reform, and urged Congress to move forward quickly. I strongly support the decision by Senators McCain and Feingold to bring campaign finance reform legislation to the floor of Congress in September for a vote.

The problem with the role of money in presidential and congressional elections are plain. Since the campaign finance laws were last overhauled two and a half decades ago, the system has been overwhelmed by a flood of campaign cash. Both political parties are now engaged in an ever-escalating arms race for campaign funds. The consequences for our political system are clear; there is too much money in politics, and it takes too much time to raise.

To make sure that ordinary citizens have the loudest voice in our democracy, we must act to change the campaign finance laws. This year, I have asked the FEC to ban so called ''soft money'' to parties; I have asked the Federal Communications Commission to require broadcasters to provide free TV time to candidates; and the Justice Department has indicated it will defend spending limits in the courts. But these steps, however important, are no substitute for legislation. America needs—and the American people demand—strong, comprehensive campaign finance reform legislation. As the new century approaches, we have an opportunity and an obligation to restore the trust of the American people in their politics—and this is our chance to do it.

For years, the special interests and their allies have blocked reform. This year, those who seek to continue special interest influence as usual will filibuster again. But this year, we have an opportunity to come together across party lines to act and pass reform that cleans up the campaign finance system. September will be the time for members of the Senate to stand up and be counted for reform. I will do what I can to see to it that 1997 is finally the year that it is achieved.

Mr. President, we welcome the support and enthusiasm of the President of the United States for our effort.

The Senators who are here on the floor today have joined together across party and ideological lines to produce a compromise package that I like to refer to as moderate, mutual disarmament.

We have already heard the top 10 excuses for why we can't pass campaign finance reform. And frankly, I am amazed at some of the absurd arguments we have heard from opponents of reform.

We have been told, ridiculously enough, that there is not enough money flowing through our campaign system. That argument, incidently, is greeted with laughter every time I tell my constituents in Wisconsin that there are some folks in Washington who actually believe we need more money in our political system.

We have been told that our proposal is somehow inconsistent with the first amendment—a giant red herring given that a number of the leading nonpartisan, first amendment scholars in the country, including the nonpartisan Congressional Research Service, have all said otherwise.

We have been told that reform is not possible without a constitutional amendment, an argument all too familiar to those of us who were told that we could not have a balanced budget without a constitutional amendment.

We have been told that the Senate does not have enough courage to pass meaningful reform and that, once again, we should delegate responsibility to some sort of commission.

We have been told by some that this bill goes too far, and interestingly, by others that it does not go far enough. Some might point to that as the working definition of a moderate proposal.

We have been told that the American people do not care about this issue, despite numerous public opinion polls demonstrating 80 to 90 percent of the American people in support of these reforms.

We have been told that this issue requires further study, despite 29 sets of hearings, 76 CRS reports and 522 different witnesses testifying on this issue over the last decade.

We have been told that the outrageous fundraising practices that we witnessed in the last election and which have spawned congressional investigations, a Justice Department investigation, an FBI investigation, and a CIA investigation, and have led to charges of espionage, corruption and undue influence were ''a healthy sign of a vibrant democracy.''

In short Mr. President, we have heard more phony excuses than are heard by a high school vice-principal's office.

Fortunately, no one is buying these excuses. Not the Senators who are standing here on the floor today and certainly not the American people.

I look forward to having a public discussion during the month of September about the role of money in our political system. And I look forward to working with my colleagues on both sides of the aisle in passing meaningful, bipartisan campaign finance reform in 1997.

Mr. President, I want to conclude, as the Senator from Arizona did, by just mentioning the folks that are here on the floor with us today. Obviously, I have already talked about my great feelings about working with Senator MCCAIN on this, but I know that the other three Senators we are going to hear from—Senator COLLINS, Senator LEVIN, and Senator CLELAND—who are all members of the Governmental Affairs Committee, are intimately aware of what is wrong with our system. They have taken the time to come down here today to put forth a message, as Senator CLELAND has done so well at the hearings. He has asked a number of witnesses, ''Would these things have happened had McCain-Feingold been enacted?'' The answer in every case was, ''No.''

So that is the challenge before us.

Mr. President, at this point I would like to yield such time as she requires to the Senator from Maine.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Thank you, Mr. President.

Mr. President, I am delighted to join my colleagues, particularly Senator MCCAIN and Senator FEINGOLD, in announcing our intent to bring bipartisan campaign finance reform legislation to a vote in September. At the State level, Maine has led the Nation on this issue, and the people of my State think the time has come for Congress to step up to the plate and enact meaningful reform.

As a member of the Governmental Affairs Committee, I have spent the past month listening to testimony about illegal campaign contributions. It is not a pretty picture. In my opening statement at the hearings, I observed that our political system suffers from a mania for money. If anything, the hearings have demonstrated that I underestimated just how intense that mania is.

Mr. President, we should be embarrassed by how our political system is viewed. Listen to the judgment rendered by Johnny Chung, one of the individuals alleged to have laundered foreign political contributions. ''I see the White House is like a subway—you have to put in coins to open the gates.'' What Mr. Chung did not say, because he did not have to say it, is that the vast majority of hard-working and honest Americans do not have enough coins to make the gates open.

This is not a partisan observation. All of us in this Chamber—Republicans and Democrats alike—should be embarrassed at the perception that the leaders of the greatest Nation on earth are accessible only to those with enough coins.

Mr. President, we should be embarrassed that the American people are convinced that we will never reform the system, that we will never put the integrity of our political system ahead of our self-interests.

Some argue that the relative quiet of the people means they are satisfied with the status quo, but that is wrong. In this case, silence sends a stronger message of disapproval than the loudest shouts of protest. The message that it sends is that people have given up on us. Look at the reform efforts at the State level, and you will see that it is not that the voters do not believe in campaign finance reform. It is that they do not believe in the U.S. Senate.

We all know that if left untreated, the disease that afflicts our political system will only grow worse. With the high cost of television ads, the money frenzy can only grow. Indeed, the television ad race has become the political counterpart of the nuclear arms race characterized by the same insecure feeling that one can never have enough.

None of us involved in this effort has all of the answers. We recognize that reforming our campaign finance laws raises difficult issues of public policy and thorny issues of constitutional law. Our approach is not set in stone. We are open to other ideas. We are open to compromise, but we are not open to letting the Senate duck this issue. Like my colleagues, I look forward to working with the leadership of this body to bring this matter to a vote. We have an obligation to the American people to ensure that such a vote comes about, and we are determined to make that happen in September.

Mr. President, the American dream has undergone some changes, not all of which are for the better. We are now living in a country in which any millionaire can dream of growing up to be a United States Senator. That may be an acceptable state of affairs during a time of peace and prosperity, when the Government does not need to call upon the people of this Nation to make sacrifices. But the unhealthy mix between money and politics may produce far more worrisome consequences during periods when America is tested. As with all reforms, the time to make them is before they are urgently needed.

I look forward to a vigorous debate and vote on this issue in September. I thank my colleagues for working with me on this important issue.

I yield the floor.

Mr. FEINGOLD. Mr. President, I am extremely grateful for the work of Senator COLLINS on this issue.

I now yield to the Senator from Michigan such time as he may require.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I thank my friend from Wisconsin and congratulate the great Senators from Arizona and Wisconsin for their steadfast leadership on this issue. It is a privilege to join their cause and to join with others, Senator COLLINS and Senator CLELAND, in the Chamber this morning to speak on behalf of this bill.

Mr. President, I have in my hand here a copy of the current Federal campaign finance law. It says that individuals cannot contribute more than $1,000 to any candidate or political committee with respect to any election for Federal office. It says corporations and unions cannot contribute at all. In Presidential campaigns you are supposed to be financed with public funds.

That is the law on the books today. So how is it that we hear about contributions of hundreds of thousands of dollars from individuals, corporations and unions? Why do Presidents and Presidential candidates spend long hours fundraising for hundreds of thousands of dollars? How is it possible, we ask? We thought there was a law.

Well, there is, but in the race to compete and win elections, candidates and parties have found a way around the law, and that way is what we refer to as soft money. It is called soft money as opposed to hard money, which is the money regulated by the campaign finance laws, because soft money is easier to raise. You can get $500,000, say, from just one corporation or individual. You do not have to go to 500 different people and raise $1,000 each as you do with hard money. You can find one person who is rich enough and willing enough to pay a half-million dollars or more and you can then accept that contribution.

There is another part in current law which says that if you spend money in an election in support of a candidate or opposed to a candidate, you have to spend only money that is raised the hard way, following the limits. But here is a TV ad, and there are dozens like this one, and here we have a transcript of this TV ad, and anyone who would see this ad would think that it was opposed to a particular candidate. But this ad was produced and aired not with hard money, as the law requires, but with soft money, and here it is. It reads this way:

Who is Bill Yellowtail? He preaches family values but he takes a swing at his wife. Yellowtail's explanation. He only slapped her, but her nose was not broken. He talks law and order but is himself a convicted criminal. And though he talks about protecting children, Yellowtail failed to make his own child support payments, then voted against child support enforcement. Call Bill Yellowtail and tell him you don't approve of his wrongful behavior.

Now, there is no doubt that that ad, which was bought and paid for by an organization called Citizens for Reform, was designed to defeat Bill Yellowtail, but because it doesn't use any of the seven so-called magic phrases like ''vote against'' or ''defeat,'' it is not governed by our campaign finance laws.

Why? Because it is viewed as an issue ad, at least up until now, and not a candidate ad, and it can be paid for with soft money. Now, nobody really believes that fiction, but that is what the law currently allows.

So, Mr. President, you have the vicious combination under the current campaign system and outside of the control of our campaign finance laws of contributions of hundreds of thousands of dollars from one individual or corporation funding campaign ads that go directly for or against a particular candidate. The net result is that the exceptions to our campaign finance laws have swallowed up the rules. Our campaign finance laws are a sham and a shambles. Now we face the daunting task of trying to plug those loopholes, to make the law whole again and in making it whole to make it effective.

I am pleased to be here today to announce our intention, Mr. President, to get the Senate, one way or another, to take up the McCain-Feingold campaign finance reform bill in September. We are hopeful, of course, that we can work out an agreement with the majority leader to allow us to have an up-down vote on the bill. But if that cannot be arranged, we are committed to getting this legislation before the Senate in spite of the absence of such an agreement. It is not our preferred way to approach this legislation, but it may be the only way we can get it before the Senate. I hope not, but it may prove to be the only way.

Some will argue that we should first complete the campaign fundraising investigation into the 1996 elections currently being conducted by the Governmental Affairs Committee. But they know that we do not need more evidence to prove this crime. And the current state of our campaign finance system is a crime. What is already unlawful, of course, must be prosecuted, but too much of what is currently lawful should be unlawful. The McCain-Feingold bill is a comprehensive bipartisan bill supported by over a majority of this Senate. The President has said in a letter read by Senator FEINGOLD that he welcomes the opportunity to sign it. There is strong support in the House of Representatives. We are determined to bring this bill to the floor of the Senate and to keep it before the Senate until we get an up-down vote, and we are determined to do that in September.

The Fourth of July was supposed to be the date by which this legislation was to be considered. This year July comes in September, and we will act to get this legislation considered in an up-down vote by the Senate in September.

Again, I commend the leaders of this effort. It is going to take great strength and great energy to overcome the opposition, but we are determined to use our full energies to do just that.

I thank the Chair and I yield the floor.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Presiding Officer will advise the Senator from Wisconsin he has 4 minutes and 40 seconds remaining on his time.

Mr. FEINGOLD. We are delighted to have the persistence and expertise of the Senator from Michigan on this effort.

I yield all but 30 seconds to my friend from Georgia.

Mr. CLELAND. Mr. President, hearing the discussion in this Chamber today gets my juices flowing. I appreciate the comments of everyone here. It reminds me that back in my great State of Georgia there is a little town called Waycross that has adopted as its mascot a little comic strip character called Pogo. Pogo was a little possum that lived on the edge of the Okefenokee Swamp, and he was famous for one statement, which is, ''We have met the enemy and he is us.''

There is no question, Mr. President, that the enemy of campaign finance reform is us, and yet the friends of campaign finance reform are us. We have to resolve this issue. It is not going to be left up to anyone else, any one other body. We have to do it and no one else is going to do it.

I am extremely pleased to join with my distinguished colleagues from Arizona and Wisconsin and Maine and Michigan to discuss this critical issue that I think is one of the most important issues we face certainly this year.

Now, my friends, Senators MCCAIN and FEINGOLD, have indicated we will be voting on this issue in this Chamber this September. I certainly hope so. Three of us here also have the distinction, and I guess it is an honor, of serving on the Governmental Affairs Committee which is investigating a series of illegal and improper activities in connection with the Federal elections of 1996. All three of us—myself, Senator COLLINS, and Senator LEVIN—are recently veterans of the campaign finance wars, each of us having won election or reelection in the 1996 elections. I think that is one of the reasons why we have a burning desire to change the very system under which we ran.

While the Governmental Affairs Committee has more work to do in uncovering the full story of the 1996 elections, it is already abundantly clear that the atrocious current system of Federal campaign finance laws has made our country vulnerable to efforts by foreign as well as domestic sources to improperly influence our electoral process. As Georgia's secretary of state and certainly as a U.S. Senator, I have been aware for a long time of the domestic abuses of big money and special interests, and that concern has helped fuel my longstanding interest in significant campaign finance reform.

Mr. President, these Governmental Affairs proceedings have been an eye-opener for me. They have indicated to me the incredible vulnerability that this country and our political system experience in terms of foreign special interests. As the preceding speakers have indicated, we as a group are not wedded to any one plan. We will be working with other Senators to come up with the best legislation we can possibly put together. But we will insist that the final legislative language we will support and force a vote on in September be truly bipartisan, must be real reform and not a sham, and in my view to constitute real reform at a minimum we must reduce the role of big money in our political process, help level the playing field for less-financed candidates and must ban soft money altogether at the Federal level. One of the unifying threads of the Governmental Affairs investigation to date has been the very concentration virtually of all the fundraising abuses in both parties in the realm of soft money.

So I look forward to taking our case back home to our constituents in August and in forging a bipartisan compromise which does incorporate the necessary elements of real reform. We are not going to terminate our effort. We intend to terminate these abuses.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CLELAND. I thank the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I thank my colleagues for an excellent presentation this morning. We are very much looking forward to September.

Let me include, because know various Senators have to go to Governmental Affairs Committee, one last anecdote. The chairman of the Governmental Affairs Committee, Senator THOMPSON, the other day heard reference to the McCain-Feingold bill, and he corrected it saying it's actually

been called the McCain-Feingold-Thompson bill. I think that is a good sign for the future of our legislation.

I thank the Chair.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

MEASURE PLACED ON CALENDAR—S. 1085

Mr. McCAIN. I understand there is a bill at the desk that is due for its second reading.

The PRESIDING OFFICER. The clerk will read the bill by title.

The legislative clerk read as follows:

A bill (S. 1085) to improve the management of the Boundary Waters Canoe Area Wilderness, and for other purposes.

Mr. McCAIN. I object to further proceedings on this matter at this time.

The PRESIDING OFFICER. The bill will go to the calendar.

INTERNATIONAL DOLPHIN CONSERVATION PROGRAM ACT

Mr. McCAIN. I now ask unanimous consent that the Senate proceed to the consideration of S. 39 as under the consent agreement.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 39) to amend the Marine Mammal Protection Act of 1972 to support the International Dolphin Conservation Program in the eastern tropical Pacific Ocean, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This Act may be cited as the ''International Dolphin Conservation Program Act''.

(b) REFERENCES TO MARINE MAMMAL PROTECTION ACT.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1361 et seq.).

SEC. 2. PURPOSE AND FINDINGS.

(a) PURPOSES.—The purposes of this Act are—

(1) to give effect to the Declaration of Panama, signed October 4, 1995, by the Governments of Belize, Colombia, Costa Rica, Ecuador, France, Honduras, Mexico, Panama, Spain, the United States of America, Vanuatu, and Venezuela, including the establishment of the International Dolphin Conservation Program, relating to the protection of dolphins and other species, and the conservation and management of tuna in the eastern tropical Pacific Ocean;

(2) to recognize that nations fishing for tuna in the eastern tropical Pacific Ocean have achieved significant reductions in dolphin mortality associated with that fishery; and

(3) to eliminate the ban on imports of tuna from those nations that are in compliance with the International Dolphin Conservation Program.

(b) FINDINGS.—The Congress finds that—

(1) the nations that fish for tuna in the eastern tropical Pacific Ocean have achieved significant reductions in dolphin mortality associated with the purse seine fishery from hundreds of thousands annually to fewer than 5,000 annually;

(2) the provisions of the Marine Mammal Protection Act of 1972 that impose a ban on imports from nations that fish for tuna in the eastern tropical Pacific Ocean have served as an incentive to reduce dolphin mortalities;

(3) tuna canners and processors of the United States have led the canning and processing industry in promoting a dolphin-safe tuna market; and

(4) 12 signatory nations to the Declaration of Panama, including the United States, agreed under that Declaration to require that the total annual dolphin mortality in the purse seine fishery for yellowfin tuna in the eastern tropical Pacific Ocean not exceed 5,000 animals, with a commitment and objective to progressively reduce dolphin mortality to a level approaching zero through the setting of annual limits with the goal of eliminating dolphin mortality.

SEC. 3. DEFINITIONS.

Section 3 (16 U.S.C. 1362) is amended by adding at the end the following new paragraphs:

''(28) The term 'International Dolphin Conservation Program' means the international program established by the agreement signed in LaJolla, California, in June, 1992, as formalized, modified, and enhanced in accordance with the Declaration of Panama, that requires—

''(A) that the total annual dolphin mortality in the purse seine fishery for yellow fin tuna in the eastern tropical Pacific Ocean shall not exceed 5,000 animals with a commitment and objective to progressively reduce dolphin mortality to a level approaching zero through the setting of annual limits;

''(B) the establishment of a per stock per year dolphin mortality limit at a level between 0.2 percent and 0.1 percent of the minimum population estimate to be in effect through calendar year 2000;

''(C) the establishment of a per stock per year dolphin mortality limit at a level less than or equal to 0.1 percent of the minimum population estimate beginning with the calendar year 2001;

''(D) that if a dolphin mortality limit is exceeded under—

''(i) subparagraph (A), all sets on dolphins shall cease for the applicable fishing year; and

''(ii) subparagraph (B) or (C), all sets on the stocks covered under subparagraph (B) or (C) and any mixed schools that contain any of those stocks shall cease for the applicable fishing year;

''(E) a scientific review and assessment to be conducted in calendar year 1998 to—

''(i) assess progress in meeting the objectives set for calendar year 2000 under subparagraph (B); and

''(ii) as appropriate, consider recommendations for meeting these objectives;

''(F) a scientific review and assessment to be conducted in calendar year 2000—

''(i) to review the stocks covered under subparagraph (C); and

''(ii) as appropriate to consider recommendations to further the objectives set under that subparagraph;

''(G) the establishment of a per vessel maximum annual dolphin mortality limit consistent with the established per-year mortality limits, as determined under subparagraphs (A) through (C); and

''(H) the provision of a system of incentives to vessel captains to continue to reduce dolphin mortality, with the goal of eliminating dolphin mortality.

''(29) The term 'Declaration of Panama' means the declaration signed in Panama City, Republic of Panama, on October 4, 1995.''.

SEC. 4. AMENDMENTS TO TITLE I.

(a) Section 101(a)(2) (16 U.S.C. 1371(a)(2)) is amended—

(1) by inserting after the first sentence ''Such authorizations may be granted under title III with respect to purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean, subject to regulations prescribed under that title by the Secretary without regard to section 103'' before the period; and

(2) by striking the semicolon in the second sentence and all that follows through ''practicable''.

(b) Section 101(a)(2) (16 U.S.C. 1371(a)(2)) is amended—

(1) by striking subparagraph (B) and inserting the following:

''(B) in the case of yellowfin tuna harvested with purse seine nets in the eastern tropical Pacific Ocean, and products therefrom, to be exported to the United States, shall require that the government of the exporting nation provide documentary evidence that—

''(i)(I) the tuna or products therefrom were not banned from importation under this paragraph before the effective date of the International Dolphin Conservation Program Act; or

''(II) the tuna or products therefrom were harvested after the effective date of the International Dolphin Conservation Program Act by vessels of a nation which participates in the International Dolphin Conservation Program, and such harvesting nation is either a member of the Inter-American Tropical Tuna Commission or has initiated (and within 6 months thereafter completed) all steps required of applicant nations, in accordance with article V, paragraph 3 of the Convention establishing the Inter-American Tropical Tuna Commission, to become a member of that organization;

''(ii) such nation is meeting the obligations of the International Dolphin Conservation Program and the obligations of membership in the Inter-American Tropical Tuna Commission, including all financial obligations; and

''(iii) the total dolphin mortality limits, and per stock per year dolphin mortality limits permitted for that nation's vessels under the International Dolphin Conservation Program do not exceed those levels determined for 1996, or in any year thereafter, consistent with a commitment and objective to progressively reduce dolphin mortality to a level approaching zero through the setting of annual limits and the goal of eliminating dolphin mortality, and requirements of the International Dolphin Conservation Program; and''

(2) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F), respectively;

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

''(C) the Secretary shall not accept such documentary evidence if—

''(i) the government of the harvesting nation does not provide directly or authorize the Inter-American Tropical Tuna Commission to release complete and accurate information to the Secretary in a timely manner to allow determination of compliance with the International Dolphin Conservation Program; or

''(ii) the government of the harvesting nation does not provide directly or authorize the Inter-American Tropical Tuna Commission to release complete and accurate information to the Secretary in a timely manner for the purposes of tracking and verifying compliance with the minimum requirements established by the Secretary in regulations promulgated under subsection (f) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(f)); or

''(iii) after taking into consideration this information, findings of the Inter-American Tropical Tuna Commission, and any other relevant information, including information that a nation is consistently failing to take enforcement actions on violations which diminish the effectiveness of the International Dolphin Conservation Program, the Secretary, in consultation

with the Secretary of State, finds that the harvesting nation is not in compliance with the International Dolphin Conservation Program.''; and

(4) by striking ''subparagraph (E)'' in the matter after subparagraph (F), as redesignated by paragraph (2) of this subsection, and inserting ''subparagraph (F)''.

(c) Section 101 (16 U.S.C. 1371) is amended by adding at the end the following new subsection:

''(d) ACT NOT TO APPLY TO INCIDENTAL TAKINGS BY UNITED STATES CITIZENS EMPLOYED ON FOREIGN VESSELS OUTSIDE THE UNITED STATES EEZ.—The provisions of this Act shall not apply to a citizen of the United States who incidentally takes any marine mammal during fishing operations outside the United States exclusive economic zone (as defined in section 3 of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802) when employed on a foreign fishing vessel of a harvesting nation which is in compliance with the International Dolphin Conservation Program.''.

(d) Section 104(h) (16 U.S.C. 1374(h)) is amended to read as follows:

''(h) GENERAL PERMITS.—

''(1) Consistent with the regulations prescribed pursuant to section 103 of this title and to the requirements of section 101 of this title, the Secretary may issue an annual permit to a United States purse seine fishing vessel for the taking of such marine mammals, and shall issue regulations to cover the use of any such annual permits.

''(2) Such annual permits for the incidental taking of marine mammals in the course of commercial purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean shall be governed by section 304 of this Act, subject to the regulations issued pursuant to section 302 of this Act.''.

(e) Section 108(a)(2) (16 U.S.C. 1378(a)(2)) is amended—

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

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

''(C) negotiations to revise the Convention for the Establishment of an Inter-American Tropical Tuna Commission (1 U.S.T. 230; TIAS 2044) which will incorporate—

''(i) the conservation and management provisions agreed to by the nations which have signed the Declaration of Panama and in the Straddling Fish Stocks and Highly Migratory Fish Stocks Agreement, as opened for signature on December 4, 1995; and

''(ii) a revised schedule of annual contributions to the expenses of the Inter-American Tropical Tuna Commission that is equitable to participating nations; and

''(D) discussions with those countries participating, or likely to participate, in the International Dolphin Conservation Program, for the purpose of identifying sources of funds needed for research and other measures promoting effective protection of dolphins, other marine species, and the marine ecosystem;''.

(f) Section 110(a) (16 U.S.C. 1380(a)) is amended—

(1) by striking ''(1)'' in paragraph (1); and

(2) by striking paragraph (2).

(g) Subsection (d)(1) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(d)(1)) is amended to read as follows:

''(1) It is a violation of section 5 of the Federal Trade Commission Act for any producer, importer, exporter, distributor, or seller of any tuna product that is exported from or offered for sale in the United States to include on the label of that product the term 'Dolphin Safe' or any other term or symbol that falsely claims or suggests that the tuna contained in the product was harvested using a method of fishing that is not harmful to dolphins if the product contains—

''(A) tuna harvested on the high seas by a vessel engaged in driftnet fishing;

''(B) tuna harvested in the eastern tropical Pacific Ocean by a vessel using purse seine nets which do not meet the requirements of being considered dolphin safe under paragraph (2);

''(C) tuna harvested outside the eastern tropical Pacific Ocean by a vessel using purse seine nets which do not meet the requirements for being considered dolphin safe under paragraph (3); or

''(D) tuna harvested by a vessel engaged in any fishery identified by the Secretary pursuant to paragraph (4) as having a regular and significant incidental mortality of marine animals.''.

(h) Subsection (d)(2) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(d)(2)) is amended to read as follows:

''(2) For purposes of paragraph (1)(B), a tuna product that contains tuna harvested in the eastern tropical Pacific Ocean by a vessel using purse seine nets is dolphin safe if—

''(A) the vessel is of a type and size that the Secretary has determined, consistent with the International Dolphin Conservation Program, is not capable of deploying its purse seine nets on or to encircle dolphins; or

''(B)(i) the product is accompanied by a written statement executed by the captain of the vessel which harvested the tuna certifying that no dolphins were killed or seriously injured during the sets in which the tuna were caught;

''(ii) the product is accompanied by a written statement executed by—

''(I) the Secretary or the Secretary's designee;

''(II) a representative of the Inter-American Tropical Tuna Commission; or

''(III) an authorized representative of a participating nation whose national program meets the requirements of the International Dolphin Conservation Program,

which states that there was an observer approved by the International Dolphin Conservation Program on board the vessel during the entire trip and that such observer documented that no dolphins were killed or seriously injured during the sets in which the tuna in the tuna product were caught; and

''(iii) the statements referred to in clauses (i) and (ii) are endorsed in writing by each exporter, importer, and processor of the product; and

''(C) the written statements and endorsements referred to in subparagraph (B) comply with regulations promulgated by the Secretary which would provide for the verification of tuna products as dolphin safe.''.

(i) Subsection (d) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(d)) is amended further by adding the following new paragraphs:

''(3) For purposes of paragraph (1)(C), tuna or a tuna product that contains tuna harvested outside the eastern tropical Pacific Ocean by a fishing vessel using purse seine nets is dolphin safe if—

''(A) it is accompanied by a written statement executed by the captain of the vessel certifying that no purse seine net was intentionally deployed on or to encircle dolphins during the particular voyage on which the tuna was harvested; or

''(B) in any fishing in which the Secretary has determined that a regular and significant association occurs between marine mammals and tuna, it is accompanied by a written statement executed by the captain of the vessel and an observer, certifying that no purse seine net was intentionally deployed on or to encircle marine mammals during the particular voyage on which the tuna was harvested.

''(4) For purposes of paragraph (1)(D), tuna or a tuna product that contains tuna harvested in a fishery identified by the Secretary as having a regular and significant incidental mortality or serious injury of marine mammals is dolphin safe if it is accompanied by a written statement executed by the captain of the vessel and, where determined to be practicable by the Secretary, an observer participating in a national or international program acceptable to the Secretary certifying that no marine mammals were killed or seriously injured in the course of the fishing operation or operations in which the tuna were caught.

''(5) No tuna product may be labeled with any reference to dolphins, porpoises, or marine mammals, except as dolphin safe in accordance with this subsection.''.

(j) Subsection (f) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(f)) is amended to read as follows:

''(f) REGULATIONS.—

''(1) IN GENERAL.—The Secretary, in consultation with the Secretary of the Treasury, shall issue regulations to implement this section not later than 6 months after the effective date of the International Dolphin Conservation Program Act.

''(2) TRACKING REGULATIONS.—Within 3 months after the date of enactment of the International Dolphin Conservation Program Act, the Secretary, in consultation with the Secretary of the Treasury, shall issue regulations to establish a domestic tracking and verification program that provides for the effective tracking of tuna labeled under subsection (d). In the development of these regulations, the Secretary shall establish appropriate procedures for ensuring the confidentiality of proprietary information the submission of which is voluntary or mandatory. The regulations shall include provisions that address each of the following items:

''(1) the use of weight calculation for purposes of tracking tuna caught, landed, processed, and exported;

''(2) additional measures to enhance current observer coverage, including the establishment of criteria for training, and for improving monitoring and reporting capabilities and procedures;

''(3) the designation of well location, procedures for sealing holds, procedures for monitoring and certifying both above and below deck, or through equally effective methods, the tracking and verification of tuna labeled under subsection (d);

''(4) the reporting, receipt, and database storage of radio and facsimile transmittals from fishing vessels containing information related to the tracking and verification of tuna, and the definition of set;

''(5) the shore-based verification and tracking throughout the fishing, transshipment, and canning process by means of Inter-American Tropical Tuna Commission trip records or otherwise;

''(6) the use of periodic audits and spot checks for caught, landed, and processed tuna products labeled in accordance with subsection (d); and

''(7) the provision of timely access to data required under this subsection by the Secretary from harvesting nations to undertake the actions required in paragraph (6) of this subsection.

The Secretary may make such adjustments as may be appropriate to the regulations promulgated under this subsection to implement an international tracking and verification program that meets or exceeds the minimum requirements established by the Secretary under this subsection.''.

SEC. 5. AMENDMENTS TO TITLE III.

(a) The heading of title III is amended to read as follows:

''TITLE III—INTERNATIONAL DOLPHIN CONSERVATION PROGRAM''.

(b) Section 301 (16 U.S.C. 1411) is amended—

(1) by striking paragraph (4) of subsection (a) and inserting the following:

''(4) Nations harvesting yellowfin tuna in the eastern tropical Pacific Ocean have demonstrated their willingness to participate in appropriate multilateral agreements to reduce dolphin mortality progressively to a level approaching zero through the setting of annual limits, with the goal of eliminating, dolphin mortality

in that fishery. Recognition of the International Dolphin Conservation Program will assure that the existing trend of reduced dolphin mortality continues; that individual stocks of dolphins are adequately protected; and that the goal of eliminating all dolphin mortality continues to be a priority.''; and

(2) by striking paragraphs (2) and (3) of subsection (b) and inserting the following:

''(2) support the International Dolphin Conservation Program and efforts within the Program to reduce, with the goal of eliminating, the mortality referred to in paragraph (1);

''(3) ensure that the market of the United States does not act as an incentive to the harvest of tuna caught with driftnets or caught by purse seine vessels in the eastern tropical Pacific Ocean not operating in compliance with the International Dolphin Conservation Program;''.

(c) Section 302 (16 U.S.C. 1412) is amended to read as follows:

''SEC. 302. AUTHORITY OF THE SECRETARY.

''(a) REGULATIONS.—

''(1) The Secretary shall issue regulations to implement the International Dolphin Conservation Program.

''(2)(A) Not later than 3 months after the effective date of the International Dolphin Conservation Program Act, the Secretary shall issue regulations to authorize and govern the taking of marine mammals in the eastern tropical Pacific Ocean, including any species of marine mammal designated as depleted under this Act but not listed as endangered or threatened under the Endangered Species Act (16 U.S.C. 1531 et seq.), by vessels of the United States participating in the International Dolphin Conservation Program.

''(B) Regulations issued under this section shall include provisions—

''(i) requiring observers on each vessel;

''(ii) requiring use of the backdown procedure or other procedures equally or more effective in avoiding mortality of marine mammals in fishing operations;

''(iii) prohibiting intentional sets on stocks and schools in accordance with the International Dolphin Conservation Program;

''(iv) requiring the use of special equipment, including dolphin safety panels in nets, monitoring devices as identified by the International Dolphin Conservation Program to detect unsafe fishing conditions that may cause high incidental dolphin mortality before nets are deployed by a tuna vessel, operable rafts, speedboats with towing bridles, floodlights in operable condition, and diving masks and snorkels;

''(v) ensuring that the backdown procedure during sets of purse seine net on marine mammals is completed and rolling of the net to sack up has begun no later than 30 minutes before sundown;

''(vi) banning the use of explosive devices in all purse seine operations;

''(vii) establishing per vessel maximum annual dolphin mortality limits, total dolphin mortality limits and per-stock per-year mortality limits in accordance with the International Dolphin Conservation Program;

''(viii) preventing the making of intentional sets on dolphins after reaching either the vessel maximum annual dolphin mortality limits, total dolphin mortality limits, or per-stock per-year mortality limits;

''(ix) preventing the fishing on dolphins by a vessel without an assigned vessel dolphin mortality limit;

''(x) allowing for the authorization and conduct of experimental fishing operations, under such terms and conditions as the Secretary may prescribe, for the purpose of testing proposed improvements in fishing techniques and equipment that may reduce or eliminate dolphin mortality or do not require the encirclement of dolphins in the course of commercial yellowfin tuna fishing;

''(xi) authorizing fishing with the area covered by the International Dolphin Conservation Program by vessels of the United States without the use of special equipment or nets if the vessel takes an observer and does not intentionally deploy nets on, or encircle, dolphins, under such terms and conditions as the Secretary may prescribe; and

''(xii) containing such other restrictions and requirements as the Secretary determines are necessary to implement the International Dolphin Conservation Program with respect to vessels of the United States.

''(C) ADJUSTMENTS TO REQUIREMENTS.—The Secretary may make such adjustments as may be appropriate to requirements of subparagraph (B) that pertain to fishing gear, vessel equipment, and fishing practices to the extent the adjustments are consistent with the International Dolphin Conservation Program.

''(b) CONSULTATION.—In developing any regulation under this section, the Secretary shall consult with the Secretary of State, the Marine Mammal Commission and the United States Commissioners to the Inter-American Tropical Tuna Commission appointed under section 3 of the Tuna Conventions Act of 1950 (16 U.S.C. 952).

''(c) EMERGENCY REGULATIONS.—

''(1) If the Secretary determines, on the basis of the best scientific information available (including research conducted under subsection (d) and information obtained under the International Dolphin Conservation Program) that the incidental mortality and serious injury of marine mammals authorized under this title is having, or is likely to have, a significant adverse effect on a marine mammal stock or species, the Secretary shall—

''(A) notify the Inter-American Tropical Tuna Commission of his or her findings, along with recommendations to the Commission as to actions necessary to reduce incidental mortality and serious injury and mitigate such adverse impact; and

''(B) prescribe emergency regulations to reduce incidental mortality and serious injury and mitigate such adverse impact.

''(2) Before taking action under subparagraph (A) or (B) of paragraph (1), the Secretary shall consult with the Secretary of State, the Marine Mammal Commission, and the United States Commissioners to the Inter-American Tropical Tuna Commission.

''(3) Emergency regulations prescribed under this subsection—

''(A) shall be published in the Federal Register, together with an explanation thereof;

''(B) shall remain in effect for the duration of the applicable fishing year; and

''(C) may be terminated by the Secretary at an earlier date by publication in the Federal Register of a notice of termination if the Secretary determines that the reasons for the emergency action no longer exist.

''(4) If the Secretary finds that the incidental mortality and serious injury of marine mammals in the yellowfin tuna fishery in the eastern tropical Pacific Ocean is continuing to have a significant adverse impact on a stock or species, the Secretary may extend the emergency regulations for such additional periods as may be necessary.

''(5) Within 120 days after the Secretary notifies the United States Commissioners to the Inter-American Tropical Tuna Commission of the Secretary's findings under paragraph (1)(A), the United States Commissioners shall call for a special meeting of the Commission to address the problem described in the findings. The Commissioners shall report the results of the special meeting in writing to the Secretary and to the Secretary of State. In their report, the Commissioners shall—

''(A) include a description of the actions taken by the harvesting nations or under the International Dolphin Conservation Program to reduce the incidental mortality and serious injury and measures to mitigate the adverse impact on the marine mammal species or stock;

''(B) indicate whether, in their judgment, the actions taken address the problem adequately; and

''(C) if they indicate that the actions taken do not address the problem adequately, include recommendations of such additional action to be taken as may be necessary.

''(d) RESEARCH.—

''(1) IN GENERAL.—The Secretary shall, in cooperation with the nations participating in the International Dolphin Conservation Program and with the Inter-American Tropical Tuna Commission, undertake or support appropriate scientific research to further the goals of the International Dolphin Conservation Program.

''(2) SPECIFIC AREAS OF RESEARCH.—Research carried out under paragraph (1)—

''(A) may include projects to devise cost-effective fishing methods and gear so as to reduce, with the goal of eliminating, the incidental mortality and serious injury of marine mammals in connection with commercial purse seine fishing in the eastern tropical Pacific Ocean;

''(B) may include projects to develop cost-effective methods of fishing for mature yellowfin tuna without setting nets on dolphins or other marine mammals;

''(C) may include projects to carry out stock assessments for those marine mammal species and marine mammal stocks taken in the purse seine fishery for yellowfin tuna in the eastern tropical Pacific Ocean, including species or stocks not within waters under the jurisdiction of the United States;

''(D) shall include projects to study the effect of chase and encirclement on the health and biology of dolphin and dolphin populations incidentally taken in the course of purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean; and

''(E) may include projects to determine the extent to which the incidental take of nontarget species, including juvenile tuna, occurs in the course of purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean, the geographic location of the incidental take, and the impact of that incidental take on tuna stocks, and nontarget species.

''(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary $8,000,000 to be used by the Secretary, acting through the National Marine Fisheries Service, to carry out the research described in paragraph (2)(D).

''(4) REPORT.—Within 5 years after the date of enactment of the International Dolphin Conservation Program Act, the Secretary shall complete and submit a report containing the results of the research described in paragraph (2)(D), together with any recommendations the Secretary may have to offer on the basis of the study, to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Commerce of the House of Representatives, and to the Inter-American Tropical Tuna Commission. The Secretary shall include a description of the annual activities and results of research carried out under this subsection in the report required under section 303.''.

(d) Section 303 (16 U.S.C. 1413) is hereby repealed.

(e) Section 304 (16 U.S.C. 1414) is amended to read as follows:

''SEC. 303. REPORTS BY THE SECRETARY.

''Notwithstanding section 103(f), the Secretary shall submit annual reports to the Congress which include—

''(1) results of research conducted pursuant to section 302;

''(2) a description of the status and trends of stocks of tuna;

''(3) a description of the efforts to assess, avoid, reduce, and minimize the bycatch of juvenile yellowfin tuna and bycatch of nontarget species;

''(4) a description of the activities of the International Dolphin Conservation Program and of

the efforts of the United States in support of the Program's goals and objectives, including the protection of dolphin populations in the eastern tropical Pacific Ocean, and an assessment of the effectiveness of the Program;

''(5) actions taken by the Secretary under section 101(a)(2)(B) and section 101(d);

''(6) copies of any relevant resolutions and decisions of the Inter-American Tropical Tuna Commission, and any regulations promulgated by the Secretary under this title; and

''(7) any other information deemed relevant by the Secretary.''.

(f) Section 305 (16 U.S.C. 1415) is hereby repealed.

(g) Section 306 (16 U.S.C. 1416) is amended to read as follows:

''SEC. 304. PERMITS.

''(a) IN GENERAL.—

''(1) Consistent with the regulations issued pursuant to section 302, the Secretary shall issue a permit to a vessel of the United States authorizing participation in the International Dolphin Conservation Program and may require a permit for the person actually in charge of and controlling the fishing operation of the vessel. The Secretary shall prescribe such procedures as are necessary to carry out this subsection, including requiring the submission of—

''(A) the name and official number or other identification of each fishing vessel for which a permit is sought, together with the name and address of the owner thereof; and

''(B) the tonnage, hold capacity, speed, processing equipment, and type and quantity of gear, including an inventory of special equipment required under section 302, with respect to each vessel.

''(2) The Secretary is authorized to charge a fee for granting an authorization and issuing a permit under this section. The level of fees charged under this paragraph may not exceed the administrative cost incurred in granting an authorization and issuing a permit. Fees collected under this paragraph shall be available to the Under Secretary of Commerce for Oceans and Atmosphere for expenses incurred in granting authorizations and issuing permits under this section.

''(3) After the effective date of the International Dolphin Conservation Program Act, no vessel of the United States shall operate in the yellowfin tuna fishery in the eastern tropical Pacific Ocean without a valid permit issued under this section.

''(b) PERMIT SANCTIONS.—

''(1) In any case in which—

''(A) a vessel for which a permit has been issued under this section has been used in the commission of an act prohibited under section 305;

''(B) the owner or operator of any such vessel or any other person who has applied for or been issued a permit under this section has acted in violation of section 305; or

''(C) any civil penalty or criminal fine imposed on a vessel, owner or operator of a vessel, or other person who has applied for or been issued a permit under this section has not been paid or is overdue,

the Secretary may—

''(i) revoke any permit with respect to such vessel, with or without prejudice to the issuance of subsequent permits;

''(ii) suspend such permit for a period of time considered by the Secretary to be appropriate;

''(iii) deny such permit; or

''(iv) impose additional conditions or restrictions on any permit issued to, or applied for by, any such vessel or person under this section.

''(2) In imposing a sanction under this subsection, the Secretary shall take into account—

''(A) the nature, circumstances, extent, and gravity of the prohibited acts for which the sanction is imposed; and

''(B) with respect to the violator, the degree of culpability, any history of prior offenses, and other such matters as justice requires.

''(3) Transfer of ownership of a vessel, by sale or otherwise, shall not extinguish any permit sanction that is in effect or is pending at the time of transfer of ownership. Before executing the transfer of ownership of a vessel, by sale or otherwise, the owner shall disclose in writing to the prospective transferee the existence of any permit sanction that will be in effect or pending with respect to the vessel at the time of transfer.

''(4) In the case of any permit that is suspended for the failure to pay a civil penalty or criminal fine, the Secretary shall reinstate the permit upon payment of the penalty or fine and interest thereon at the prevailing rate.

''(5) No sanctions shall be imposed under this section unless there has been a prior opportunity for a hearing on the facts underlying the violation for which the sanction is imposed, either in conjunction with a civil penalty proceeding under this title or otherwise.''.

(h) Section 307 (16 U.S.C. 1417) is hereby redesignated as section 305, and amended—

(1) by striking paragraphs (1), (2), and (3) of subsection (a) and inserting the following:

''(1) for any person to sell, purchase, offer for sale, transport, or ship, in the United States, any tuna or tuna product unless the tuna or tuna product is either dolphin safe or has been harvested in compliance with the International Dolphin Conservation Program by a country that is a member of the Inter-American Tropical Tuna Commission or has initiated and within 6 months thereafter completed all steps required of applicant nations in accordance with Article V, paragraph 3 of the Convention establishing the Inter-American Tropical Tuna Commission, to become a member of that organization;

(B) by striking paragraph (2) and inserting in lieu thereof the following:

''(2) except as provided for in subsection 101(d), for any person or vessel subject to the jurisdiction of the United States intentionally to set a purse seine net on or to encircle any marine mammal in the course of tuna fishing operations in the eastern tropical Pacific Ocean except in accordance with this title and regulations issued under pursuant to this title; and

''(3) for any person to import any yellowfin tuna or yellowfin tuna product or any other fish or fish product in violation of a ban on importation imposed under section 101(a)(2);'';

(2) by inserting ''(a)(5) or'' before ''(a)(6)'' in subsection (b)(2); and

(3) by striking subsection (d).

(i) Section 308 (16 U.S.C. 1418) is redesignated as section 306, and amended by striking ''303'' and inserting in lieu thereof ''302(d)''.

(j) CLERICAL AMENDMENTS.—The table of contents in the first section of the Marine Mammal Protection Act of 1972 is amended by striking the items relating to title III and inserting in lieu thereof the following:

''TITLE III—INTERNATIONAL DOLPHIN CONSERVATION PROGRAM

''Sec. 301. Findings and policy.
''Sec. 302. Authority of the Secretary.
''Sec. 303. Reports by the Secretary.
''Sec. 304. Permits.

SEC. 6. AMENDMENTS TO THE TUNA CONVENTIONS ACT.

(a) Section 3(c) of the Tuna Conventions Act (16 U.S.C. 952(c)) is amended to read as follows:

''(c) at least one shall be either the Administrator, or an appropriate officer, of the National Marine Fisheries Service; and''.

(b) Section 4 of the Tuna Conventions Act (16 U.S.C. 953) is amended to read as follows:

''SEC. 4. GENERAL ADVISORY COMMITTEE AND SCIENTIFIC ADVISORY SUBCOMMITTEE.

''(a) APPOINTMENTS; PUBLIC PARTICIPATION; COMPENSATION.—The Secretary, in consultation with the United States Commissioners, shall—

''(1) appoint a General Advisory Committee which shall be composed of not less than 5 nor more than 15 persons with balanced representation from the various groups participating in the fisheries included under the conventions, and from nongovernmental conservation organizations;

''(2) appoint a Scientific Advisory Subcommittee which shall be composed of not less than 5 nor more than 15 qualified scientists with balanced representation from the public and private sectors, including nongovernmental conservation organizations;

''(3) establish procedures to provide for appropriate public participation and public meetings and to provide for the confidentiality of confidential business data; and

''(4) fix the terms of office of the members of the General Advisory Committee and Scientific Advisory Subcommittee, who shall receive no compensation for their services as such members.

''(b) FUNCTIONS.—

''(1) GENERAL ADVISORY COMMITTEE.—The General Advisory Committee shall be invited to have representatives attend all nonexecutive meetings of the United States sections and shall be given full opportunity to examine and to be heard on all proposed programs of investigations, reports, recommendations, and regulations of the Commission. The General Advisory Committee may attend all meetings of the international commissions to which they are invited by such commissions.

''(2) SCIENTIFIC ADVISORY SUBCOMMITTEE.—

''(A) ADVICE.—The Scientific Advisory Subcommittee shall advise the General Advisory Committee and the Commissioners on matters including—

''(i) the conservation of ecosystems;

''(ii) the sustainable uses of living marine resources related to the tuna fishery in the eastern Pacific Ocean; and

''(iii) the long-term conservation and management of stocks of living marine resources in the eastern tropical Pacific Ocean.

''(B) OTHER FUNCTIONS AND ASSISTANCE.—The Scientific Advisory Subcommittee shall, as requested by the General Advisory Committee, the United States Commissioners, or the Secretary, perform functions and provide assistance required by formal agreements entered into by the United States for this fishery, including the International Dolphin Conservation Program. These functions may include—

''(i) the review of data from the Program, including data received from the Inter-American Tropical Tuna Commission;

''(ii) recommendations on research needs, including ecosystems, fishing practices, and gear technology research, including the development and use of selective, environmentally safe and cost-effective fishing gear, and on the coordination and facilitation of such research;

''(iii) recommendations concerning scientific reviews and assessments required under the Program and engaging, as appropriate, in such reviews and assessments;

''(iv) consulting with other experts as needed; and

''(v) recommending measures to assure the regular and timely full exchange of data among the parties to the Program and each nation's National Scientific Advisory Committee (or its equivalent).

''(3) ATTENDANCE AT MEETINGS.—The Scientific Advisory Subcommittee shall be invited to have representatives attend all nonexecutive meetings of the United States sections and the General Advisory Subcommittee and shall be given full opportunity to examine and to be heard on all proposed programs of scientific investigation, scientific reports, and scientific recommendations of the commission. Representatives of the Scientific Advisory Subcommittee may attend meetings of the Inter-American Tropical Tuna Commission in accordance with the rules of such Commission.''.

(c) BYCATCH REDUCTION.—The Tuna Conventions Act (16 U.S.C. 951 et seq.) is amended by adding at the end thereof the following:

"SEC. 15. REDUCTION OF BYCATCH IN THE EASTERN TROPICAL PACIFIC OCEAN.

"The Secretary of State, acting through the United States Commissioners, shall take the necessary steps to establish standards and measures for a bycatch reduction program for vessels fishing for yellowfin tuna in the eastern tropical Pacific Ocean. The bycatch reduction program shall include measures—

"(1) to require, to the maximum extent practicable, that sea turtles and other threatened species and endangered species are released alive;

"(2) to reduce, to the maximum extent practicable, the harvest of nontarget species;

"(3) to reduce, to the maximum extent practicable, the mortality of nontarget species; and

"(4) to reduce, to the maximum extent practicable, the mortality of juveniles of the target species.".

SEC. 7. EFFECTIVE DATES.

(a) AMENDMENTS TO TAKE EFFECT WHEN IDCP IN EFFECT.—Sections 3 through 6 of this Act shall become effective upon certification by the Secretary of State to Congress that a binding resolution of the Inter-American Tropical Tuna Commission or other legally binding instrument establishing the International Dolphin Conservation Program has been adopted and is in effect.

(b) SPECIAL EFFECTIVE DATE.—Notwithstanding subsection (a), subsection (f)(2) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(f)(2)), as added by section 4(j) of this Act takes effect on the date of enactment of this Act.

Mr. McCAIN. Mr. President, we have an agreement to move forward on the tuna-dolphin legislation, S. 39, the Snowe-Breaux-Stevens-Kerry, et al., legislation.

This legislation would implement the International Dolphin Conservation Program. Senator SNOWE, who is responsible for this legislation, will soon offer a managers' amendment that will make several changes to the bill. As I stated last week, my consent to modifications was with the stipulation that any changes would not undermine the International Dolphin Conservation Program by causing the signatory nations to dissolve the agreement.

With the assurances we have received from the President's National Security Adviser that these changes meet that stipulation, I support strongly the managers' amendment.

Again, Mr. President, this legislation is supported by Greenpeace, the National Wildlife Federation, the World Wild Life Fund, the Environmental Defense Fund and the Center for Marine Conservation.

I ask unanimous consent to have printed in the RECORD at this time letters from these organizations and from the President endorsing this legislation.

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

JULY 17, 1997.

Hon. JOHN MCCAIN,
Chairman, Committee on Commerce, Science and Transportation, U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR MCCAIN, The Center for Marine Conservation, Environmental Defense Fund, Greenpeace, National Wildlife Federation and the World Wildlife Fund, representing more than 10 million supporters in the United States strongly support passage of S. 39, *The International Dolphin Conservation Program Act*. We urge you to support S. 39, seek prompt consideration of the bill by the full Senate, and to oppose any procedural moves which would delay consideration of the bill.

Not only does the bill strengthen the Marine Mammal Protection Act, protection for dolphins in the Eastern Tropical Pacific (ETP) but it also protects the ecosystem by reducing the bycatch of endangered sea turtles, sharks, billfish and juvenile tuna. Additionally, the Act is an important step in solidifying the voluntary program presently in place in the ETP which has reduced dolphin mortality from 423,678 in 1972 to 2,700 in the last year. Enactment of S.39 and the development of the new international standards it prescribes will bring the conservation community significantly closer to the goal of eliminating dolphin deaths altogether.

We applaud your efforts to bring S. 39 to the floor for consideration. The amendments passed by the Senate Committee on Commerce, Science and Transportation have strengthened the bill considerably. Significantly, these changes directly address concerns about truth in labeling, because they prohibit the use of the of "Dolphin Safe" label on tuna if a single dolphin died or suffered serious injury during the fishing operation. That change means that the "Dolphin Safe" label will provide greater protection for dolphins than ever before. In addition, the bill as amended now provides numerous fail-safe measures to protect the dolphin populations in the ETP. The amended bill gives the Secretary of Commerce emergency powers to re-impose the trade embargoes if a detrimental change in the dolphin population is observed. While there is no indication in the current science that chase and encirclement adversely affects dolphins populations the bill, as amended provides that a five year study be done to determine the effects of chase and encirclement on those dolphin populations. If at any time the study shows adverse impact on the populations, the bill provides the Secretary of Commerce emergency powers to protect dolphins. In short, S. 39 offers a powerful and effective means of protecting dolphins, the Eastern Tropical Pacific ecosystem, and the American consumer.

This bill is supported by environmentalists, the fishing industry, and the Seafarers Union. It is based on sound science, and has been the subject of Congressional consideration for two full legislative sessions. Delay in enactment of S. 39 would mean sacrificing this important opportunity to strengthen the protection of dolphins and the ecosystem in which they live. We strongly urge you to seek prompt consideration of S. 39 by the full Senate and to oppose any procedural moves which would delay its prompt enactment.

Sincerely,

ROGER MCMANUS,
President, Center for Marine Conservation.

BARBARA DUDLEY,
Executive Director, Greenpeace.

KATHRYN FULLER,
President, World Wildlife Fund.

FRED KRUPP,
Executive Director, Environmental Defense Fund.

MARK VAN PUTTEN,
President, National Wildlife Federation.

THE WHITE HOUSE,
Washington, July 15, 1997.

Hon. TRENT LOTT,
Majority Leader, U.S. Senate, Washington, DC.

DEAR MR. LEADER: I urge the Senate to consider and pass S. 39, the International Dolphin Conservation Program Act.

The House of Representatives recently passed counterpart legislation with wide bipartisan support and it is my hope that the Senate will act similarly. As you know, this legislation has recovered the support of environmental organizations in addition to our nation's fishing industry. If enacted, S. 39 will allow the United States to implement the Panama Declaration, a strong international program needed to protect dolphins and other marine life in the Eastern Tropical Pacific Ocean.

I hope that the Senate acts in our national interest and passes this measure, which will permit the United States to maintain its leadership role in promoting better stewardship of our oceans and their valuable resources.

Sincerely,

BILL CLINTON.

Mr. McCAIN. The bill, which was approved in the House last year and again last May by overwhelming majorities, would implement the International Dolphin Conservation Program by making basically two changes to U.S. law. First, when the IDCP agreement is officially concluded, it permits the importation of tuna from the Eastern Tropical Pacific as long as dolphin-safe fishing practices are adhered to. Second, it will permit the labeling of tuna from this area as dolphin safe as long as no dolphin were killed or seriously injured during the catch and that science shows no significant adverse impact on dolphins.

Failure to enact this bill would be a devastating blow to our efforts to protect the marine environment. Without this implementing legislation, current fishing practices will continue, practices which scientists have learned have an adverse impact not only on dolphin but a host of other marine life including sea turtles and bill fish. Foreign fishing companies no longer bound by the international treaty may well resume even more harmful fishing practices which would spell disaster for dolphin. The impact of tuna fishing on dolphin is an international problem which demands an international response. Passage of this legislation will ensure the cooperation of the need to provide meaningful and sustainable protection for dolphin and other marine life.

Mr. President, I want to again thank Senator SNOWE, the chairman of the Ocean and Fisheries Subcommittee, Senator STEVENS, Senator BREAUX, and Senator KERRY of Massachusetts. They have been working on this legislation for 2 years. Senator SNOWE has held numerous hearings, has agreed to a number of compromises, and a number of amendments, and I would like to again congratulate her for her success in reaching agreement on this very difficult and controversial legislation. The enactment of this legislation is a great victory for the environment and the environmental communities and

they deserve enormous credit and gratitude.

I thank the other Senators without whose cooperation passage of this bill would not be possible. I would like to yield to Senator SNOWE for her comments including a description of the managers' amendment.

Mr. President, I yield the floor.

Ms. SNOWE addressed the Chair.

The PRESIDING OFFICER (Mr. SANTORUM). The Senator from Maine.

Ms. SNOWE. I thank Senator MCCAIN, who, as chairman of the Commerce Committee, has shown tremendous leadership, and I congratulate him for getting this contentious bill to the floor.

Before beginning, I ask unanimous consent that Kate Wing, a Sea Grant fellow from the Subcommittee on Ocean and Fisheries, be given floor privileges during consideration of S. 3 9.

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

Ms. SNOWE. Mr. President, I would also like to commend the original sponsors of this legislation, Senator STEVENS and Senator BREAUX, for their stellar efforts on the bill before us today. They have spent a tremendous amount of time and energy over the past year and a half to get this bill to this point, and they have made every effort to accommodate the concerns of Senators with opposing views.

I would also like to thank Senator KERRY, the ranking member of the subcommittee, and Senators HOLLINGS, BOXER, and BIDEN who have been instrumental in helping us reach agreement on this bill, and I appreciate their efforts.

S. 39, the International Dolphin Conservation Program Act, will make the changes in U.S. law necessary to implement the Declaration of Panama, which was signed by the United States and 11 other countries in 1995. Under Panama, these nations agreed to conclude a binding agreement to protect dolphins in the Eastern Tropical Pacific tuna fishery, and to adhere to broadly sustainable methods of harvesting this tuna.

This bill enjoys a tremendous amount of public support. The Clinton administration, which negotiated the agreement, strongly supports this bill. As Senator MCCAIN indicated, a number of environmental groups are champions of this legislation as well. The World Wildlife Fund, National Wildlife Federation, Center for Marine Conservation, Environmental Defense Fund, and Greenpeace have all strongly supported this bill.

The bill is also strongly supported by the National Fisheries Institute, the U.S. tuna fishing industry, and the Seafarer's International Union.

The Panama Declaration and S. 39 represent a landmark international effort to achieve two critical objectives: to protect dolphins in the ETP, and to protect the entire marine ecosystem of this vast region. They do this by requiring the nations fishing in the ETP to meet exceedingly strict limitations on the mortality and serious injury of dolphins. In exchange for the other nations agreeing to this stringent conservation regime, the United States will lift its embargoes of tuna from other nations, and permit fishermen that set purse seine nets around dolphins to use the U.S. dolphin-safe label if they do not kill or seriously injure any dolphins.

This is the most effective and responsible way to achieve our dual objectives of protecting dolphins and the ecosystem of the ETP, and the reasons are twofold. While dolphin setting was once very deadly for dolphins, refinements to the practice in recent years have yielded tremendous gains. The graph behind me shows dolphin mortality per dolphin set, and we can see how successful fishermen have been in reducing mortality to dolphins in each set—99 percent since 1986.

These mortality reductions per set have in turn led to a precipitous decline in total dolphin mortality in the ETP, as this other graph behind me indicates as well. Overall dolphin mortality has plummeted 99 percent since 1986, even though the rate of dolphin setting has remained stable during that period.

At the same time, it has become apparent that the alternatives to dolphin setting—log and school setting—are very damaging to many other species. The table behind me shows the relative amounts of bycatch for each of the three harvesting methods.

I ask unanimous consent the table be printed in the RECORD.

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

Year	Number of Dolphin sets	Total dolphin mortality	Mortality per set	Dolphin sets as a percent of total sets
1986	10,507	133,174	5.34	59.82
1987	12,538	99,177	12.67	62.00
1988	10,571	81,593	7.91	47.75
1989	12,580	97,046	7.72	56.34
1990	10,571	52,531	7.71	51.95
1991	9,482	27,292	4.97	55.32
1992	10,326	15,550	2.88	56.16
1993	6,953	3,716	1.51	40.27
1994	7,804	4,095	0.53	50.00
1995	7,209	3,276	0.52	47.00
1996	7,353	2,766	0.45	52.00

Data from the Inter-American Tropical Tuna Association.

Ms. SNOWE. Mahi-mahi, for instance, a fish popular in white tablecloth restaurants in the United States, suffers far higher bycatch rates in log and school sets than in dolphin sets. Looking at blacktip sharks, we see a similar problem. The same is true for every other nondolphin species in the ETP. If you look at Mahi-mahi, you are talking about losing 30,000 Mahi-mahi fish for every 1,000 pounds of tuna caught in the eastern tropical pacific.

Mr. President, the basic intent of the Panama Declaration and S. 39 is to lock the nations that fish in the ETP into a very strict conservation regime that will require them to continue the progress made to date and eventually reduce dolphin mortality to a level near zero. And it is also to recognize a fishing method that causes very little harm to dolphins, but which is also the safest possible fishing method for all of the other species that live in the ETP.

Mr. President, as we know, some Senators have been concerned that dolphin setting may be causing unseen harm to dolphins, and they objected to the immediate change in the dolphin safe label contained in S. 39 as reported by the committee. The latest compromise that we all reached last week, and that is contained in the manager's amendment that was offered by Senator MCCAIN.

It requires the expeditious commencement of research to further study the effect of dolphin setting on dolphins. Tuna caught by dolphin sets may not be labeled dolphin safe until at least March 1999, at which time the Secretary of Commerce must review the preliminary results of the study, and make a determination as to whether or not dolphin setting is causing significant adverse impacts to depleted dolphin stocks in the ETP. If the Secretary finds no significant impact, then the label changes to permit tuna caught with dolphin sets to be labeled dolphin safe, as long as no dolphins were killed or seriously injured during harvest.

Between July 1, 2001, and December 31, 2002, the Secretary will review the completed results of the study, and make another determination. If significant adverse impacts to dolphins are found at that time, he must prohibit the labeling of tuna caught with dolphin sets as dolphin safe.

Mr. President, I think this compromise reasonably addresses the concerns on both sides, and it resolves what has been a very contentious issue. I urge my colleagues to support the

manager's amendment to S. 39, and the bill as amended.

I reserve the remainder of my time, Mr. President.

Mr. President, may I ask how much time I have remaining?

The PRESIDING OFFICER. The Senator from Maine has 5 minutes and 28 second.

Ms. SNOWE. Mr. President, I yield 3 minutes to the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 3 minutes.

Mr. BREAUX. I thank the Senator and start by congratulating her on the effort she has made in this regard, and Senator STEVENS from Alaska for the work he has done along with Senator KERRY, and also acknowledge Senator Barbara BOXER's longstanding commitment on doing what is necessary to preserve and protect dolphins.

As we bring this legislation to the floor, it is very, very significant, for we have been working on this for 25 years to try to improve on a program that I think has made great progress in preserving the ability for the tuna industry in the United States, one of the most popular fishing resources in the entire world, to be able to continue to operate in a manner that does not cause death or mortality or serious harm to dolphin, which conflict, many times, with the tuna fish themselves. This industry, I think, is to be commended because they have made tremendous strides in trying to preserve their industry, at the same time protecting dolphins. So they are to be congratulated for the great work they have done. This legislation hopefully will be an improvement. I commend all of those who have had a chance to be involved in it.

One concern that I do have is directly related to the labeling issue. As many of you know, the debate on the tuna-dolphin issue has a long and tortuous history. It was our own industry, primarily the U.S. canners, who started the dolphin-safe movement by voluntarily adopting that label back in 1990. It took several years and many millions of dollars to educate the American consumer about what the dolphin-safe label means. It was because of the industry's efforts and congressional backing that we still have that label today.

But today, when we pass S. 39, the Congress will establish criteria by which to evaluate the appropriateness of the dolphin-safe label. The definition of the label may change, based upon further scientific studies.

But let us not fool ourselves that there are some people who will oppose this change at all costs. One way to do this is through the use of alternative labels.

The existence of alternative labels alone is not problematic, but the misuse of those labels to deceive or mislead the American public is a problem. The original version of S. 39 recognized this fact and prohibited other labels that referred to dolphins or other marine mammals on a can of tuna. It made sense from a practical point of view—if the Congress is establishing very strict criteria for a Government dolphin-safe label, then it should be the only such label.

Opponents to this provision would argue on the right to free commercial speech. We must remember that commercial speech is not given the same degree of protection as individual speech. If a significant Government interest exists, then the Government can regulate such commercial speech. I believe that the conservation goals of the International Dolphin Conservation Program are such a significant Government interest. But in the spirit of compromise, I was willing to allow alternative labels under some strict conditions.

Alternative labels can exist if they meet the minimum standards of the dolphin-safe label, including the no mortality or serious injury standard as well as the support of a tracking and verification program similar to that found in S. 39. If you want to claim that you are as safe as dolphin safe, then you must be able to prove it. Alternative labels are subject to all applicable labeling, marketing and advertising laws and regulations of the Federal Trade Commission Act—this only makes sense.

But the concern on the misuse of alternative labels continues to exist. Our compromise would address this concern by forbidding any campaign or effort to mislead or deceive consumers about the level of protection afforded dolphins under the International Dolphin Conservation Program.

Finally, we ask the Secretary of Commerce to monitor the situation. If alternative labels are used in such a way to undermine the conservation goals of the International Dolphin Conservation Program, then the Secretary will make a report to the Congress. If our efforts here today, and over the past 2 years, are being thwarted by a campaign to undercut the label or International Dolphin Conservation Program, then we should know and we should take action to eliminate this problem.

Mr. President, I hope these safeguards are sufficient in dealing with the misuse of alternative labels. I can only support this bill if I know that our efforts and the goals of the binding international program are not being undone by a campaign which uses alternative labels to cerate market distinctions for the purpose of customer confusion or deception. I believe that we addressed this concern with our compromise. If not, I am sure that we shall visit this issue again.

In closing, Mr. President, I would like to acknowledge the leadership of my friend from Alaska, Senator STEVENS, who has helped guide this bill through to this day. I also would like to note the efforts of Senators SNOWE and MCCAIN who took a personal interest in protecting dolphins through an international agreement. My colleague from Massachusetts, Senator KERRY, helped to forge the compromise agreement which we stand to implement today. Of course, Senators BIDEN and BOXER should be noted for their continuing concern for dolphin protection—I am glad that our common interests were merged into common legislation. I urge my colleagues to vote in favor of S. 39.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Will the Senator yield to me?

Ms. SNOWE. Mr. President, I am more than happy to yield the remainder of my time to Senator STEVENS, who is a major sponsor of this legislation along with Senator BREAUX. I thank the Senator for his leadership on this issue.

The PRESIDING OFFICER. The Senator is recognized for 2 minutes and 22 seconds.

PRIVILEGE OF THE FLOOR

Mr. KERRY. Mr. President, I ask unanimous consent that Jean Toal and Tom Richey be granted the privilege of the floor for this debate.

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

Mr. BREAUX. Mr. President, I ask unanimous consent my staff person, Paul Deveau, be granted the privilege of the floor.

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

The Senator from Alaska.

Mr. STEVENS. Mr. President, I introduced S. 39, the International Dolphin Conservation Program Act, in January of this year at the request of the administration.

The bill would implement the international conservation agreement called the Panama Declaration, which was signed on October 4, 1995, by the 12 nations that fish for tuna in the eastern tropical Pacific Ocean [the ETP].

These countries include: Belize, Colombia, Costa Rica, Ecuador, France, Honduras, Mexico, Panama, Spain, Vanuatu, and Venezuela.

The President and Vice President strongly support the bill, as do Greenpeace, the Center for Marine Conservation, the Environmental Defense Fund, the National Wildlife Federation, the World Wildlife Fund, the American Sportfishing Association, U.S. labor unions, and the U.S. tuna industry.

The House of Representatives has passed measures similar to S. 39 twice—in both the 104th and 105th Congresses, by large bipartisan majorities.

Under the Panama Declaration and S. 39, a binding international agreement to reduce dolphin mortality and conserve fishery resources in the ETP will be created.

This binding agreement will cap dolphin mortality in the ETP at no more than 5,000 dolphins annually, with the goal of reducing the mortality of dolphins to zero.

It will also create binding observer, bycatch, and other conservation and management measures in the ETP similar to those we just enacted in our domestic fisheries in the Magnuson-Stevens Act.

These important conservation measures are contingent on specific changes to U.S. law.

The key changes include: A change to allow tuna caught in compliance with the Panama Declaration—including through the encirclement of dolphins—to be imported into the United States; and a change so that dolphin safe will mean tuna in the ETP caught in a set in which dolphin mortality occurred.

Under the agreement we have reached with Senators BOXER, BIDEN, and BREAUX, the second of these changes will be delayed.

Tuna caught by encircling dolphins in the ETP will only be able to be labeled as dolphin safe beginning in March 1999.

Before this happens, the Secretary of Commerce must determine—as we believe he will based on the scientific data we have already seen—that encirclement is not having a significant adverse impact on depleted dolphin stocks.

I have strong doubts about whether this delay is necessary, but the Latin American countries who signed the Panama Declaration with the United States have agreed to the delay.

It is appropriate that in 1997—the 25th anniversary of the passage of the Marine Mammal Protection Act—we are making improvements with respect to the protection of dolphins, a primary focus in our enactment of the original MMPA.

Since passage of the MMPA in 1972, dolphin mortality in the ETP has been reduced from over 400,000 per year, to below 5,000.

This decrease in dolphin mortality is primarily due to the development of a practice called the back-down technique, in which dolphin are safely allowed to escape from the net.

Our bill today acknowledges the vast improvements that have been made in this encirclement fishing method.

S. 39 will allow tuna caught through this method to be imported into the United States and thereby discouraged alternative methods—log sets—which we have learned have extremely high levels of bycatch.

We spent the last 3 years working on the new measures to curb bycatch in our domestic fisheries—this year's S. 39 will help with the situation in the ETP.

I thank Senator BREAUX for his work on the matter, along with Senator KERRY, and I want to acknowledge the leadership of Senator SNOWE in working out the final version of this bill.

I thank the staff: Trevor McCabe, of my office; Paul Deveau, from Senator BREAUX's staff; Clark LeBlanc, with Senator SNOWE and Senator MCCAIN; Kate Wing, from Senator MCCAIN's staff; Penny Dalton, along with Jean Toal, from Senator HOLLINGS' staff; Margaret Cummisky, from Senator INOUYE's staff; and Kate English and Tom Richey, from Senator KERRY's staff. It has been an excellent staff job.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KERRY. Mr. President, I yield myself 5 minutes.

I would like to also thank all of those involved in this effort, which has been a very long, very complicated, sometimes difficult effort, but I think, nevertheless, an extremely important one, which is resulting in a very important conservation bill being passed.

I particularly thank Senator MCCAIN, Senator STEVENS, Senator HOLLINGS, Senator BREAUX, Senator SNOWE, Senator BOXER, Senator BIDEN, Senator DASCHLE, Senator INOUYE, and Senator SMITH, all of whom have been involved in the negotiations and effort to reach this point. I thank the representative from the White House, Katie McGinty, and the State Department, and the Department of Commerce who have all been part of these negotiations, and particularly the staff on both sides, the staff on the majority side that Senator STEVENS mentioned and also particularly Kate English and Penny Dalton, Tom Richey and Jean Toal on our side who have really spent hour upon hour upon hour trying to find a compromise.

I fought for this compromise because it includes the critical element missing from the original bill: enhanced protection for depleted dolphin stocks on the basis of sound science before any changes are made to U.S. law to ease restrictions on fishing procedures that could jeopardize dolphins. This was my key concern: sound science first.

In addition, the compromise strengthens the bill by adding a bycatch reduction program, mandating a research study, guaranteeing funding costs for its initiation, and strengthening the authority for the emergency regulatory provisions. Finally, tied to the conclusions of the research study, the compromise resolves perhaps the key concern over the timing of, and the process for, changing the definition of what constitutes ''dolphin-safe'' when that term is employed to label tuna products.

What this debate was and is about is the impact that fishing for yellowfin tuna in the eastern tropical Pacific Ocean [ETP] has had on the two depleted dolphin stocks placed at risk as a result of this fishing effort: the eastern spinner and northeastern offshore spotted dolphins. The authors of legislation that established the dolphin-safe label—Senators BOXER and BIDEN—intended the label as one method to bring attention to the plight of these quickly declining dolphin stocks due to the unsafe fishing practices of catching yellowfin tuna by setting nets on dolphins that swim with tuna.

Since the creation of the label and the embargo of tuna products from countries that do not use the dolphin-safe fishing methods, dolphin mortality has dropped significantly. This decline in mortality has been attributed to the attention that the United States brought to this issue through the dolphin-safe label, and to the efforts of nations which participate in the dolphin conservation program under the La Jolla agreement of 1992.

I think there is consensus that the La Jolla agreement and its successor agreement, the Panama Declaration, are very important to dolphin conservation. That is why I and Senators BOXER and BIDEN and others have continued to struggle to reach a compromise on this legislation which will move the Panama Declaration further along the path to creating an international treaty on dolphin protection.

The outstanding concern with the bill originally reported by the Commerce Committee was that it altered the international conservation regime, before the safety of those alterations were scientifically known to be safe for depleted dolphin stocks. This concern applied particularly to changing the definition of the dolphin-safe label as required by the Panama Declaration. In my judgement, a decision to change the criteria for use of the dolphin-safe label could only be made responsibly after the U.S. Government would authoritatively answer the question, ''What is the current health and abundance of these two dolphin stocks?''

We know that 10 years ago over 80,000 dolphins were killed each year in the ETP through the practice of setting on dolphins to catch giant yellowfin tuna. While the Technique has been modified, the practice still exists today.

The National Marine Fisheries Service, our Government agency charged with fisheries research and regulation, has not conducted a dolphin population study since 1987.

Proponents of the bill as reported by committee claim that empirical data provided by the Inter-American Tropical Tuna Commission [IATTC] provides enough information for them to feel comfortable that the dolphin stocks are safe and that no further study is needed. They conclude that IATTC observer data indicate that dolphin populations are either stable or increasing and that, taking into account the added number of boats fishing in the ETP since 1988, dolphin recovery is suggested.

BYCATCH VERSUS DOLPHIN

Supporters of S. 39 argue that, from a broader conservation perspective, catching yellowfin tuna by methods other than setting on dolphin results in the higher catch levels of juvenile yellowfin and bycatch including sea turtles, sharks, and marlin. I share their conservation concerns about bycatch and I support the bycatch reduction program added to S. 39.

However, I don't believe that we should address the bycatch problem at the expense of the two depleted dolphin stocks at risk in the ETP. That is why I have pushed so hard to ensure that

any changes made to Federal law regarding fishing agreements that impact these two dolphin stocks must be based on sound scientific knowledge regarding the dolphin populations. If we all could agree that the dolphin stocks are recovering and that the new fishing practices developed over that last 10 years are now safe for dolphins, then there would be agreement on lifting the embargo and revisiting the precept of the dolphin-safe label. The dolphin research study included in this compromise will provide the necessary knowledge to support or refute this conclusion.

HISTORY OF TUNA-DOLPHIN DEBATE

I would like to briefly describe the history of dolphin conservation and why this compromise is so important to it continued success. Since the enactment of the Marine Mammal Protection Act in 1972 there has been a dramatic decrease in the dolphin deaths from American fishing practices. However, in the early years of the MMPA, foreign nations had become a far more serious source of dolphin mortality. During the 1980's amendments to the MMPA required foreign nations to accept dolphin protection requirements comparable to those imposed on U.S. tuna fishermen, or become subject to a U.S. ban on tuna imports. Those protections include a ban on encircling dolphin using purse seine nets when fishing in the eastern tropical Pacific Ocean [ETP].

In 1990, following a voluntary prohibition on the purchase of tuna caught in association with dolphin by canned tuna companies, the U.S. implemented legislation to require a dolphin-safe tuna label which remains in use-today. The labeling law specifies that tuna caught in driftnets could not qualify as dolphin safe. That same year, the United States embargoed tuna imports from Mexico, Venezuela, and Vanuatu for failure to meet the MMPA requirements.

In 1992, the MMPA was further amended by the International Dolphin Conservation Act, giving the Secretary of State authority to enter into international agreements to establish a global moratorium on the practice of setting nets on dolphins and established a dolphin-safe market in the United States in 1994.

In 1992, the Inter-American Tropical Tuna Commission [IATTC] adopted a voluntary international agreement—the La Jolla agreement—establishing a multilateral program to reduce dolphin mortalities in the ETP. This agreement contains the goal of reducing dolphin deaths to less than 5,000 annually. Currently, 11 nations including the United States, participate in this voluntary program. While Mexico had been a participant in the program, they recently announced that they were suspending their formal participation in the voluntary program.

During the summer of 1995, five environmental groups and six Latin American nations negotiated the Panama Declaration, a new initiative to strengthen the IATTC dolphin protection program in exchange for eliminating the current United States ban on tuna that is not dolphin safe.

This brings us to today, where our efforts are focused on enacting the necessary legislation for implementing the Panama Declaration, and the requirements that we revise United States dolphin protections laws.

Thanks to the efforts of so many Senators, their staffs and others, the bill we are about to vote on now includes: a label change provision that accommodates our international obligations as laid out in the Panama Declaration, while providing enhanced protection for dolphins, and sound science for future conservation efforts.

The compromise reflected in S. 39 as amended, provides for a $12 million over 3 years to fully fund a study on the practice of chase and encirclement and its impact on depleted dolphin stocks. The bill requires a preliminary finding on the results of this study to be made in March, 1999. Unless the Secretary of Commerce finds that intentional encirclement has a significant adverse impact on depleted dolphin stocks, then the definition of the ''dolphin-safe'' label immediately changes to allow for the encirclement of dolphin—as long as no dolphin were killed or seriously injured in the process—as a legitimate fishing practice in the eastern tropical Pacific Ocean. Conversely, if the Secretary of Commerce finds that intentional encirclement does not have a significant adverse impact on depleted stocks, then the dolphin-safe label does not change at that time.

This compromise provides, further, for a second and final finding to be made by the Secretary of Commerce at the conclusion of the 3-year study, between July 2001 and December 2002, as to whether or not the intentional encirclement of dolphins has a significant adverse impact on depleted dolphin stocks or is preventing the recovery of such stocks. The Secretary of Commerce shall use the same threshold for this second determination.

In closing, Mr. President, this compromise is an important step forward for both continued dolphin protection and enhanced ecosystem protection. The agreement we reached accommodates our international obligations as laid out in the Panama Declaration, while providing enhanced protection for dolphins, and sound science for future conservation efforts. This bill also continues to protect consumers by maintaining the dolphin-safe standards. S. 39 represents a serious, well-vetted effort to bridge legitimate differences on how best to protection dolphins. I, therefore, encourage my colleagues to vote for its swift passage.

I ask unanimous consent that a letter from Kathleen McGinty at the White House be printed in the RECORD.

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

EXECUTIVE OFFICE OF THE PRESIDENT, COUNCIL ON ENVIRONMENTAL QUALITY,

Washington, DC, July 29, 1997.

Hon. TED STEVENS

Chairman, Committee on Appropriations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: As you know, members of the Senate and the Administration have reached a compromise on S. 39, the International Dolphin Conservation Act. A key component of this compromise is a comprehensive dolphin population abundance study and stress study to be undertaken by the National Marine Fisheries Service commencing in Fiscal Year 1998 and continuing through Fiscal Years 1999, 2000, and 2001. The Administration strongly supports this study and will work with Congress to obtain the necessary funding to initiate it in 1998. To ensure that the study achieves its scientific objectives, as laid out in the compromise, the Administration will seek the funds necessary to continue the study in Fiscal Years 1999 and 2000 and to complete it in Fiscal Year 2001.

Sincerely,

KATHLEEN A. MCGINTY,

Chair.

Mr. KERRY. Mr. President, I yield to the Senator from California 5 minutes.

The PRESIDING OFFICER. The Senator from California is recognized for 5 minutes.

Mrs. BOXER. Thank you very much, Mr. President. I thank Senator KERRY, and I will say more about him in a moment.

Mr. President, we have travelled a very difficult route to get to this day. There are so many people I wish to thank. I will start off by thanking my colleagues, Senator JOE BIDEN and Senator BOB SMITH, for their constant support over the last several years on this issue. Senator BIDEN was the Senate author of the 1990 dolphin-safe label law that I authored in the House at that time. Senator SMITH has, time and time again, proven that he is a champion of dolphin protection. Getting this compromise worked out has been very difficult—and Senator JOHN KERRY was a master negotiator. When many of us on all sides of the issue thought we would never reach agreement, he stuck with it. We are here today in great part due to the dedication of Senator KERRY. He knows this issue, he was persistent, and he never quit.

I also thank Senator HOLLINGS, the distinguished ranking member of the Commerce Committee, for his leadership and, of course, Senator JOHN MCCAIN, the chair of the committee, for coming to the table, as well as Senator SNOWE, Senator STEVENS and Senator BREAUX.

One more thank you, Mr. President, to the 45 Senators from both sides of the aisle who stood with us in this fight. The only reason we got here today is they refused to vote for cloture on this bill. They made promises on it to their constituents, and they kept those promises. I feel, I have to say, that without them, we would not be here either. Senator DASCHLE, the Democratic leader, stood with us the entire time.

I think we have saved dolphin lives as a result of this compromise, and we have protected American consumers.

Mr. President, the whole argument over this bill really revolved around one issue: What is the definition of ''dolphin safe''? In 1990, we decided that if you want to get a dolphin-safe label, you have to fish for tuna in such a way as to not harm the dolphin. That is, you may not chase or encircle dolphin with purse seine nets on that fishing trip. There are those who believe there are new ways to use the purse seine nets that no longer harm the dolphin.

Many of us believe there is no proof of that. Senator BIDEN and I, Senator SMITH, the other Senators, and 85 environmental and consumer groups said we can't change the definition until we have a scientific study that tells us it is safe for dolphins. That is what this debate is all about.

Eleven countries put tremendous pressure on this Government to change the definition of ''dolphin safe'' before there was even a study. We believed that our position was the right position; there should be a study.

We did have to give on this. We wanted a 3-year study, and we did not want any change in the label until that 3-year study was analyzed. We did not win that point.

Essentially, the way the compromise works, in 18 months when the preliminary results come in on the study, if—if—the Secretary of Commerce believes that those preliminary results indicate that chasing and setting nets on dolphins is safe for dolphins then the definition of ''dolphin safe,'' will be changed. And if the study does not show that, the bill we are passing today says we will have no change in the definition.

So, yes, this is clearly a compromise. We have won 18 months of the status quo; 18 months when consumers know that the dolphin-safe label means just that, and after that, we will live to see the preliminary results of that study, I hope, and we can have a new debate at that time. But this is what compromise is all about.

I want to make one further statement, Mr. President, because there is a disturbing element in all of this to me, and it doesn't just come into being with respect to this issue; it is an overall issue. And that is, I have a very straightforward opinion that American laws should be made by Americans; that, in fact, our environmental laws, all of our laws, our labor laws, ought to be made by the people who are sent here to fight out those issues. American laws should not be made by other countries.

I was disturbed in the course of this debate that, in fact, there was tremendous influence from other countries. I think there are many Senators who feel that is appropriate, and I think this debate shall continue, but we have a very good law on the books and I am proud to say it is going to stand for 18 months.

I look forward to making sure that the bill we are passing today comes back after conference in just this format, and it can be signed into law. Thank you very much, Mr. President. I reserve my side's time.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 3 minutes 18 seconds.

Mr. KERRY. Mr. President, I thank the Senator from California, and I thank her particularly for her comments about me. I am very appreciative of that. I thank her for her extraordinary tenacity in this effort and willingness to fight for what she believes in, which she did.

I also want to emphasize that I believe this was a fair compromise arrived at by a lot of people who wanted to do what was in the best interest. I thank Senator SNOWE and Senator MCCAIN for their patience in this effort. It was trying at times and sometimes there were some difficulties along the way. They have been very gracious and very decent in arriving at this. I think a compromise is a compromise. Everybody agrees to settle, and they do so because it is in the best interests ultimately of the issue, and that is what has happened here.

I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Maine.

Ms. SNOWE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 1045

(Purpose: To make changes in the bill as reported by committee)

Ms. SNOWE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Maine [Ms. SNOWE], for herself, Mr. BREAUX, Mr. STEVENS, and Mr. MCCAIN, proposes an amendment numbered 1045.

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

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

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

The amendment (No. 1045) was agreed to.

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

Mrs. BOXER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BREAUX. Mr. President, I would like to engage the bill managers and Senator STEVENS in a colloquy.

As a chief cosponsor of S. 39, my understanding is that the appropriate standard of judicial review that would apply to the Secretarial findings in section 5 on whether dolphin encirclement is having a significant adverse impact on dolphin stocks in the standard under the Administrative Procedures Act. Is that the understanding of the bill managers and the sponsor of the bill?

Ms. SNOWE. Yes, the Senator is correct on that point. The Secretarial determinations to which you refer are included in S. 39 as an amendment to the Dolphin Consumer Protection Information Act. That act does not specify any alternative standard of review, and therefore the standard under the Administrative Procedures Act would apply. Furthermore, the bill managers intend that such standard will apply to the Secretarial findings in section 5 of S. 39. this standard involves a review of the administrative record, and a determination of whether the Secretary acted in an arbitrary and capricious manner.

Mr. STEVENS. I concur with Senator SNOWE. As the original sponsor of the bill, it is my intent that the Secretarial findings in section 5 be subject only to the scope of judicial review in the Administrative Procedures Act. That is clearly the appropriate standard, and I think we all agree on that.

Mr. KERRY. I concur with Senator SNOWE and Senator STEVENS on this point.

Mr. BREAUX. I thank the Senators for clarifying that point.

Mr. CHAFEE. Mr. President, I commend the efforts of the Senator from Alaska Senator STEVENS, and the Senator from Maine Senator SNOWE, for bringing this much-needed legislation to the floor. It has been nearly 2 years since legislation was first introduced in the Senate to implement the Panama Declaration, an international agreement which will promote marine conservation in the Pacific Ocean. I recognize that the opponents of this measure have strong convictions, and am pleased that the two sides were able to work out a compromise that, most importantly, is consistent with the international agreement which the United States signed.

Let me first state my view that eliminating dolphin mortality must remain a top priority as the Senate considers this bill. Like so many Americans, I will not soon forget the tragedy that occurred in the 1970's, when hundreds of thousands of dolphins were killed annually from tuna fishing in the Eastern Tropical Pacific [ETP]. In 1972 alone, more than 420,000 dolphins were killed there. While we can all applaud the tremendous progress that has been made in reducing dolphin mortality in recent years, Congress must be vigilant in working toward complete elimination.

But dolphins are not the only species adversely impacted by tuna fishing in the Eastern Tropical Pacific, sometimes called ETP. New fishing methods have resulted in significant bycatch of nondolphin species, including juvenile tuna. These other marine species in this ecosystem must also be protected, and legislation should address this larger goal.

The question before the Senate today is how do we best achieve sustained conservation in the ETP tuna fishery? We must first acknowledge that much progress has been made in reducing dolphin mortality through new fishing techniques such as the back down procedure. Through this technique, the back edge of the purse seine fishing net sinks below the surface, allowing dolphins to swim out. In 1996, dolphin mortality in the ETP is currently estimated at a record low of less than 3,000, down from record highs of more than 400,000 in the 1970's. That's a 99-percent reduction.

International cooperation in conserving this resource, particularly through the voluntary measures of the La Jolla agreement of 1992, has also been a primary factor in achieving this great success. Among other things, this landmark agreement, which was signed by 10 nations, established strict dolphin mortality limits and required observers to be present aboard tuna fishing boats in the ETP.

In order to continue this tremendous progress, the United States must continue to work with our neighbors on multilateral efforts to conserve this resource. This involves enacting the legislation before the Senate today, S. 39, which implements the Panama Declaration.

Contrary to much of what has been said in the 2 years since it was signed, the Panama Declaration represents the best in international conservation. It would retain—and in many cases, enhance—the provisions of the La Jolla agreement that have been so successful in reducing dolphin mortality and protecting the tuna fishery. Let me be clear: the Panama Declaration will not threaten the dolphin population in the Eastern Tropical Pacific.

Unlike the voluntary La Jolla Agreement, the Panama Declaration is binding upon its signatories. Among its many stringent requirements are reductions in the annual overall limit on dolphin mortalities that were established by the La Jolla agreement. These limits include per-stock mortality limits to protect all dolphin populations.

The Panama Declaration also increases enforcement and monitoring efforts to protect dolphins, including mandatory observers on all tuna fishing vessels. In addition, it sets as an agreed goal the elimination of all dolphin mortality in the ETP tuna fishery. And the Panama Declaration has teeth: if foreign nations do not comply, then the United States can reimpose our tuna embargo.

Opponents of S. 39 have been concerned over its change in the definition of dolphin safe, as mandated by the Panama Declaration. It is important to note that the new definition of dolphin safe is not weaker than current law. Let me explain.

When the current definition was adopted in 1990, the dolphin safe label was intended to prevent the import of tuna into the United States that were caught by encircling dolphins. This definition made good sense in 1990 since, historically, fishing methods that encircled dolphins caused high mortality rates. But as I've stated, recent modifications to the encirclement method of tuna fishing have resulted in reduced dolphin mortality.

A more sensible definition of dolphin safe should mean no dolphins were killed during the tuna fishing, rather than no dolphins were encircled. Under the new definition, if even one dolphin is killed in the process, that tuna cannot be labeled dolphin safe. Proponents of the old definition want truth in labeling. I agree with this. But, don't consumers expect that dolphin safe means no dolphins were killed? The Panama Declaration and S. 39 would do just that.

In any event, so as to be absolutely sure that these new encirclement techniques do not adversely affect dolphin stocks in the ETP, the compromise before us today delays the label change until NOAA conducts a preliminary survey of these stocks. This slight delay should not threaten United States participation in the Panama Declaration, allowing its strong conservation requirements to be implemented.

The Panama Declaration also recognizes the importance of protecting nondolphin marine life in the ETP that has been harmed by tuna fishing. The controversy over dolphin mortality has encouraged tuna fishermen to utilize alternative methods to encirclement—namely school sets and log sets. These techniques, while more protective of dolphins, are well known to cause destruction of nondolphin marine life, including sea turtles, billfish, sharks, and juvenile yellowfin tuna.

NOAA scientists have warned repeatedly that the high bycatch of juvenile tuna, associated with these two fishing methods, might actually imperial tuna stocks in the future—to say nothing of their impact on other species. As envisioned by the Panama Declaration, S. 39 requires the United States to implement a program to reduce bycatch of all marine life in the ETP, not just dolphins.

Mr. President, today the United States confronts a choice that must be made soon on how best to conserve marine life in the Pacific Ocean. Negotiators have worked out a compromise that will allow the United States to choose the best option. This option entails joining our neighbors in implementing a binding, carefully crafted international agreement that includes strong mandates that will protect dolphins and other species.

Another option involved going it alone, sacrificing what little leverage we have in an increasingly foreign fishery. Keep in mind that the ETP is completely outside the jurisdiction of the United States. We cannot simply go in and tell others how to fish.

Instead, our best chance of promoting conservation is through a multilateral, rather than a unilateral, forum. But other signatories to the Panama Declaration will not wait forever while the United States Congress continues to debate this issue. The time to act is now.

If we had chosen to go it alone, dolphins would not necessarily have been saved. Indeed, more dolphins may well be killed if the United States rejects the Panama Declaration, as fishermen will likely abandon the voluntary provisions of the La Jolla agreement. What incentive would these fishermen have to conserve if the largest consumer of tuna maintains an embargo on their product and refuses to participate in international conservation efforts?

Because the Panama Declaration offers the best hope for marine conservation in the ETP, S. 39 has been endorsed by Greenpeace, National Wildlife Federation, Center for Marine Conservation, Environmental Defense Fund, and World Wildlife Fund. These groups recognize the merits of this multilateral approach.

I again commend the tireless efforts of the authors of this legislation, and urge my colleagues to support S. 39.

Mr. HOLLINGS. Mr. President, the manager's amendment before us today is the product of many hours of work on the part of a number of my colleagues. I would like to express my personal appreciation to my friend, the chairman of the Commerce Committee, Senator MCCAIN, and the chair of the Subcommittee on Oceans and Fisheries, Senator SNOWE, for their personal efforts and willingness to delay consideration of this legislation until interested parties could work out an agreement.

In addition, I particularly would like to acknowledge the effort of the ranking Democrat on the subcommittee, Senator KERRY for his commitment to reaching a compromise. The Senator from Massachusetts made the mistake at our hearing on this legislation of volunteering to find a middle ground between the proponents and opponents of S. 39. Since that time, he has spent hours listening to and trying to accommodate the concerns of all sides in this contentious issue. Without his tireless effort, we would not be standing here today.

My own interest in this legislation has always been: to ensure sound conservation of marine mammals; to provide consumers with the information they need when purchasing tuna; and to ensure U.S. tuna fishermen a level playing field on which to compete.

The bill before us now is a far better bill. It addresses many of the concerns of Senators BOXER and BIDEN as well as others. These two Senators have been leaders in the area of dolphin protection—they wrote the dolphin-safe labeling law and have legitimate concerns about changing the dolphin-safe label without the scientific research to ensure that the tuna fishing methods allowed by S. 39 are safe for dolpins. The compromise before us today ensures that there will be a study of the effect of chasing and encircling dolpins and bases a change in the meaning of ''dolphin safe'' on the results of that study.

Furthermore, the compromise addresses the concerns of Senator INOUYE. It allows alternative labels on tuna but makes sure that the claims on those labels are true and can be verified.

Again, I thank the primary sponsors of the bill, Senators STEVENS and BREAUX, and all of the parties who worked on the manager's amendment for their efforts to improve this legislation.

Mr. THURMOND. Mr. President, when the President signs the International Dolphin Conservation Program Act, the United States will have joined the rest of the tuna-fishing nations in the Eastern Pacific in pledging that, in the future, no dolphins will be killed in the harvesting of tuna. Further, the transition to better fishing methods will result in a significant reduction in by-catch waste in that portion of the ocean. This is a remarkable achievement.

My colleagues from Alaska and Louisiana, Senators STEVENS and BREAUX, have pressed on for 2 years to see that this agreement is ratified. Their perseverance should be recognized and appreciated. Finally, this bill would likely have never become law had the subcommittee chairman, Senator SNOWE, not gathered the various parties to work out a compromise that would assure passage of this implementing legislation. She is to be commended for her skill and stamina in seeing this measure to its successful conclusion.

I yield the floor.

Mr. BIDEN. Mr. President, I am pleased to rise in support of the compromise amendment to S. 39—the so-called tuna-dolphin bill.

In forging this bipartisan agreement, we have struck a proper balance between resolving the market access problems now faced by other countries and keeping the faith with American consumers. It is a fair deal.

In short, the bill implements an international dolphin protection regime—known as the Panama Declaration—while maintaining the current dolphin-safe label during the pendency of a study on the impacts on dolphins from purse net tuna fishing.

In March 1999—after scientists have preliminary determined whether purse net tuna fishing harms dolphin stocks—the Secretary of Commerce is to make a determination as to the appropriate dolphin-safe label, whether that be the current one that Senator BOXER and I wrote into law in 1990, or another protective version. This decision will be reviewed in the year 2001.

Also included in the bill are provisions requiring Latin and South American countries tuna fishing the Eastern Tropical Pacific Ocean to enroll in an expanded dolphin protection program, which includes on-board observers. This will enable us to lock-in and improve upon the tremendous gains that we have already made in decreasing dolphin mortalities.

This amendment represents a compromise on process, not a cave-in on principles. Again, we retain for every letter of the current dolphin-safe label. In 2 years' time the question will be if the label should be changed—not when it should be changed.

I would also note that I do have some reservations regarding the adequacy of the data that will form the basis of the March 1999 label review. Only one population survey will be available at that time; this will not be an abundance of information upon which to make an informed and unbiased decision. I urge the Secretary of Commerce to err on the side of caution during the preliminary review and not make science conform to political will.

I would like to recognize and publicly thank my colleagues who worked so hard in crafting this agreement, particularly Senator BOXER, Senator KERRY, Senator BREAUX, Senator SNOWE, Senator MCCAIN, and Senator STEVENS. Each spent a great deal of personal time trying to bridge the gap in this debate, and I am grateful for their efforts.

In closing, this agreement continues to protect dolphins while keeping our faith with the American people. It is environmentally and economically the right thing to do, and I urge its passage.

FUNDING FOR DOLPHIN RESEARCH

Mr. STEVENS. Mr. President, an agreement has been reached to address concerns with S. 39, the International Dolphin Conservation Program Act. The agreement is contained in the manager's amendment to S. 39 offered by Senator SNOWE. Under the agreement, the Secretary of Commerce is required to conduct a multi-year study on dolphin and dolphin stocks taken incidentally in the eastern tropical Pacific Ocean (ETP) purse seine fishery. The Secretary will use the information from this study to make two separate findings that will determine whether or not tuna caught in the ETP by intentionally encircling dolphins can be labeled as dolphin safe in the United States. Senator SNOWE's amendment authorizes appropriations of $4 million in fiscal year 1998, $3 million in fiscal year 1999, $4 million in fiscal year 2000, and $1 million in fiscal year 2001 to complete the study. These amounts are based on National Marine Fisheries Service estimates for the costs for the study. I have received a letter from the White House indicating that the administration will request funds for the study in fiscal years 1999, 2000, and 2001. If the administration follows through on its commitment to request these funds, I will do everything I can to ensure they are appropriated.

Mr. BYRD. Mr. President, I am supportive of the effort to appropriate the funds necessary for the study outlined in the manager's amendment to S. 39, beginning in fiscal year 1998. In fact, it is my understanding that the manager's amendment is written so that a number of sections in S. 39 will become effective only after funding for the first year of the study has been provided. It is clear to me that full funding for this research is a critical element of the agreement on S. 39.

Mr. GREGG. Recognizing the importance of this study to the compromise reached on S. 39, funds were added to the fiscal year 1998 Commerce, Justice, State appropriations bill in the Senate to complete the first year of work. We will work together to protect this appropriation in conference. I, too, encourage the administration to follow through on its commitment to include the funds for fiscal year 1999, 2000, and 2001 in its budget requests, and will work to include the funds in appropriations if they are requested.

Mr. HOLLINGS. Mr. President, I join my colleagues in supporting appropriations for the completion of the dolphin study. The manager's amendment to S. 39 developed by the Commerce Committee is written so that most of the operative provisions of bill will become effective only if funding for the fist year of the study has been provided. The White House has expressed support for the appropriation mentioned by Senator GREGG for fiscal year 1998, and has indicated that funding will be requested to complete the study in fiscal year 1999, 2000, and 2001. Together with Senators STEVENS, BYRD, and GREGG, I support the fiscal year 1998 appropriation for the first year of the study, and will support funds in years to come to complete the study.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER (Mr. HUTCHINSON). The Democratic leader.

Mr. DASCHLE. Mr. President, I appreciate very much your recognizing me prior to the time we go to third reading. I will be very brief. I am not sure we have any time left. If we don't, I will just use leader time.

I just want to say how much I appreciate the effort made by the Senators who are on the floor to bring us to this point. This has been a 2-year-long debate. Obviously, there have been good intentions on both sides, and negotiations have resulted in a compromise that brings us to a point that will allow us to address this issue in a meaningful way.

I congratulate the administration and those who worked with us to accomplish this within the administration. But I particularly want to thank

Senators BOXER and BIDEN who pioneered the establishment of the dolphin safe label all the way back to 1990, who recognized the importance of this issue and dedicated themselves to solving it as they did back then.

I thank Senator HOLLINGS, the ranking member of the Commerce Committee, Senator SNOWE, the chair of the Oceans and Fisheries Subcommittee, for her work, Senator MCCAIN, Senator STEVENS, and Senator BREAUX, who developed and introduced the legislation to implement the Panama Declaration, and perhaps a special thanks goes to Senator JOHN KERRY, the ranking member of the Oceans and Fisheries Subcommittee whose patience and guidance and leadership was critical to bringing all sides together in reaching this agreement.

So this is a very good moment for us. It is another opportunity to demonstrate the commitment that we have in working together to face these serious questions in a meaningful way. So, to all of those involved, especially Senators BOXER, BIDEN, and KERRY, my thanks. I hope we can address this matter now by an overwhelming vote here in the Senate.

I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

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

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

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass? The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina [Mr. FAIRCLOTH] is necessarily absent.

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote No. 207 Leg.]

YEAS—99

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

NOT VOTING—1

Faircloth

The bill (S. 39), as amended, was passed as follows:

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

SECTION 1. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This Act may be cited as the ''International Dolphin Conservation Program Act''.

(b) REFERENCES TO MARINE MAMMAL PROTECTION ACT.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1361 et seq.).

SEC. 2. PURPOSES AND FINDINGS.

(a) PURPOSES.—The purposes of this Act are—

(1) to give effect to the Declaration of Panama, signed October 4, 1995, by the Governments of Belize, Colombia, Costa Rica, Ecuador, France, Honduras, Mexico, Panama, Spain, the United States of America, Vanuatu, and Venezuela, including the establishment of the International Dolphin Conservation Program, relating to the protection of dolphins and other species, and the conservation and management of tuna in the eastern tropical Pacific Ocean;

(2) to recognize that nations fishing for tuna in the eastern tropical Pacific Ocean have achieved significant reductions in dolphin mortality associated with that fishery; and

(3) to eliminate the ban on imports of tuna from those nations that are in compliance with the International Dolphin Conservation Program.

(b) FINDINGS.—The Congress finds that—

(1) the nations that fish for tuna in the eastern tropical Pacific Ocean have achieved significant reductions in dolphin mortality associated with the purse seine fishery from hundreds of thousands annually to fewer than 5,000 annually;

(2) the provisions of the Marine Mammal Protection Act of 1972 that impose a ban on imports from nations that fish for tuna in the eastern tropical Pacific Ocean have served as an incentive to reduce dolphin mortalities;

(3) tuna canners and processors of the United States have led the canning and processing industry in promoting a dolphin-safe tuna market; and

(4) 12 signatory nations to the Declaration of Panama, including the United States, agreed under that Declaration to require that the total annual dolphin mortality in the purse seine fishery for yellowfin tuna in the eastern tropical Pacific Ocean not exceed 5,000 animals, with the objective of progressively reducing dolphin mortality to a level approaching zero through the setting of annual limits and with the goal of eliminating dolphin mortality.

SEC. 3. DEFINITIONS.

Section 3 (16 U.S.C. 1362) is amended by adding at the end the following new paragraphs:

''(28) The term 'International Dolphin Conservation Program' means the international program established by the agreement signed in LaJolla, California, in June, 1992, as formalized, modified, and enhanced in accordance with the Declaration of Panama.

''(29) The term 'Declaration of Panama' means the declaration signed in Panama City, Republic of Panama, on October 4, 1995.''.

SEC. 4. AMENDMENTS TO TITLE I.

(a) EXCEPTIONS TO MORATORIUM.—Section 101(a)(2) (16 U.S.C. 1371(a)(2)) is amended—

(1) by inserting after the first sentence ''Such authorizations may be granted under title III with respect to purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean, subject to regulations prescribed under that title by the Secretary without regard to section 103.''; and

(2) by striking the semicolon in the second sentence and all that follows through ''practicable''.

(b) DOCUMENTATION REQUIRED.—Section 101(a)(2) (16 U.S.C. 1371(a)(2)) is further amended—

(1) by striking subparagraph (B) and inserting the following:

''(B) in the case of yellowfin tuna harvested with purse seine nets in the eastern tropical Pacific Ocean, and products therefrom, to be exported to the United States, shall require that the government of the exporting nation provide documentary evidence that—

''(i)(I) the tuna or products therefrom were not banned from importation under this paragraph before the effective date of section 4 of the International Dolphin Conservation Program Act; or

''(II) the tuna or products therefrom were harvested after the effective date of section 4 of the International Dolphin Conservation Program Act by vessels of a nation which participates in the International Dolphin Conservation Program, and such harvesting nation is either a member of the Inter-American Tropical Tuna Commission or has initiated (and within 6 months thereafter completed) all steps required of applicant nations, in accordance with article V, paragraph 3 of the Convention establishing the Inter-American Tropical Tuna Commission, to become a member of that organization;

''(ii) such nation is meeting the obligations of the International Dolphin Conservation Program and the obligations of membership in the Inter-American Tropical Tuna Commission, including all financial obligations; and

''(iii) the total dolphin mortality limits, and per-stock per-year dolphin mortality limits permitted for that nation's vessels under the International Dolphin Conservation Program do not exceed the limits determined for 1997, or for any year thereafter, consistent with the objective of progressively reducing dolphin mortality to a level approaching zero through the setting of annual limits and the goal of eliminating dolphin mortality, and requirements of the International Dolphin Conservation Program;'';

(2) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F), respectively;

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

''(C) shall not accept such documentary evidence if—

''(i) the government of the harvesting nation does not provide directly or authorize the Inter-American Tropical Tuna Commission to release complete and accurate information to the Secretary in a timely manner—

''(I) to allow determination of compliance with the International Dolphin Conservation Program; and

''(II) for the purposes of tracking and verifying compliance with the minimum requirements established by the Secretary in regulations promulgated under subsection (f) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(f)); or

''(ii) after taking into consideration such information, findings of the Inter-American Tropical Tuna Commission, and any other relevant information, including information that a nation is consistently failing to take enforcement actions on violations which diminish the effectiveness of the International Dolphin Conservation Program, the Secretary, in consultation with the Secretary of State, finds that the harvesting nation is not in compliance with the International Dolphin Conservation Program.''; and

(4) by striking ''subparagraph (E)'' in the matter after subparagraph (F), as redesignated by paragraph (2) of this subsection, and inserting ''subparagraph (F)''.

(c) CERTAIN INCIDENTAL TAKINGS.—Section 101 (16 U.S.C. 1371) is further amended by adding at the end the following new subsection:

''(e) ACT NOT TO APPLY TO INCIDENTAL TAKINGS BY UNITED STATES CITIZENS EMPLOYED ON FOREIGN VESSELS OUTSIDE THE UNITED STATES EEZ.—The provisions of this Act shall not apply to a citizen of the United States who incidentally takes any marine mammal during fishing operations outside the United States exclusive economic zone (as defined in section 3 of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802)) when employed on a foreign fishing vessel of a harvesting nation which is in compliance with the International Dolphin Conservation Program.''.

(d) PERMITS.—Section 104(h) (16 U.S.C. 1374(h)) is amended to read as follows:

''(h) GENERAL PERMITS.—

''(1) Consistent with the regulations prescribed pursuant to section 103 of this title and to the requirements of section 101 of this title, the Secretary may issue an annual permit to a United States purse seine fishing vessel for the taking of such marine mammals, and shall issue regulations to cover the use of any such annual permits.

''(2) Such annual permits for the incidental taking of marine mammals in the course of commercial purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean shall be governed by section 306 of this Act, subject to the regulations issued pursuant to section 303 of this Act.''.

(e) INTERNATIONAL NEGOTIATIONS.—Section 108(a)(2) (16 U.S.C. 1378(a)(2)) is amended—

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

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

''(C) negotiations to revise the Convention for the Establishment of an Inter-American Tropical Tuna Commission (1 U.S.T. 230; TIAS 2044) which will incorporate—

''(i) the conservation and management provisions agreed to by the nations which have signed the Declaration of Panama and in the Straddling Fish Stocks and Highly Migratory Fish Stocks Agreement, as opened for signature on December 4, 1995; and

''(ii) a revised schedule of annual contributions to the expenses of the Inter-American Tropical Tuna Commission that is equitable to participating nations; and

''(D) discussions with those countries participating, or likely to participate, in the International Dolphin Conservation Program, for the purpose of identifying sources of funds needed for research and other measures promoting effective protection of dolphins, other marine species, and the marine ecosystem;''.

(f) RESEARCH GRANTS.—Section 110(a) (16 U.S.C. 1380(a)) is amended—

(1) by striking ''(1)'' in paragraph (1); and

(2) by striking paragraph (2).

SEC. 5. AMENDMENTS TO DOLPHIN PROTECTION CONSUMER INFORMATION ACT.

(a) LABELING STANDARD.— Subsection (d) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(d)) is amended to read as follows:

''(d) LABELING STANDARD.—

''(1) It is a violation of section 5 of the Federal Trade Commission Act (15 U.S.C. 45) for any producer, importer, exporter, distributor, or seller of any tuna product that is exported from or offered for sale in the United States to include on the label of that product the term 'dolphin safe' or any other term or symbol that falsely claims or suggests that the tuna contained in the product were harvested using a method of fishing that is not harmful to dolphins if the product contains tuna harvested—

''(A) on the high seas by a vessel engaged in driftnet fishing;

''(B) outside the eastern tropical Pacific Ocean by a vessel using purse seine nets—

''(i) in a fishery in which the Secretary has determined that a regular and significant association occurs between dolphins and tuna (similar to the association between dolphins and tuna in the eastern tropical Pacific Ocean), unless such product is accompanied by a written statement, executed by the captain of the vessel and an observer participating in a national or international program acceptable to the Secretary, certifying that no purse seine net was intentionally deployed on or used to encircle dolphins during the particular voyage on which the tuna were caught and no dolphins were killed or seriously injured in the sets in which the tuna were caught; or

''(ii) in any other fishery (other than a fishery described in subparagraph (D)) unless the product is accompanied by a written statement executed by the captain of the vessel certifying that no purse seine net was intentionally deployed on or used to encircle dolphins during the particular voyage on which the tuna was harvested;

''(C) in the eastern tropical Pacific Ocean by a vessel using a purse seine net unless the tuna meet the requirements for being considered dolphin safe under paragraph (2); or

''(D) by a vessel in a fishery other than one described in subparagraph (A), (B), or (C) that is identified by the Secretary as having a regular and significant mortality or serious injury of dolphins, unless such product is accompanied by a written statement executed by the captain of the vessel and an observer participating in a national or international program acceptable to the Secretary that no dolphins were killed or seriously injured in the sets or other gear deployments in which the tuna were caught, provided that the Secretary determines that such an observer statement is necessary.

''(2) For purposes of paragraph (1)(C), a tuna product that contains tuna harvested in the eastern tropical Pacific Ocean by a vessel using purse seine nets is dolphin safe if—

''(A) the vessel is of a type and size that the Secretary has determined, consistent with the International Dolphin Conservation Program, is not capable of deploying its purse seine nets on or to encircle dolphins; or

''(B)(i) the product is accompanied by a written statement executed by the captain providing the certification required under subsection (h);

''(ii) the product is accompanied by a written statement executed by—

''(I) the Secretary or the Secretary's designee;

''(II) a representative of the Inter-American Tropical Tuna Commission; or

''(III) an authorized representative of a participating nation whose national program meets the requirements of the International Dolphin Conservation Program,

which states that there was an observer approved by the International Dolphin Conservation Program on board the vessel during the entire trip and that such observer provided the certification required under subsection (h); and

''(iii) the statements referred to in clauses (i) and (ii) are endorsed in writing by each exporter, importer, and processor of the product; and

''(C) the written statements and endorsements referred to in subparagraph (B) comply with regulations promulgated by the Secretary which provide for the verification of tuna products as dolphin safe.

''(3)(A) The Secretary of Commerce shall develop an official mark that may be used to label tuna products as dolphin safe in accordance with this Act.

''(B) A tuna product that bears the dolphin safe mark developed under subparagraph (A) shall not bear any other label or mark that refers to dolphins, porpoises, or marine mammals.

''(C) It is a violation of section 5 of the Federal Trade Commission Act (15 U.S.C. 45) to label a tuna product with any label or mark that refers to dolphins, porpoises, or marine mammals other than the mark developed under subparagraph (A) unless—

''(i) no dolphins were killed or seriously injured in the sets or other gear deployments in which the tuna were caught;

''(ii) the label is supported by a tracking and verification program which is comparable in effectiveness to the program established under subsection (f); and

''(iii) the label complies with all applicable labeling, marketing, and advertising laws and regulations of the Federal Trade Commission, including any guidelines for environmental labeling.

''(D) If the Secretary determines that the use of a label referred to in subparagraph (C) is substantially undermining the conservation goals of the International Dolphin Conservation Program, the Secretary shall report that determination to the United States Senate Committee on Commerce, Science, and Transportation and the United States House of Representatives Committees on Resources and on Commerce, along with recommendations to correct such problems.

''(E) It is a violation of section 5 of the Federal Trade Commission Act (15 U.S.C. 45) willingly and knowingly to use a label referred to in subparagraph (C) in a campaign or effort to mislead or deceive consumers about the level of protection afforded dolphins under the International Dolphin Conservation Program.''.

(b) TRACKING REGULATIONS.—Subsection (f) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(f)) is amended to read as follows:

''(f) REGULATIONS.—The Secretary, in consultation with the Secretary of the Treasury, shall issue regulations to implement this Act, including regulations to establish a domestic tracking and verification program that provides for the effective tracking of tuna labeled under subsection (d). In the development of these regulations, the Secretary shall establish appropriate procedures for ensuring the confidentiality of proprietary information the submission of which is voluntary or mandatory. The regulations shall address each of the following items:

''(1) The use of weight calculation for purposes of tracking tuna caught, landed, processed, and exported.

''(2) Additional measures to enhance current observer coverage, including the establishment of criteria for training, and for improving monitoring and reporting capabilities and procedures.

''(3) The designation of well location, procedures for sealing holds, procedures for monitoring and certifying both above and below deck, or through equally effective methods, the tracking and verification of tuna labeled under subsection (d).

''(4) The reporting, receipt, and database storage of radio and facsimile transmittals from fishing vessels containing information related to the tracking and verification of tuna, and the definition of set.

''(5) The shore-based verification and tracking throughout the fishing, transshipment, and canning process by means of Inter-American Tropical Tuna Commission trip records or otherwise.

''(6) The use of periodic audits and spot checks for caught, landed, and processed tuna products labeled in accordance with subsection (d).

''(7) The provision of timely access to data required under this subsection by the Secretary from harvesting nations to undertake the actions required in paragraph (6) of this paragraph.

The Secretary may make such adjustments as may be appropriate to the regulations promulgated under this subsection to implement an international tracking and verification program that meets or exceeds the minimum requirements established by the Secretary under this subsection.''.

(c) FINDINGS CONCERNING IMPACT ON DEPLETED STOCKS.—The Dolphin Protection Consumer Information Act (16 U.S.C. 1385) is amended by striking subsections (g), (h), and (i) and inserting the following:

''(g) SECRETARIAL FINDINGS.—(1) Between March 1, 1999, and March 31, 1999, the Secretary shall, on the basis of the research conducted before March 1, 1999, under section 304(a) of the Marine Mammal Protection Act of 1972, information obtained under the International Dolphin Conservation Program, and any other relevant information, make an initial finding regarding whether the intentional deployment on or encirclement of dolphins with purse seine nets is having a significant adverse impact on any depleted dolphin stock in the eastern tropical Pacific Ocean. The initial finding shall be published immediately in the Federal Register and shall become effective upon a subsequent date determined by the Secretary.

''(2) Between July 1, 2001, and December 31, 2002, the Secretary shall, on the basis of the completed study conducted under section 304(a) of the Marine Mammal Protection Act of 1972, information obtained under the International Dolphin Conservation Program, and any other relevant information, make a finding regarding whether the intentional deployment on or encirclement of dolphins with purse seine nets is having a significant adverse impact on any depleted dolphin stock in the eastern tropical Pacific Ocean. The finding shall be published immediately in the Federal Register and shall become effective upon a subsequent date determined by the Secretary.

''(h) CERTIFICATION BY CAPTAIN AND OBSERVER.—

''(1) Unless otherwise required by paragraph (2), the certification by the captain under subsection (d)(2)(B)(i) and the certification provided by the observer as specified in subsection (d)(2)(B)(ii) shall be that no dolphins were killed or seriously injured during the sets in which the tuna were caught.

''(2) The certification by the captain under subsection (d)(2)(B)(i) and the certification provided by the observer as specified under subsection (d)(2)(B)(ii) shall be that no tuna were caught on the trip in which such tuna were harvested using a purse seine net intentionally deployed on or to encircle dolphins, and that no dolphins were killed or seriously injured during the sets in which the tuna were caught, if the tuna were caught on a trip commencing—

''(A) before the effective date of the initial finding by the Secretary under subsection (g)(1);

''(B) after the effective date of such initial finding and before the effective date of the finding of the Secretary under subsection (g)(2), where the initial finding is that the intentional deployment on or encirclement of dolphins is having a significant adverse impact on any depleted dolphin stock; or

''(C) after the effective date of the finding under subsection (g)(2), where such finding is that the intentional deployment on or encirclement of dolphins is having a significant adverse impact on any such depleted stock.''.

SEC. 6. AMENDMENTS TO TITLE III.

(a) CHANGE OF TITLE HEADING.—The heading of title III is amended to read as follows:

''TITLE III—INTERNATIONAL DOLPHIN CONSERVATION PROGRAM''.

(b) ADDITIONAL FINDINGS.—Section 301 (16 U.S.C. 1411) is amended—

(1) by striking paragraph (4) of subsection (a) and inserting the following:

''(4) Nations harvesting yellowfin tuna in the eastern tropical Pacific Ocean have demonstrated their willingness to participate in appropriate multilateral agreements to reduce dolphin mortality progressively to a level approaching zero through the setting of annual limits, with the goal of eliminating dolphin mortality in that fishery. Recognition of the International Dolphin Conservation Program will assure that the existing trend of reduced dolphin mortality continues; that individual stocks of dolphins are adequately protected; and that the goal of eliminating all dolphin mortality continues to be a priority.''; and

(2) by striking paragraphs (2) and (3) of subsection (b) and inserting the following:

''(2) support the International Dolphin Conservation Program and efforts within the Program to reduce, with the goal of eliminating, the mortality referred to in paragraph (1);

''(3) ensure that the market of the United States does not act as an incentive to the harvest of tuna caught with driftnets or caught by purse seine vessels in the eastern tropical Pacific Ocean not operating in compliance with the International Dolphin Conservation Program;''.

(c) Title III (16 U.S.C. 1411 et seq.) is amended by striking sections 302 through 306 (16 U.S.C. 1412 through 1416) and inserting the following:

''SEC. 302. INTERNATIONAL DOLPHIN CONSERVATION PROGRAM.

''The Secretary of State, in consultation with the Secretary, shall seek to secure a binding international agreement to establish an International Dolphin Conservation Program that requires—

''(1) that the total annual dolphin mortality in the purse seine fishery for yellowfin tuna in the eastern tropical Pacific Ocean shall not exceed 5,000 animals with a commitment and objective to progressively reduce dolphin mortality to a level approaching zero through the setting of annual limits;

''(2) the establishment of a per-stock per-year dolphin mortality limit, to be in effect through calendar year 2000, at a level between 0.2 percent and 0.1 percent of the minimum population estimate, as calculated, revised, or approved by the Secretary;

''(3) the establishment of a per-stock per-year dolphin mortality limit, beginning with the calendar year 2001, at a level less than or equal to 0.1 percent of the minimum population estimate as calculated, revised, or approved by the Secretary;

''(4) that if a dolphin mortality limit is exceeded under—

''(A) paragraph (1), all sets on dolphins shall cease for the applicable fishing year; and

''(B) paragraph (2) or (3), all sets on the stocks covered under paragraph (2) or (3) and any mixed schools that contain any of those stocks shall cease for the applicable fishing year;

''(5) a scientific review and assessment to be conducted in calendar year 1998 to—

''(A) assess progress in meeting the objectives set for calendar year 2000 under paragraph (2); and

''(B) as appropriate, consider recommendations for meeting these objectives;

''(6) a scientific review and assessment to be conducted in calendar year 2000—

''(A) to review the stocks covered under paragraph (3); and

''(B) as appropriate to consider recommendations to further the objectives set under that paragraph;

''(7) the establishment of a per vessel maximum annual dolphin mortality limit consistent with the established per-year mortality limits, as determined under paragraphs (1) through (3); and

''(8) the provision of a system of incentives to vessel captains to continue to reduce dolphin mortality, with the goal of eliminating dolphin mortality.

''SEC. 303. REGULATORY AUTHORITY OF THE SECRETARY.

''(a) REGULATIONS.—

''(1) The Secretary shall issue regulations, and revise those regulations as may be appropriate, to implement the International Dolphin Conservation Program.

''(2)(A) The Secretary shall issue regulations to authorize and govern the taking of marine mammals in the eastern tropical Pacific Ocean, including any species of marine mammal designated as depleted under this Act but not listed as endangered or threatened under the Endangered Species Act (16 U.S.C. 1531 et seq.), by vessels of the United States participating in the International Dolphin Conservation Program.

''(B) Regulations issued under this section shall include provisions—

''(i) requiring observers on each vessel;

''(ii) requiring use of the backdown procedure or other procedures equally or more effective in avoiding mortality of, or serious injury to, marine mammals in fishing operations;

''(iii) prohibiting intentional sets on stocks and schools in accordance with the International Dolphin Conservation Program;

''(iv) requiring the use of special equipment, including dolphin safety panels in nets, monitoring devices as identified by the International Dolphin Conservation Program to detect unsafe fishing conditions that may cause high incidental dolphin mortality before nets are deployed by a tuna vessel, operable rafts, speedboats with towing bridles, floodlights in operable condition, and diving masks and snorkels;

''(v) ensuring that the backdown procedure during sets of purse seine net on marine mammals is completed and rolling of the net to sack up has begun no later than 30 minutes before sundown;

''(vi) banning the use of explosive devices in all purse seine operations;

''(vii) establishing per vessel maximum annual dolphin mortality limits, total dolphin mortality limits and per-stock per-year mortality limits in accordance with the International Dolphin Conservation Program;

''(viii) preventing the making of intentional sets on dolphins after reaching either the vessel maximum annual dolphin mortality limits, total dolphin mortality limits, or per-stock per-year mortality limits;

''(ix) preventing the fishing on dolphins by a vessel without an assigned vessel dolphin mortality limit;

''(x) allowing for the authorization and conduct of experimental fishing operations, under such terms and conditions as the Secretary may prescribe, for the purpose of testing proposed improvements in fishing techniques and equipment that may reduce or eliminate dolphin mortality or serious injury do not require the encirclement of dolphins in the course of commercial yellowfin tuna fishing;

''(xi) authorizing fishing within the area covered by the International Dolphin Conservation Program by vessels of the United States without the use of special equipment or nets if the vessel takes an observer and does not intentionally deploy nets on, or encircle, dolphins, under such terms and conditions as the Secretary may prescribe; and

''(xii) containing such other restrictions and requirements as the Secretary determines are necessary to implement the International Dolphin Conservation Program with respect to vessels of the United States.

''(C) ADJUSTMENTS TO REQUIREMENTS.—The Secretary may make such adjustments as may be appropriate to requirements of subparagraph (B) that pertain to fishing gear, vessel equipment, and fishing practices to the extent the adjustments are consistent with the International Dolphin Conservation Program.

''(b) CONSULTATION.—In developing any regulation under this section, the Secretary shall consult with the Secretary of State, the Marine Mammal Commission, and the United States Commissioners to the Inter-American Tropical Tuna Commission appointed under section 3 of the Tuna Conventions Act of 1950 (16 U.S.C. 952).

''(c) EMERGENCY REGULATIONS.—

''(1) If the Secretary determines, on the basis of the best scientific information available (including research conducted under section 304 and information obtained under the International Dolphin Conservation Program) that the incidental mortality and serious injury of marine mammals authorized under this title is having, or is likely to have, a significant adverse impact on a marine mammal stock or species, the Secretary shall—

''(A) notify the Inter-American Tropical Tuna Commission of his or her determination, along with recommendations to the Commission as to actions necessary to reduce incidental mortality and serious injury and mitigate such adverse impact; and

''(B) prescribe emergency regulations to reduce incidental mortality and serious injury and mitigate such adverse impact.

''(2) Before taking action under subparagraph (A) or (B) of paragraph (1), the Secretary shall consult with the Secretary of State, the Marine Mammal Commission, and the United States Commissioners to the Inter-American Tropical Tuna Commission.

''(3) Emergency regulations prescribed under this subsection—

''(A) shall be published in the Federal Register, together with an explanation thereof;

''(B) shall remain in effect for the duration of the applicable fishing year; and

''(C) may be terminated by the Secretary at an earlier date by publication in the Federal Register of a notice of termination if the Secretary determines that the reasons for the emergency action no longer exist.

''(4) If the Secretary finds that the incidental mortality and serious injury of marine mammals in the yellowfin tuna fishery in the eastern tropical Pacific Ocean is continuing to have a significant adverse impact on a stock or species, the Secretary may extend the emergency regulations for such additional periods as may be necessary.

''(5) Within 120 days after the Secretary notifies the United States Commissioners to the Inter-American Tropical Tuna Commission of the Secretary's determination under paragraph (1)(A), the United States Commissioners shall call for a special meeting of the Commission to address the actions necessary to reduce incidental mortality and serious injury and mitigate the adverse impact which resulted in the determination. The Commissioners shall report the results of the special meeting in writing to the Secretary and to the Secretary of State. In their report, the Commissioners shall—

''(A) include a description of the actions taken by the harvesting nations or under the International Dolphin Conservation Program to reduce the incidental mortality and serious injury and measures to mitigate the adverse impact on the marine mammal species or stock;

''(B) indicate whether, in their judgment, the actions taken address the problem adequately; and

''(C) if they indicate that the actions taken do not address the problem adequately, include recommendations of such additional action to be taken as may be necessary.

''SEC. 304. RESEARCH.

''(a) REQUIRED RESEARCH.—

''(1) IN GENERAL.—The Secretary shall, in consultation with the Marine Mammal Commission and the Inter-American Tropical Tuna Commission, conduct a study of the effect of intentional encirclement (including chase) on dolphins and dolphin stocks incidentally taken in the course of purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean. The study, which shall commence on October 1, 1997, shall consist of abundance surveys as described in paragraph (2) and stress studies as described in paragraph (3), and shall address the question of whether such encirclement is having a significant adverse impact on any depleted dolphin stock in the eastern tropical Pacific Ocean.

''(2) POPULATION ABUNDANCE SURVEYS.—The abundance surveys under this subsection shall survey the abundance of such depleted stocks and shall be conducted during each of the calendar years 1998, 1999, and 2000.

''(3) STRESS STUDIES.—The stress studies under this subsection shall include—

''(A) a review of relevant stress-related research and a 3-year series of necropsy samples from dolphins obtained by commercial vessels;

''(B) a 1-year review of relevant historical demographic and biological data related to dolphins and dolphin stocks referred to in paragraph (1); and

''(C) an experiment involving the repeated chasing and capturing of dolphins by means of intentional encirclement.

''(4) REPORT.—No later than 90 days after publishing the finding under subsection (g)(2) of the Dolphin Protection Consumer Information Act, the Secretary shall complete and submit a report containing the results of the research described in this subsection to the United States Senate Committee on Commerce, Science, and Transportation and the United States House of Representatives Committees on Resources and on Commerce, and to the Inter-American Tropical Tuna Commission.

''(b) OTHER RESEARCH.—

''(1) IN GENERAL.—In addition to conducting the research described in subsection (a), the Secretary shall, in consultation with the Marine Mammal Commission and in cooperation with the nations participating in the International Dolphin Conservation Program and the Inter-American Tropical Tuna Commission, undertake or support appropriate scientific research to further the goals of the International Dolphin Conservation Program.

''(2) SPECIFIC AREAS OF RESEARCH.—Research carried out under paragraph (1) may include—

''(A) projects to devise cost-effective fishing methods and gear so as to reduce, with the goal of eliminating, the incidental mortality and serious injury of marine mammals in connection with commercial purse seine fishing in the eastern tropical Pacific Ocean;

''(B) projects to develop cost-effective methods of fishing for mature yellowfin tuna without setting nets on dolphins or other marine mammals;

''(C) projects to carry out stock assessments for those marine mammal species and marine mammal stocks taken in the purse seine fishery for yellowfin tuna in the eastern tropical Pacific Ocean, including species or stocks not within waters under the jurisdiction of the United States; and

''(D) projects to determine the extent to which the incidental take of nontarget species, including juvenile tuna, occurs in the course of purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean, the geographic location of the incidental take, and the impact of that incidental take on tuna stocks and nontarget species.

''(c) AUTHORIZATION OF APPROPRIATIONS.—

''(1) There are authorized to be appropriated to the Secretary the following amounts, to be used by the Secretary to carry out the research described in subsection (a):

''(A) $4,000,000 for fiscal year 1998.

''(B) $3,000,000 for fiscal year 1999.

''(C) $4,000,000 for fiscal year 2000.

''(D) $1,000,000 for fiscal year 2001.

''(2) In addition to the amount authorized to be appropriated under paragraph (1), there are authorized to be appropriated to the Secretary for carrying out this section $3,000,000 for each of the fiscal years 1998, 1999, 2000, and 2001.

''SEC. 305. REPORTS BY THE SECRETARY.

''Notwithstanding section 103(f), the Secretary shall submit annual reports to the Congress which include—

''(1) results of research conducted pursuant to section 304;

''(2) a description of the status and trends of stocks of tuna;

''(3) a description of the efforts to assess, avoid, reduce, and minimize the bycatch of juvenile yellowfin tuna and bycatch of nontarget species;

''(4) a description of the activities of the International Dolphin Conservation Program and of the efforts of the United States in support of the Program's goals and objectives, including the protection of dolphin stocks in the eastern tropical Pacific Ocean, and an assessment of the effectiveness of the Program;

''(5) actions taken by the Secretary under section 101(a)(2)(B) and section 101(d);

''(6) copies of any relevant resolutions and decisions of the Inter-American Tropical Tuna Commission, and any regulations promulgated by the Secretary under this title; and

''(7) any other information deemed relevant by the Secretary.

''SEC. 306. PERMITS.

''(a) IN GENERAL.—

''(1) Consistent with the regulations issued pursuant to section 303, the Secretary shall issue a permit to a vessel of the United States authorizing participation in the International Dolphin Conservation Program

and may require a permit for the person actually in charge of and controlling the fishing operation of the vessel. The Secretary shall prescribe such procedures as are necessary to carry out this subsection, including requiring the submission of—

''(A) the name and official number or other identification of each fishing vessel for which a permit is sought, together with the name and address of the owner thereof; and

''(B) the tonnage, hold capacity, speed, processing equipment, and type and quantity of gear, including an inventory of special equipment required under section 303, with respect to each vessel.

''(2) The Secretary is authorized to charge a fee for granting an authorization and issuing a permit under this section. The level of fees charged under this paragraph may not exceed the administrative cost incurred in granting an authorization and issuing a permit. Fees collected under this paragraph shall be available to the Under Secretary of Commerce for Oceans and Atmosphere for expenses incurred in granting authorizations and issuing permits under this section.

''(3) After the effective date of the International Dolphin Conservation Program Act, no vessel of the United States shall operate in the yellowfin tuna fishery in the eastern tropical Pacific Ocean without a valid permit issued under this section.

''(b) PERMIT SANCTIONS.—

''(1) In any case in which—

''(A) a vessel for which a permit has been issued under this section has been used in the commission of an act prohibited under section 307;

''(B) the owner or operator of any such vessel or any other person who has applied for or been issued a permit under this section has acted in violation of section 307; or

''(C) any civil penalty or criminal fine imposed on a vessel, owner or operator of a vessel, or other person who has applied for or been issued a permit under this section has not been paid or is overdue,

the Secretary may—

''(i) revoke any permit with respect to such vessel, with or without prejudice to the issuance of subsequent permits;

''(ii) suspend such permit for a period of time considered by the Secretary to be appropriate;

''(iii) deny such permit; or

''(iv) impose additional conditions or restrictions on any permit issued to, or applied for by, any such vessel or person under this section.

''(2) In imposing a sanction under this subsection, the Secretary shall take into account—

''(A) the nature, circumstances, extent, and gravity of the prohibited acts for which the sanction is imposed; and

''(B) with respect to the violator, the degree of culpability, any history of prior offenses, and other such matters as justice requires.

''(3) Transfer of ownership of a vessel, by sale or otherwise, shall not extinguish any permit sanction that is in effect or is pending at the time of transfer of ownership. Before executing the transfer of ownership of a vessel, by sale or otherwise, the owner shall disclose in writing to the prospective transferee the existence of any permit sanction that will be in effect or pending with respect to the vessel at the time of transfer.

''(4) In the case of any permit that is suspended for the failure to pay a civil penalty or criminal fine, the Secretary shall reinstate the permit upon payment of the penalty or fine and interest thereon at the prevailing rate.

''(5) No sanctions shall be imposed under this section unless there has been a prior opportunity for a hearing on the facts underlying the violation for which the sanction is imposed, either in conjunction with a civil penalty proceeding under this title or otherwise.''.

(d) Section 307 (16 U.S.C. 1417) is amended—

(1) by striking paragraphs (1), (2), and (3) of subsection (a) and inserting the following:

''(1) for any person to sell, purchase, offer for sale, transport, or ship, in the United States, any tuna or tuna product unless the tuna or tuna product is either dolphin safe or has been harvested in compliance with the International Dolphin Conservation Program by a country that is a member of the Inter-American Tropical Tuna Commission or has initiated and within 6 months thereafter completed all steps required of applicant nations in accordance with Article V, paragraph 3 of the Convention establishing the Inter-American Tropical Tuna Commission, to become a member of that organization;

''(2) except as provided for in subsection 101(d), for any person or vessel subject to the jurisdiction of the United States intentionally to set a purse seine net on or to encircle any marine mammal in the course of tuna fishing operations in the eastern tropical Pacific Ocean except in accordance with this title and regulations issued pursuant to this title; and

''(3) for any person to import any yellowfin tuna or yellowfin tuna product or any other fish or fish product in violation of a ban on importation imposed under section 101(a)(2);'';

(2) by inserting ''(a)(5) or'' before ''(a)(6)'' in subsection (b)(2); and

(3) by striking subsection (d).

(e) Section 308 (16 U.S.C. 1418) is repealed.

(f) CLERICAL AMENDMENTS.—The table of contents in the first section of the Marine Mammal Protection Act of 1972 is amended by striking the items relating to title III and inserting in lieu thereof the following:

''TITLE III—INTERNATIONAL DOLPHIN CONSERVATION PROGRAM

''Sec. 301. Findings and policy.
''Sec. 302. International Dolphin Conservation Program.
''Sec. 303. Regulatory authority of the Secretary.
''Sec. 304. Research.
''Sec. 305. Reports by the Secretary.
''Sec. 306. Permits.
''Sec. 307. Prohibitions.''.

SEC. 7. AMENDMENTS TO THE TUNA CONVENTIONS ACT.

(a) Section 3(c) of the Tuna Conventions Act (16 U.S.C. 952(c)) is amended to read as follows:

''(c) at least one shall be either the Administrator, or an appropriate officer, of the National Marine Fisheries Service; and''.

(b) Section 4 of the Tuna Conventions Act (16 U.S.C. 953) is amended to read as follows:

''SEC. 4. GENERAL ADVISORY COMMITTEE AND SCIENTIFIC ADVISORY SUBCOMMITTEE.

''(a) APPOINTMENTS; PUBLIC PARTICIPATION; COMPENSATION.—The Secretary, in consultation with the United States Commissioners, shall—

''(1) appoint a General Advisory Committee which shall be composed of not less than 5 nor more than 15 persons with balanced representation from the various groups participating in the fisheries included under the conventions, and from nongovernmental conservation organizations;

''(2) appoint a Scientific Advisory Subcommittee which shall be composed of not less than 5 nor more than 15 qualified scientists with balanced representation from the public and private sectors, including nongovernmental conservation organizations;

''(3) establish procedures to provide for appropriate public participation and public meetings and to provide for the confidentiality of confidential business data; and

''(4) fix the terms of office of the members of the General Advisory Committee and Scientific Advisory Subcommittee, who shall receive no compensation for their services as such members.

''(b) FUNCTIONS.—

''(1) GENERAL ADVISORY COMMITTEE.—The General Advisory Committee shall be invited to have representatives attend all nonexecutive meetings of the United States sections and shall be given full opportunity to examine and to be heard on all proposed programs of investigations, reports, recommendations, and regulations of the Commission. The General Advisory Committee may attend all meetings of the international commissions to which they are invited by such commissions.

''(2) SCIENTIFIC ADVISORY SUBCOMMITTEE.—

''(A) ADVICE.—The Scientific Advisory Subcommittee shall advise the General Advisory Committee and the Commissioners on matters including—

''(i) the conservation of ecosystems;

''(ii) the sustainable uses of living marine resources related to the tuna fishery in the eastern Pacific Ocean; and

''(iii) the long-term conservation and management of stocks of living marine resources in the eastern tropical Pacific Ocean.

''(B) OTHER FUNCTIONS AND ASSISTANCE.—The Scientific Advisory Subcommittee shall, as requested by the General Advisory Committee, the United States Commissioners, or the Secretary, perform functions and provide assistance required by formal agreements entered into by the United States for this fishery, including the International Dolphin Conservation Program. These functions may include—

''(i) the review of data from the Program, including data received from the Inter-American Tropical Tuna Commission;

''(ii) recommendations on research needs, including ecosystems, fishing practices, and gear technology research, including the development and use of selective, environmentally safe and cost-effective fishing gear, and on the coordination and facilitation of such research;

''(iii) recommendations concerning scientific reviews and assessments required under the Program and engaging, as appropriate, in such reviews and assessments;

''(iv) consulting with other experts as needed; and

''(v) recommending measures to assure the regular and timely full exchange of data among the parties to the Program and each nation's National Scientific Advisory Committee (or its equivalent).

''(3) ATTENDANCE AT MEETINGS.—The Scientific Advisory Subcommittee shall be invited to have representatives attend all nonexecutive meetings of the United States sections and the General Advisory Subcommittee and shall be given full opportunity to examine and to be heard on all proposed programs of scientific investigation, scientific reports, and scientific recommendations of the commission. Representatives of the Scientific Advisory Subcommittee may attend meetings of the Inter-American Tropical Tuna Commission in accordance with the rules of such Commission.''.

(c) BYCATCH REDUCTION.—The Tuna Conventions Act (16 U.S.C. 951 et seq.) is amended by adding at the end thereof the following:

''SEC. 15. REDUCTION OF BYCATCH IN THE EASTERN TROPICAL PACIFIC OCEAN.

''The Secretary of State, in consultation with the Secretary of Commerce and acting through the United States Commissioners, shall seek, in cooperation with other nations whose vessel fish for tuna in the eastern

tropical Pacific Ocean, to establish standards and measures for a bycatch reduction program for vessels fishing for yellowfin tuna in the eastern tropical Pacific Ocean. The bycatch reduction program shall include measures—

''(1) to require, to the maximum extent practicable, that sea turtles and other threatened species and endangered species are released alive;

''(2) to reduce, to the maximum extent practicable, the harvest of nontarget species;

''(3) to reduce, to the maximum extent practicable, the mortality of nontarget species; and

''(4) to reduce, to the maximum extent practicable, the mortality of juveniles of the target species.''.

SEC. 8. EFFECTIVE DATES.

(a) AMENDMENTS TO TAKE EFFECT WHEN IDCP IN FORCE.—Sections 3 through 7 of this Act (except for section 304 of the Marine Mammal Protection Act of 1972 as added by section 6 of this Act) shall become effective upon—

(1) certification by the Secretary of Commerce that—

(A) sufficient funding is available to complete the first year of the study required under section 304(a) of the Marine Mammal Protection Act of 1972, as so added; and

(B) the study has commenced; and

(2) certification by the Secretary of State to Congress that a binding resolution of the Inter-American Tropical Tuna Commission or other legally binding instrument establishing the International Dolphin Conservation Program has been adopted and is in force.

(b) SPECIAL EFFECTIVE DATE.—Notwithstanding subsection (a), the Secretary of Commerce may issue regulations under—

(1) subsection (f)(2) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(f)(2)), as added by section 5(b) of this Act;

(2) section 303(a) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1413(a)), as added by section 6(c) of this Act,

at any time after the date of enactment of this Act.

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

The PRESIDING OFFICER. Under the previous order, the clerk will report H.R. 2169.

The assistant legislative clerk read as follows:

A bill (H.R. 2169) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1998, and for other purposes.

The Senate resumed consideration of the bill.

Mr. HOLLINGS. Mr. President, included in the fiscal year 1998 Transportation appropriations bill is an amendment that directs the Federal Aviation Administration [FAA] to work with one segment of the aviation industry to develop an expeditious way to comply with the pilot record sharing legislation, enacted last year.

When we passed the pilot record sharing legislation as part of the FAA Reauthorization Act, ''air carriers'' were required to obtain certain records, including FAA records, on pilots. The term air carrier includes more than just airlines. It also includes, for example, on-demand non-scheduled carriers. These carriers tend to hire pilots on an as-needed basis, and need the information from the FAA in a more timely manner than airlines.

The FAA is aware that these carriers need to be able to respond quickly to information requests from the on-demand segment of the industry, and are striving to get the required information to them within 15 days. Ultimately, the information should be available on a real time basis through desk top computers. The amendment recognizes that the FAA must work with industry to figure out a means to comply with the law, and then implement those changes.

There are many ways for the FAA to facilitate the passing of the information, and discussions should commence with the industry. Compliance is critical, but we cannot ask the impossible of the industry or the FAA. I also want to note that the directive in the Appropriations bill does not authorize any new program, but merely directs the FAA to work with the industry to implement last year's legislation. As a result, I do not believe that we are legislating on an Appropriations bill.

I want to thank the chairman, Senator SHELBY, and the ranking member, Senator LAUTENBERG, for their acceptance of the amendment.

Mr. D'AMATO. Mr. President, the Senate has accepted an amendment that Senator MOYNIHAN and I offered to the fiscal year 1998 Transportation appropriations bill that I believe will help provide a measure of financial relief to the working men and women of Nassau, Suffolk, Westchester, Putnam and Dutchess counties. Residents of these counties pay a premium price to commute each day into New York City by commuter railroad. Roughly half of these commuters then have to pay another fare to get to their final destination by bus or subway. Our amendment will require the New York Metropolitan Transportation Authority [MTA] to conduct a study to determine the feasibility of providing a free subway or bus transfer to those persons who use the Long Island Rail Road [LIRR] or Metro North commuter railroad so that these daily riders may decrease their commuting costs.

Recently, the New York Metropolitan Transportation Authority [MTA] announced its MetroCard Gold program. This program for the first time provides free transfers for those who transfer between New York City buses and subways. In essence, the commuter who until now commuted from a two-fare zone now pays only one fare. This program will greatly benefit city commuters, saving them approximately $750 per year. It will also have a positive impact on the local economy and the environment.

In addition, at my urging, the MTA will extend this single fare policy for similar bus-to-bus and bus-to-subway transfers for the MTA's 40,000 Long Island Bus commuters traveling between Long Island and New York City. It is estimated that these commuters will realize an average yearly savings of approximately $900 based on current fare structures.

The intended goal of this policy is to create a seamless, integrated transportation system that will benefit commuters in the most transit-dependent region of our country and, indeed, the world. I commend Governor George Pataki and MTA Chairman Virgil Conway for this forward thinking initiative. What now needs to be determined is if this policy can be expanded. My amendment will require the Metropolitan Transportation Authority [MTA] to conduct a feasibility study, from funds made available to the MTA from the Federal Transit Administration, on extending this policy to New York's two commuter railroads.

New York is home to the two largest commuter railroads in the Nation—the Long Island Rail Road [LIRR] and the Metro North railroad. Each day, approximately 235,000 commuters depend on these two railroads to get to work and back home again. Almost half of these commuters—108,000 or 46 percent—transfer to subways and buses once they arrive in New York City. They also repeat the trip in the evening as they head back to the train station. These are commuters who may pay $125, $175, $225 or more per month to take these two commuter railroads. On top of that, they can pay an additional $750 over the course of a year for that portion of their commute that occurs on the city's subways and buses.

If we really want to create a seamless transit system, one that encourages more people to take the train and leave their cars at home, then Metro North and Long Island Rail Road commuters should be offered a free transfer to the City's subways and buses. In addition to the financial savings for commuters, the benefits to public health, the environment and the preservation of natural resources as well as the enhancements to the quality of life for these commuters should be powerful incentives to extend this single-fare policy.

More than 100,000 Long Island Rail Road and Metro North rail commuters use New York's subway and bus systems daily. If it is feasible—and taking into consideration all factors—then the commuters who use Long Island Rail Road [LIRR] or Metro North and the New York City subway or bus systems should receive similar benefits as are available under the MTA's single-fare policy. This amendment will move us one step closer to that goal.

Mrs. BOXER. Mr. President, I would like to ask the distinguished chairman of the Subcommittee on Transportation appropriations if he would respond to questions that I have regarding the bill.

Mr. SHELBY. I would be happy to respond to the questions from the Senator from California.

Mrs. BOXER. I first want to thank the chairman for his work in developing this major appropriations bill that

is so vital to our Nation's economic productivity and quality of life. This was an important undertaking that presented many difficult issues. I applaud him for his patience and his willingness to meet with me and my constituents in California on one of those issues involving a fixed-guideway transit project.

As the chairman knows, my State has many requests for transportation investments, particularly in the area of bus and bus facilities. I would like to bring to the chairman's attention two projects in particular which were not funded in either the Senate or the House bills. The first was a request from the Los Angeles Metropolitan Transit Operators Coalition, which represents 8 municipal transit operators serving more than 63 million passengers annually in 36 cities of Los Angeles County. The coalition was formed to obtain economies of scale in procuring replacement and expansion buses and to provide critical alternative fuel facilities. These clean-fuel buses are vital for the Los Angeles area which has the most severe air pollution in the country. The second project involves replacement and expansion buses for the growing city of Santa Clarita.

I ask the chairman if he would support some funding for these two projects when he meets in conference with the House on the Transportation appropriations bill?

Mr. SHELBY. I understand the Senator's concerns about funding for bus and bus facilities in California and the subcommittee did face very difficult choices for funding. I will be happy to work with the Senator on these issues in the conference committee.

Mrs. BOXER. I thank the Senator and ask if he would respond to an additional question.

Mr. SHELBY. I would be happy to.

Mrs. BOXER. As the Senator knows, the advanced technology transit bus [ATTB] under development in California has the potential to be the next-generation urban transit bus. It has already demonstrated its ability to provide maintenance savings, accommodation for the disabled, and to be a platform for a variety of clean-fuel technologies. The committee agreed at my request to provide some funding for the project under the bus program. I now understand that the chairman did meet the President's request for full funding of the project at $10 million under the Transit Planning and Research Program and ask that he support transferring the $2 million earmarked elsewhere for the ATTB in the bus program funding to Foothill Transit.

Mr. SHELBY. Yes, the committee fully funded the President's request under the Transit Planning and Research Program. I will be happy to work with the distinguished Senator from California during conference committee consideration of this issue.

Mrs. BOXER. I thank the Senator for his continued cooperation and leadership on the Transportation appropriations bill.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question occurs on passage of the bill, as amended.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina [Mr. FAIRCLOTH] is necessarily absent.

The result was announced—yeas 98, nays 1, as follows:

[Rollcall Vote No. 208 Leg.]

YEAS—98

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

NAYS—1

Roth

NOT VOTING—1

Faircloth

The bill (H.R. 2169), as amended, was passed.

The PRESIDING OFFICER. Under a previous order, the Senate insists on its amendment, requests a conference with the House, and the Chair is authorized to appoint conferees.

The PRESIDING OFFICER (Mr. HUTCHINSON) appointed Mr. SHELBY, Mr. DOMENICI, Mr. SPECTER, Mr. BOND, Mr. GORTON, Mr. BENNETT, Mr. FAIRCLOTH, Mr. STEVENS, Mr. LAUTENBERG, Mr. BYRD, Ms. MIKULSKI, Mr. REID, Mr. KOHL, and Mrs. MURRAY conferees on the part of the Senate.

Mr. INHOFE addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

INTERNATIONAL DOLPHIN CONSERVATION PROGRAM ACT

Mr. INHOFE. Mr. President, I ask unanimous consent that the Commerce Committee be discharged from further consideration of H.R. 408, the House companion to the tuna-dolphin legislation. I further ask unanimous consent that the Senate proceed to its consideration and all after the enacting clause be stricken and the text of S. 39 as passed by the Senate be inserted in lieu thereof, the bill then be considered read a third time and passed, with the motion to reconsider laid on the table.

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

The bill (H.R. 408), as amended, was passed.

MORNING BUSINESS

Mr. INHOFE. Mr. President, I ask unanimous consent that between now and 12 o'clock we have a period of morning business.

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

ORDER OF SPONSORSHIP—S. 1084

Mr. INHOFE. Mr. President, I also ask unanimous consent that the bill I introduced yesterday, S. 1084, that was introduced as the Inhofe-Breaux bill, be changed so that the bill be considered the Breaux-Inhofe bill.

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

OZONE AND PARTICULATE MATTER RESEARCH ACT OF 1997

Mr. INHOFE. Let me make a couple comments. Since we are down to a few minutes, there will not be the time for detail which I will go into later.

Yesterday, Senator BREAUX and I introduced S. 1084 entitled the ''Ozone and Particulate Matter Research Act of 1997.'' This bill offers a simple solution to a very serious problem. I think there is a large segment of the population out there that will consider this bill to be singly the most significant of this legislative session.

In essence, this legislation provides the authority and resources to conduct the necessary scientific research and monitoring for the national ambient air quality standards for ozone and particulate matter. It reinstates the preexisting standards for both pollutants and requires the agency to wait until the research is complete before they revise the standards.

The bill creates an independent panel which will be convened by the National Academy of Sciences to prioritize the needed particulate matter research. This would take the politics out of setting research priorities. Next, a panel will be created to oversee the Federal research program in order to ensure that the priorities set out will be followed.

Mr. President, just to bring us up to date here in this short period of time, last November the Administrator of the EPA came out with a message on behalf of the administration stating that we should change our ambient air standards so far as ozone and particulate matter are concerned. In particulate matter, it would mean that we

would drop it down from 10 microns to 2.5 microns. In ozone, which is measured by parts per million, it would drop it down from .12 to .08.

While that sounds technical and a little confusing to some people, the bottom line is that many counties throughout the United States would find themselves out of attainment with these new standards. I can tell you, when I was mayor of the city of Tulsa and we were out of attainment, how difficult it was. There was not any possibility of recruiting any new industry. A lot of industries had been shut down or had to reduce the number of shifts they had. We had to impose various requirements for car pooling and impose things that really changed the lifestyle of our citizens.

The problem is that when the Administrator came out with the proposed new standards in November, we did some research only to find out that there is no scientific justification for lowering the standards. In fact, as the chairman of the Clean Air Subcommittee of the Environment and Public Works Committee, I held my first hearing, a scientific hearing, where we had members of CASAC—that is the Clean Air Scientific Advisory Committee—to come in and advise us as to what the science is behind these recommended changes, only to find that there is no scientific consensus behind these recommended changes. In fact, these experts said there is no bright line, as they call it, for ozone levels beyond which it can be said to be detrimental to human health. As far as particulate matter is concerned, they say there is no science that concludes that there is any causal relationship between any level or type of 2.5-micron particulate matter and respiratory diseases. When asked how long it would take to establish such conclusions, they said it would be approximately 5 years before we should know.

Consequently, we feel that legislation is warranted to postpone any decision to set an arbitrary new standard for these pollutants. Instead we need more study and this bill provides for it. Clearly, as you can see from the original sponsor and cosponsor as well as from those behind a corresponding bill in the other body, this is a bipartisan effort. It is a bipartisan effort that wants clean air, that wants us to make sure that we do not impose any hardships on the American people which are going to be costly and make us noncompetitive on a global basis, inconvenience the American people, and cost us billions of dollars unless there is some scientific justification for it.

I have been critical of EPA. When their proposed rules first came out, the Agency claimed the new standards were needed to prevent 40,000 premature deaths per year due to respiratory problems. Then some months later they changed that to 20,000 deaths, and then recently they knocked that down again to a much smaller amount. At the same time, a research group called the Reason Foundation out in California concluded that a more accurate figure would be no more than 1,000 premature deaths, if that. So there has been a lot of scare talk around. And a lot of misinformation.

We hear many say that those of us who differ with the EPA don't want dirty air. Let me assure you, Mr. President, I have four kids and six grandkids. I do not want dirty air either. I care about their health and well-being as much, I dare say, as any public servant shuffling paper in some Federal agency. What I am concerned about is that we approach this issue in a rational and orderly manner. We should do the science first, we should know what's causing the problem, we should be clear about what is needed to address the problem and then take action with a proper consideration of all the consequences—both wanted and unwanted. What we don't want to do is put ourselves in a position where our philosophy is ''ready, fire and aim'' instead of the more reasonable ''ready, aim and fire.'' Unfortunately, the EPA wants to shoot first and ask questions later. This is not right.

In the House of Representatives, on a bipartisan basis, H.R. 1984 was introduced, and this bill is very similar to the bill we are introducing.

So I would like to suggest to you, Mr. President, that there is going to be a lot of activity during the August recess, a lot of education going on to make sure that people understand what is about to happen and to make sure we don't go ahead and adopt standards that are artificially reduced with inadequate science to justify those reduced standards.

Mr. President, 12 o'clock being near, I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. We have plenty of time. I wonder if the Senator from Oklahoma desires additional time.

Mr. INHOFE. I would like to have 5 additional minutes if I may.

Mr. DOMENICI. I yield up to 10 minutes to the Senator.

The PRESIDING OFFICER (Mr. ROBERTS). The Senator from Oklahoma.

Mr. INHOFE. I thank the Senator from New Mexico.

To give you an idea of how this issue has been distorted, it was stated by the administration that, in the event that we do adopt the lower standards for ozone and particulate matter, they said it would only cost $9 billion. Yet, last week, when we had Mary Nichols, the EPA's Assistant Secretary for Air, she stated that the cost would be $9.1 billion, a very uneven number, making us believe there is some scientific reason for that, when, in fact, the Reason Foundation, out in California, concluded, in its study, that the cost is not going to be $9.1 billion if we adopt these standards. Instead, they say it is going to be somewhere between $90 and $150 billion. In fact, the President's own Council of Economic Advisers put the cost at $60 billion for the ozone standard alone.

If we split the difference between the $90 and the $150 billion, that means that for a family of four on average income, it would cost them approximately $1,600 a year—$1,600 a year—to do something for which there is not adequate science to justify it. Second, the administration, in their scare tactics, back in November, said in the event we do not do this, it is going to result in 40,000 premature deaths a year. In December, they dropped that down to 20,000 premature deaths a year. In April, it came down to 15,000 premature deaths a year. Again, many groups now say it is less than 1,000.

It was kind of interesting, because when we had the people who are trying to claim the number of premature deaths that would be there if we did not lower these ozone and particulate matter standards, I described the death of my beloved mother-in-law, which took place on New Year's Day. She was 94 years old. It was one of those deaths that was a real blessing; the time was here. Yet, the circumstances under which she died would have qualified her, according to these so-called experts, to be counted as a premature death.

I think we have also been told things that are not true by the administration, when they say how many people are going to be affected. I have a chart here that we found by some accident, of the Southeastern part of the United States. This came out of the EPA. This is not my chart. What they are trying to say is only the counties, if we lower these standards, in the dark green would be affected in terms of having to come into compliance. Now we see these concentric circles around here covering more than half of this whole region, admitting at one point there would have to be some controls. They call this level 1 control region; level 2 control region—this would be level 2. In other words, the areas actually subject to some form of regulation under these new standards are much larger than people are sometimes being led to believe. So we are getting information that is certainly not consistent with the facts.

Another criticism I have with the administration is how they have tried to sell this idea by singling out certain people. Certainly the Presiding Officer, being from Kansas, and the former chairman of the House Agriculture Committee, understands that this would have a tremendous effect on the agricultural community throughout the United States. You would have Government saying when you can disk, when you can till, when you can burn off a field, when you can use fertilizers, when you can harvest a crop. I can tell you right now, if you ask the average farmer in America what his biggest problem is, it's not the taxes; it's the overregulation that takes away his

freedoms. I have often said, every time you increase regulation, you take away a degree of individual freedoms. That is exactly what they have done.

So we have an administration which now says to the farmers, don't worry, we are going to exempt you; you are not going be affected by this. Then they went to the U.S. Conference of Mayors—and I have to say that I used to be the token conservative on the board of directors of the U.S. Conference of Mayors when I was mayor of Tulsa, OK. It's not really a conservative operation. Yet, they voted, in San Francisco, overwhelmingly, to reject these standards, and these are the mostly Democrats talking, not Republicans.

Why are they concerned about it? They are concerned about it because they know if we bring these standards down, those mayors are going to be running cities that will be out of attainment. This will be another, probably the most severe, of what they call the unfunded mandates that has been out there.

The administration also tried to single out small business, to say this is not going to affect small business. They even said that to one of the Congressmen from Louisiana: Well, you have seven parishes, but don't worry, we won't make you do anything, we'll get the people to the west so when the air flows over it is going to clean up your air. So it has been a very dishonest campaign by the administration. I really believe during the August recess we are going to be able to show the American people what this is really all about.

Last year we passed two significant laws. One is called SBREFA, the Small Business Regulatory Enforcement Act—SBREFA. The thrust of this bill is you can't pass a new rule, a new regulation, unless you explain its effect on small business. So, during one of our committee meetings, we asked the Director of the EPA, ''Why is it that you have not explained what the effect of this will be on small business?'' The response was, ''There is no effect on small business.''

I can assure you, Mr. President, all these farms that are small businesses—I can assure you, any small business that has an electric bill, when they say this is going to increase the electric bills by somewhere between 8 and 10 percent, that's an impact on small business. The response of the EPA is, ''Wait a minute, all we are saying to the States is you have to come into attainment. You have to figure out how to do it. And whatever you do to your citizens to make that happen is your responsibility. So we—the EPA—are not the ones saying we are imposing a hardship.''

We passed another bill, the unfunded mandates bill, that says we cannot pass regulations here that result in an unfunded mandate to political subdivisions below the Federal Government. Consequently, I can assure you, the U.S. Conference of Mayors, the National Association of Governors, and the National Association of State Legislators, the National League of Cities and all these groups that are so concerned about this, they know exactly what an unfunded mandate is.

I anticipate, when the time comes that these standards are put into effect, or set, that there are going to be some lawsuits. I think the American Truckers Association already stated they are going to be suing the EPA. So my concern is, with all these lawsuits that will take place, that we resolve this issue to some satisfaction now, before we get locked in endless litigation. the best way to avoid this happening, the best way to avoid these arbitrary, onerous, and unjustified regulations, would be to go ahead and pass this legislation, which is S. 1084.

I believe S. 1084 and H.R. 1984 will be passed, and I think they will be passed with a large enough margin to sustain a veto.

Mr. President, I yield the floor.

BALANCED BUDGET ACT OF 1997—CONFERENCE REPORT

Mr. DOMENICI. Under the previous unanimous-consent order, I assume we are on the budget bill at 12 o'clock?

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to H.R. 2015 having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

THE PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of July 29, 1997.)

The PRESIDING OFFICER. Who seeks recognition?

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Mr. President, parliamentary inquiry. How is the time being charged?

The PRESIDING OFFICER. The time under the quorum call was charged to the Senator from New Jersey who asked for the quorum call.

Mr. DOMENICI. He asked for it. That is not fair. Can we do this: I ask unanimous consent that we charge the time that has elapsed equally to both sides and, henceforth, on the quorum call I am going to ask for right now, it be charged equally also.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

RECESS

Mr. DOMENICI. Mr. President, I ask unanimous consent that we stand in recess until the hour of 1 o'clock, and that the time continue to run on the conference report pursuant to the Budget Act, and it be charged equally.

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

Thereupon, at 12:29 p.m., the Senate recessed until 1 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HAGEL).

BALANCED BUDGET ACT OF 1997—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum and ask unanimous consent that it be charged equally.

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

The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Mr. President, I understand Senator GRAMS would like to speak for up to 10 minutes. I yield him that time off the bill from our side of the 10 hours.

The PRESIDING OFFICER. The Senator from Minnesota is recognized to speak for up to 10 minutes.

Mr. GRAMS. Mr. President, I want to give my congratulations to the chairman of the Budget Committee and all the others who have worked so hard over the last couple of weeks to work out an especially very important tax package, which I believe is going to be a step in the right direction of relieving some of the tax burden placed on American families over the last several years.

So with that, Mr. President, I rise to express my strong support for the tax relief package that will be coming before the Senate tomorrow. I want to take this opportunity, again, to commend and thank the majority leader,

Chairman DOMENICI, Chairman ROTH, and the negotiators for the administration for all of their efforts to bring us to this historic point here today.

Mr. President, when my good friend TIM HUTCHINSON and I went to the floor as freshmen members of the House in June 1993 to introduce a budget plan we called Putting Jobs and the American Family First, I could never have guessed the long road we would have to travel to reach the point we find ourselves at today—on the verge of enacting the $500 per-child tax credit that served as the centerpiece of our 1993 legislation.

Our proposal did not have a lot of support in Washington in 1993, and family tax relief did not even make the radar screen of most lawmakers. But that was not important, because we had support where it mattered the most: with the American taxpayers. In the years since, I have watched the enthusiasm for the $500 per-child tax credit continue to grow until it could no longer be ignored here in Washington. After being embraced by the President and congressional leaders in both parties, 1997 is the year in which the $500 per-child tax credit will finally become law.

I have been pleased with many of the changes we been able to bring about in our Government during my service in Congress—but the vote we'll take tomorrow on our tax relief plan charts an important new course. This week, we fulfill what I consider to be a fundamental promise we made 2½ years ago to the American taxpayers: that Washington would finally listen to the people and let them keep a little bit more of their own money at the end of the day.

This legislation is a victory—not for the Senate, or the House, or the President, but for the working families of America. Those are the men and women who go to work every day—and sometimes to a second job at night—in the summer when the heat is horrific and the winter when the car will not start and the snow is piled up to their knees. They put in their 8 hours and often stay for another 3 or 4 for the overtime if they are struggling to save for a new furnace or the kids need braces. They do not ask for much—just to be treated fairly. These are the folks who look at their checkbooks each week and wonder ''Where did it all go?''—the same folks who stare at their tax returns each April and ask ''How come the government takes so much?''

Thanks to the $500 per-child tax credit, the Government will be taking a little less on tax day.

Mr. President, I am pleased with the improved $500 per-child tax credit provision contained in the fiscal year 1998 reconciliation conference agreement. It is a needed improvement over the Senate-passed version, which I voted against in June.

At that time, I opposed the Senate tax bill because of the way it restricted the use of the $500 per-child tax credit, and in the process, diluted its value. The Senate plan offered a $250 tax credit in 1997 for children under the age of 13, which increased to $500 per-child in 1999. For children age 13 to 16, the tax credit was available only if parents dedicated it toward their children's education. While I fully support the idea of putting away those tax credit dollars for college, I do not believe the Government should mandate exactly how the taxpayers should spend their own money. That is not the place of Congress and the President.

When I cast my vote against the Senate's tax cut bill in June, it was to send a signal to budget negotiators that we must craft a $500 per-child tax credit that does more for working families. With the recent improvements made by the House and the Senate, it is clear Washington finally got the message—as a result, more families will keep more of their hard-earned tax dollars.

The $500 per-child tax credit remains the centerpiece of the our tax relief plan. Under the agreement, working families will be provided a $400 per-child credit in 1998, which increases to $500 per-child in 1999 for dependent children below age 17. The credit is phased out for families earning more than $110,000 per year. The result is that the families of 43 million children nationwide will receive more than $70 billion in tax credits over the next 5 years.

It is the Nation's middle-income families who will benefit most once this provision is enacted. In my State of Minnesota, nearly 700,000 children from middle-class families will be the primary beneficiaries. Those families will see over $300 million in tax relief. That is $300 million that will not go to Washington to fund the priorities of the Federal Government. Instead, families can use that money to fund their own priorities, whether that is groceries, medical expenses, insurance, or education.

An additional 170,000 Minnesota children will receive the tax credit under this expanded version than would have under President Clinton's plan.

Another notable improvement is that the agreement broadens the child tax credit to low-income families.

When Senators HUTCHINSON, COATS, and I introduced our most recent version of the child tax relief legislation earlier this year, we urged Congress to provide immediate tax relief to families effective in 1997, provide it to as many families with children under age 18 as it possibly can, regardless of their income, and make it available against all taxes paid by workers, including payroll taxes. I am pleased the agreement adopted our proposal and offset this tax relief by tightening the earned income tax credit.

For a typical family of four, the $500 per-child tax credit means $1,000 in tax relief, which would pay 1 month's mortgage and grocery bills, or 11 months' worth of electric bills, or nearly 20 months' worth of clothing for the children.

More significantly, the $500 per-child tax credit will reverse a 16-year tide of rising Federal taxes to finally reduce a family's total Federal income tax burden. This is the first tax cut in 16 years, but, in the meantime, there have been 10 tax increases in that 16 years. This begins to reverse the tide.

For a family of four earning $30,000 per year, $1,000 in tax relief would cut their income tax burden by 51 percent. Meanwhile, a family of four earning $40,000 would see their tax burden cut by 30 percent, a family earning $75,000 would see their tax burden reduced by 12 percent, and a family earning $100,000 per year would receive a tax cut of 7.4 percent.

This tax relief will restore some fairness for the taxpayers of my State. Over the past several decades, the Federal tax load on Minnesota residents has grown larger and larger while their share of Federal spending has gotten smaller and smaller. Minnesotans last year paid an average of $5,563 per person in taxes to the Federal Government, $203 more than the national average. But Minnesota received back only 78 cents in Federal spending for every $1 its taxpayers sent to Washington, among the lowest return of any State. This regional disparity is an additional financial burden to Minnesota residents.

Mr. President, I also applaud the inclusion in the agreement of important pro-economic-growth and pro-prosperity tax provisions such as capital gains relief and estate tax reduction. Although these tax cuts are rather small and hardly keep pace with inflation, it is nonetheless a move in the right direction. These tax cuts will spur job creation and economic growth. In doing so, they will reduce the cost of capital, increase worker productivity, and provide higher salaries for the American people.

However, I believe Congress could have done much more in the way of tax relief for working Americans if Washington would just spend less and allow working families to keep more of their hard-earned money.

I personally would prefer a full and immediate $500 per-child tax credit for all families with children under 18 without any restrictions, zero capital gains tax, elimination of the death tax, and ending double taxation. But those battles will have to wait for another day.

My greatest disappointment with the tax deal is that it contains no real tax reform. Instead of simplifying the Tax Code, this tax bill increases its complexity. Tax policy is still used as a tool for the redistribution of private incomes and for social engineering. Nothing is done to end the IRS as we know it. Unfortunately, these defects greatly diminish the positive impacts of the tax bill. I pledge to continue to work with my colleagues on real tax reform in the future.

Although the tax relief in the improved bill is still tiny when compared against both the total tax burden of the American taxpayers and total Government spending, it is the first time in 16 years that the Government has acknowledged that working families are being heavily overtaxed. That is reason enough to celebrate.

Mr. President, ever since the people of Minnesota sent me to represent them in Congress—first in the House and now in the Senate—Americans have been writing me to share their dreams for themselves and for their nation. Their letters fill dozens of files in my office. Some of the most passionate stories have come from families—working families who heard that I had proposed a $500 per child tax credit and wanted to tell me what a difference such a seemingly simple piece of legislation would make in their lives.

I would like to share just a few of their letters. A family in Illinois wrote:

> We are a one-paycheck family struggling to keep our heads above water . . . It is encouraging to know there are members of the government who understand our struggle and are working on our behalf.

''Thank you for your efforts in trying to help families receive a tax credit of $500 per child,'' wrote another family, this one from Texas. ''As parents of three children, we truly appreciate your endeavors in a time when other politicians are trying to get more and more of our hard-earned money.''

From Michigan came this letter:

> There are not very many people in Washington who remember the pro-family community—and even fewer in Washington who will support the family.

And a family in my own State of Minnesota sent me this heartfelt letter:

> As the mother of seven children with one income, I am especially interested in the $500 per child tax credit. We refuse to accept aid from federal or state programs that we qualify for.
>
> We believe this country was built with hard work and sacrifice, not sympathy and handouts. We also believe that we can spend this money more effectively than the government, which has only succeeded in creating a permanent dependent welfare class with our money over the last 40 years. Let us get back to basics.

Let us get back to basics.

I think ''getting back to basics'' is what this debate is all about, Mr. President. The American family has always been our Nation's most basic level of government. The power begins with the family and it ought to remain with the family at the end of the day. By enacting the $500 per child tax credit into law, Congress and the President will at last send a message to real Americans—the folks outside the confines of this Capitol—that we understand what it means to be a working family in the 1990's, that we know government demands too much while delivering too little, and that we can put aside the politics that too often divide us and do what is right by the American taxpayers.

Mr. President, the $500 per child tax credit is not going to make anybody rich, but we cannot measure its value in just dollars and cents. After 16 years without a drop of tax relief, we are finally going to let the taxpayers keep a little bit more of their own money at the end of the day. From the vantage point of this Senator, that is a priceless investment in the American family.

Again, after 4 years of hard work to bring about at least this portion of the tax bill, which has been called ''the crown jewel,'' we are going to finally succeed in giving the American family some hard-earned tax relief.

Thank you, very much, Mr. President.

I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, thank you for recognizing me.

I want to make an announcement for Senators. The bill—the very large bill that you have seen kind of appear on the desk—is available to those who have access to the Internet. You can view the bill through a link in the Budget Committee office. You can do it in your own offices on the Budget Committee home page, and the bill will be here no longer than a half-hour from now in sufficient numbers for those who want to view it in its entirety.

As you know, the House is voting on the bill now—debating and voting on it. Then it will officially be transmitted to us. We have decided to start debating this so that we could all use this time during the day and not have to be here all night to get this done in a timely manner.

Mr. President, I want to make a few observations. Obviously, Senator LAUTENBERG will have his, and then I would like very much to say to Senators that we are using time out of the 10 hours allowed.

I understand from our majority leader that we intend to get this bill done, if possible, tonight; if not, clearly tomorrow morning. So that means we are going to spend a lot of time here on the floor between now and the time we quit tonight.

So, if Senators have comments they would like to make, or if they have questions, I would particularly suggest if you have questions with reference to the Byrd rule—one of the rules that apply to these bills that do not apply anywhere else because it has to do with a special test for extraneousness—I wish they would talk with us, or talk with Senator LAUTENBERG's staff or our respective leadership offices about the Byrd rule violations that we are aware of and kind of documented now. We would all like to have a chance to work together on them. When it comes to that issue, I would like to make the following statement so that everybody understands. I am sure my friend, Senator LAUTENBERG, will concur.

The White House has been involved from the very beginning in the preparation of this legislation. And from time to time both the Republicans and the White House have been involved with Democratic legislators. But let me make it very clear. This is a historic document in another procedural context because last evening the White House staff stayed until late in the evening—in fact, until the early morning hours—before they would sign off on this. They read every single word of legislative language. And, indeed, they read every word in the accompanying report language. Frankly, I have been around here a long time and working with administrations and the White House with legislation up here, and I think this may be the first time that has ever happened.

I only say that because, obviously, it was hard to put this package together. In the process there are many wordsmiths, and there are many things that have to be put together in terms of language. But every bit of it, including those few instances where there are Byrd rule violations—and that sounds rather ominous, but it really means that we have a technical rule that says you ought not be legislating in this bill. You ought to be doing deficit reduction. And on some occasions it is hard to keep that altogether and not fall into something that is legislative in a 1,000-page document.

So let me stop the process part, and just remind Senators who would like to speak today if you have some thoughts and things that you want the public to hear from the floor of the Senate, as soon as you can start calling us for time, we would be very, very glad to accommodate. And I think we can accommodate most people on a rather short notice because from my standpoint I have said an awful lot. I don't intend to be here on the floor saying a lot more. I am just trying to get this bill completed.

But let me start by saying this morning that the headline in the Washington Post, which has not been very supportive of this, used five very nice words. They said, ''This is a Big Deal.'' Maybe they don't like the ''big deal,'' but it is nice that they recognize what all of us know—that this is a big deal for the American people. It carries out a bipartisan budget agreement that in itself was historic between the President and the leadership of Congress back in May. It is a big deal in this town when we could do what the American people asked us to do, and that is to work together to live by our commitments, to reduce spending and reduce taxes, and get our work done.

So it is pretty obvious that this is a big deal. It balances the budget for the first time in 30 years. And I know there are many who will continue to be skeptical until that day arrives. Frankly, I am here saying I am a pretty good budgeteer. I understand all of these nuances about budgeting, and how the economy impacts on it—how inflation impacts, how the growth in the economy impacts. But absent a real major

catastrophe, which nobody can plan for, this budget will be balanced. Frankly, it is because of a number of things. The economy is doing splendidly. That could change. But it looks like things are in place like they haven't been for a long, long time in terms of those things that make an economy go into recession or into an inflationary cycle. And we are not growing out of control. It is kind of a measure of good solid growth.

So I think we are entitled to use conservative estimates for the next 5 years, which we have done, Mr. President. The economics in this bill's projections for the future are not overly optimistic. So when you add it up, for those who say we have some new programs and we spend some money, that is correct. For some there isn't enough by way of cutting the budget in this—cutting the expenditures. But I will get to that in a minute.

Just remember, it is a Democratic President elected by the people and a Republican-controlled Congress with Democrats in the minority who had to put a package together that did something significant, or spend the next 3½ years, in my opinion, doing nothing. We would have been around here fighting. We would have at every juncture on every bill have had stalemates. We might have even closed down Government again.

So from my standpoint, if you look at 10 years—and I am not saying everything in these 10 years is locked in stone, but 5 years of it is—we reduce what we would have otherwise spent by about $1 trillion. This time we have not included in that estimate the savings that will come from debt service because as you reduce the amount that you borrow you take off of that baseline that had calculated in it interest.

Yes, this balanced budget is a bipartisan budget agreement. We followed it as well as any differing groups could follow it. We put it together with a different group than had to implement it. So that is not easy, for they always second-guess us and claim they should have been in. I wish everybody in the Senate could have been in on the negotiating. I wish every chairman could have been. I guess as I wish it I speak the truth—that had they we wouldn't be here. That is the reality of trying to do this kind of thing.

But we said in that agreement that we were going to spend $24 billion. We did agree to provide $24 billion in new spending for children's health programs for insurance. We also agreed to make changes in last year's welfare reform, which results in some additional national spending.

I want to correct myself. The bipartisan agreement said $16 billion in new spending for child health care coverage. The U.S. Senate voted in $24 billion, and the Senate version prevailed in the final outcome of negotiations.

I note on the floor of the Senate now, along with Senator LAUTENBERG, is the distinguished Senator from Delaware, Senator BILL ROTH.

Let me make sure that everybody understands that his chairmanship and his committee made this the big deal that it is. I say to the Senator, I just commented that finally the Washington Post, after being against this budget, at least recognized one thing. They said, ''It Is a Big Deal.'' And I am saying there would have been no big deal without the Senator from Delaware and the marvelous bipartisan committee that he has. I thank him right here publicly for that.

Let me just go on through. After Senator LAUTENBERG speaks, our distinguished chairman of the Finance Committee, which had jurisdiction over about 85 percent of this bill, wants to speak. I want to yield quickly.

I want to say, however, that Republicans for a long time said we ought to balance the budget. It has now become everybody's cry. The President wants it. Many Democrats want it. But I take a great deal of pride in behalf of Republicans in my capacity as chairman and ranking member of this Budget Committee.

I have been trying to get there for a long time. And I think we have done a great job as Republican leaders in pushing this. That is not trying to detract from those who have joined us, including the President of late. We also wanted some tax cuts.

Many of us thought American families were in desperate need of some help—especially middle-income American families with kids. We have done that. Again, even though most of that originally started on our side of the aisle, I don't tend to, nor do I want to, denigrate the fact that it has broad support on the other side, and the President of the United States is supportive of it.

The capital gains differential has been part of what Republicans thought we should have in this Tax Code for decades. As a matter of fact, it is very interesting that we got a capital gains differential in this bill. We joined the industrial nations of the world with capitalistic societies that have moved that way already, and I think that bodes well for the future.

Everybody knows the other provisions that my friend, the chairman, will speak to. But I just wanted to make the point, for those who seem from time to time to give up on causes and to be for them for a few years and say we can't get them done, I believe Republicans ought to be proud of the fact that we have stood pretty fast for those issues, the ones I just described, and some others, and most of them are coming true here.

That is not to say some issues that the Democratic Party and this President have pushed very hard for are not in this bill, also. I am sure, knowing my friend, Senator LAUTENBERG, he will remind us—and that is what he ought to do. And those are some things I want, too. I am not running around apologetic about trying to cover children that do not have health insurance. I am not sure we know how to do it quite right yet, I say to the occupant of the chair, who shares that concern with me, but I think we have to get started, and we have done that.

One last thing is we all know the Medicare Program for the seniors of America—39 million of them almost right now—we know that program is, for many of them, something they build their confidence on as they get older and as some of them get sick, and as they get sick, they know they have this great hospitalization program. Now, there is no one who ought to be anything but proud of the fact that we have taken a system that is falling apart financially, and we fixed it for 10 years. It probably would have gone bankrupt in 2, maybe 2½ years, so we fixed it for 10 years.

Now, I am kind of tempted to say that is a big deal. But I think it is. Now, it is not fixed permanently. It still continues to have big problems out there in 15 years, 20 years, but, frankly, I am not apologizing that a budget resolution and essentially this plan did not solve that. Actually, I do not believe it could have. I believe it is such a big issue in and of itself that it will be solved only when a bipartisan national commission, which is provided for in this bill, goes out into America and tells everybody the problems and comes up with some solutions that are bipartisan that Presidents and Congress will support. We started that here.

But I believe in the meantime we had to make that program more efficient. We have done that. In fact, we made it $115 billion more efficient by changing the rules of the game. In the meantime, we are trying to give seniors the best of health care at the most reasonable prices, putting some competition into the program, and that is there, alive and kicking and strongly voicing itself in this bill—competition.

So there are HMO's, there are professional provider organizations, there are private fee-for-service programs, and there are PSO's. It also has a demonstration program, a medical savings account of 390,000 beneficiaries.

Now, when you put all that together, along with a new $4 billion preventive program that I am not going to discuss in detail, we have done fairly well by the people who pay for Medicare, the working people, and pretty well by the seniors. You package this all together—a balanced budget, which means we are not going to have our children paying our bills too much longer. That is what a deficit and a debt are. It is asking our kids and our grandkids to pay our bills. A balance says we are not going to do that anymore.

Now, it is a long time coming, and we owe a lot of money, so we cannot stand up and say to our kids they are not going to pay some of our bills, because the debt is so big we cannot get rid of it. But at least we can stop it. So that was No. 1.

No. 2 was fix Medicare, and I have described it.

No. 3 was to make sure that we had a tax bill that was fair to the American people. Frankly, after all the bickering on the edges—and that is what it all was, on the edges. All this argument about how many children are covered and how far down do you go were really on the edges, small, small things, small numbers. The people that need tax cuts and tax breaks are the American people earning between $25,000 and $30,000 and $110,000. They are the middle-income Americans, two jobholders, two professionals, two people working, and they are paying the taxes, they are following the rules, and they haven't had anything from their Government saying we would like to make it a little easier for you—until this bill.

Now, they have three very significant new things they can look to. It isn't like we are giving them a present. It is saying to them, keep some of your own money and let Government grow less and let you make your decisions on what you do for your children rather than have us build a bigger and bigger Department of Education. Those are the kinds of tradeoffs that are going to occur and are starting to occur, although, when it comes to education, this bill is strong on college education, strong as anything you can have. When it comes to the new programs appropriations, we have been very generous. We have been very generous to the education programs that our country has.

I am not sure before we vote on this that I will have another chance to thank everyone, so I just wish to thank Senator LAUTENBERG, and I thank our distinguished Republican leader—he did a great job—Senator ROTH, and all the other chairmen, our House counterparts, including Representative KASICH.

But I want to make one statement on the floor. It might seem it ought to be done on the House floor, but I want to make it here, and I think my friend, Senator ROTH, would concur. The Speaker of the House, NEWT GINGRICH, in negotiations from the beginning until the end, was absolutely a fantastic leader. I have to say to those who doubt, because he was under a lot of pressures, I did not notice for a minute that had anything to do with his single-mindedness, his tremendous intellect and the way he could put things back together and get us moving in the direction of getting things done. So my compliments to the Republican leadership in both Houses from my side, and obviously we had great support from Democrats.

At this point I am going to yield the floor.

Mr. ROTH. Could I ask the distinguished chairman to yield just for a minute?

Mr. DOMENICI. Of course, yes.

Mr. ROTH. There are many people who are responsible for bringing together this important piece of legislation, and I strongly agree with what the distinguished Senator from New Mexico said about the Speaker and the majority leader. They provided not only strong leadership but ideas, were able to move ahead, and I have to say I could not agree more that the Speaker showed every ability of providing the kind of leadership we needed from the House in order to get this complex piece of legislation through.

I would just like to say to my distinguished friend and colleague, Senator DOMENICI, that the legislation would have gotten nowhere if it had not been for him. I know no one in the Senate, or House for that matter, that has a better understanding of the budgetary process, knows the issues with which we are dealing and who has devoted, what is it, 7 or 8 months' time to getting this job accomplished.

I would also like to say in the same context I think Bill Hoagland has been a tremendous strength for this whole process.

I, too, join the Senator in congratulating the ranking member, my colleague and friend from New Jersey, for his outstanding work.

Mr. DOMENICI. I thank the Senator very much.

Mr. LAUTENBERG. I thank the Senator.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I am pleased to join the chairman of the Budget Committee, Senator DOMENICI, in supporting the conference report on this budget reconciliation bill, which, along with the conference report on the tax bill, will finally implement a bipartisan plan to balance the budget.

I have to ask Senator DOMENICI, because he talked about the five words that appeared in the Washington Post, I wonder whether it read like this. I heard him say, ''This is a big deal.'' Or did it say, ''This Is A Big Deal?'' I wasn't sure quite where the emphasis was. But I assume it was the way it was intended.

Mr. DOMENICI. The way I said it.

Mr. LAUTENBERG. The way the Senator read it himself as opposed to, ''This is a Big Deal?''

I want to say to Senator ROTH, who was pulled from so many directions, I was amazed to see him arrive in one piece each day. He listened with great patience—great patience and great interest. Everybody is pleased. I will speak about it from the Democratic side. People don't realize, when there is a majority and a minority, the minority doesn't always get a chance to present their views. But BILL ROTH, Senator BILL ROTH of Delaware, is known as someone who is a fair-minded person, and while he would not always agree, he would almost always listen. I have never found him to say ''no,'' and I appreciated that. I think it produced a very good product. It is, under the circumstances, I think, perhaps the best that could have been gotten. All of us wish there were other things in there—everybody. If you ask any Member of the Senate whether they did not think there was another thing that should have been in or another thing that should have been out, they would have, I guarantee, a menu of things they would like to select from.

I am so pleased that we are joined in the Chamber by the ranking member of the Finance Committee, my good friend and colleague from New York, Mr. MOYNIHAN. Senator MOYNIHAN is a man with vast knowledge about so many things that I often say I would enjoy, even with all my white hair, going to college with Professor MOYNIHAN and hearing his views on things. But there is always a background of information that adds so much to the dialog and the debate, and I congratulate him for his role and for his willingness to hear the arguments and to work to try to get a consensus in the legislation which we now have in front of us.

Mr. DOMENICI. Will the Senator yield without losing his right to the floor?

Mr. LAUTENBERG. Be happy to.

Mr. DOMENICI. I note the presence of Senator MOYNIHAN, and I had not said anything about him in his absence. I would like now to say there are many points, as you look at the last 7½ months, when you would say this is critical, this is where it might end. And I believe the thing that gave us momentum to get it done was the Finance Committee's bipartisan addressing of most of the issues in this bill.

Now, I am sure the Senator from New York didn't get everything he wants, but I believe it was one of the big turning points when the Senator joined with Senator ROTH and between the two of them had such a large cadre of Senators from both sides supporting some very, very powerful things, and I thank the Senator personally for that.

Mr. MOYNIHAN. Mr. President, might I thank with great gratitude the senior Senator from New Jersey and my friend from the day I entered this Chamber, the chairman of the committee. They speak to what I think is an important fact. But, of course, the person who made it possible was Senator ROTH, the chairman of the committee. I was with him in this regard and proud to have been. I thank Senators.

Mr. DOMENICI. Mr. President, could I say that under the rule under the Budget Act somebody is designated to manage, and I am it for today, but I can give that to someone else. I am giving that to Senator ROTH until I return, and he will be our floor leader now. I thank the Senator.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I will continue to extend congratulations to some who are not here. I have to take my time to salute the efforts of Senator DASCHLE, who was ever present in his encouragement to get this job done—let's see what we can negotiate together, let's see if we can make this adjustment or that adjustment, or talked to his counterpart on the other

side. And I want to say for Senator LOTT, the majority leader, he, too, was someone who wanted to get this bill behind us, get this job done, and he has shown his interest in doing that as he runs the Senate from the majority leader's position that we do move things along. There were Members on both sides of the aisle who also helped, too numerous to mention, but I think it is fair to say that those whom we have talked about had a significant role.

PETE DOMENICI and I were among the four elected representatives to be negotiating, and we were often closeted days at a time. Though the atmosphere got stuffy, I think neither one of us did, and we were able to continue talking in a civilized fashion.

The bill before us is the culmination of those many months of intense effort and people of both parties deserve to be proud of this accomplishment. This budget proves that when leaders with good will come together, we can overcome partisan divisions and find common ground. That is good news for all Americans.

I will say this. We have gotten a lot of salutations, a lot of compliments about getting this job done. Threaded through those comments were the kinds of remarks that might surprise, like: Finally, the bickering has stopped, there is no partisanship involved; hurrah, the Senate and the House are working to get our interests put up front. I think that was kind of a noteworthy thing. It's not that we spend all of our time in the boxing ring here. But sometimes, when people's positions on legislation get too entrenched, they lose sight of the fact that we have to stop the argument and get on with producing a product. So, I think the Nation is going to be better off because of this.

The budget agreement is not perfect. It is not drafted exactly as I, as I said, nor any other Senator would have written it. But it is an honorable compromise that, on balance, is an enormous step forward. It will lead to the first balanced budget in this country since 1969. It invests in education and helps ordinary Americans afford college. It provides health coverage for many of America's uninsured children. And it provides tax relief for middle-class families. It provides important protections for kids and legal immigrants, people who were invited to come here and who later became disabled. And it helps accomplish something that President Clinton has had on the agenda for a long time—to move people from welfare to work, and to provide the means with which to make that transition.

More generally, it shows we can both be fiscally responsible and true to our highest values as a nation. This budget agreement will produce roughly $900 billion in net deficit savings over the next 10 years. It will give us the first balanced budget in a generation. It will build on President Clinton's tremendous success in reducing the deficit. And one cannot ignore—and Senator DOMENICI knew this was coming—one could not ignore the incredible accomplishments, economic accomplishments that have been made since President Clinton has been in office—with a budget deficit that was at $290 billion when he took over in 1993, and at the moment looking like it is going to be something less than $50 billion for the year 1997. It will build on President Clinton's tremendous success in reducing that deficit. It will build on the success that we have had in getting new jobs for people in our country—12 million new jobs created. And the stock market—one can't help but notice that indicator. I noticed today, after hearing the news and yesterday after hearing the news, the market continued to move upward. Inflation is in check. People feel very good about the strength of the United States, leading the world's most developed countries in competing in the marketplace. That is a terrific record upon which to build.

This balanced budget amendment is an extension of all of those good things. But I think the President is due a lot of credit for having brought that deficit down to where it was, based on his hard work and, yes, a turn of very good events at the same time. But it was his foresight and his planning that helped enable us to get to this point.

The budget agreement, also, will move our Nation into the 21st century by providing the largest investment in education in 50 years. I, as a recipient of the benefits of the GI bill—I served in the war. I don't always like discussing which one. Sometimes people ask me if it was the Spanish American? It was not. It was World War II. But, without the GI bill, my widowed mother, age 36 when my father died, and the poor circumstances in which our family found ourselves when I was discharged from the Army—never, never would have enabled me to get a college education and get a start on a career that has been very satisfying for me and, I hope, worthwhile for the country. So I saw the value of helping someone get a head start in life, someone getting an education and being able to contribute to our society. That is what I want to see us do and the President certainly led us to that point.

The tax bill we are going to be considering also will include a $1,500 tax credit to make the first 2 years of college universally available. There will be a tuition tax credit for all working Americans who want to pursue lifelong learning, continue to learn. That enriches the mind, enriches the body, and enriches the quality of life. That is what we have seen in so many cases. If you look in the universities and research laboratories and so forth, you see the people who continue to learn and who gain vitality and youth, even as they do that. These provisions are critically important to the future of our economy.

In addition, the budget agreement also includes $24 billion for children's health care, the largest increase in children's health care since the enactment of Medicaid in 1965. This will help provide health insurance to millions of uninsured children and it is a tremendous achievement.

The budget agreement also protects Medicare and extends the solvency of the Medicare trust fund by roughly another 7 years. Unlike earlier proposals, it does not ask senior citizens to bear unfair burdens and it doesn't threaten the quality of their health care. Instead, it reforms and modernizes the program and includes significant new preventive benefits.

We all know there is going to be a more thorough review of Medicare in the years ahead, to see whether we can comprehensively make changes that will guarantee that solvency for as long as one can imagine.

In addition, the agreement provides tax relief for the middle class. As we will discuss when we turn to the tax bill, the agreement provides a $500 tax credit for children under the age of 17, to help families to be able to bring up their children in the fashion that would provide them with sustenance and direction, and perhaps help them get started on their education. Importantly, that credit will be available to working families with lower incomes. This sounds a little mysterious but there are people whose incomes are supported by assistance from the Government, earned-income tax credit, in which a family that is below a certain level of income gets a stipend or a tax refund from the Government. It often makes their lives livable. But there was a huge debate about whether or not this credit would be available for people who do not pay taxes in the first place. But we know they are working families and they do pay payroll taxes and we decided, jointly, that it would be appropriate to give some credit on those payroll taxes that they pay.

We, the Democrats, made that a priority. With support from our Republican friends we won an important victory for millions of ordinary Americans.

The conference report also restores a basic level of fairness for people who have come into this country legally, who have obeyed the law, paid their taxes, and then fate delivers them a disability whether through accident or just sickness. Last year the Congress pulled the rug out from under these people and eliminated their disability benefits; for some, the only provision that they have that enables them to get along. But today we are restoring that basic safety net. It is the right thing to do. As the Senate sponsor of this amendment I am particularly pleased that it will be enacted into law.

Another important section of the conference report will protect 30,000 disabled children who otherwise would lose Medicaid coverage. This corrects a serious defect in last year's welfare

legislation and will make a huge difference for these children and their families. I am also pleased that the budget agreement includes a renewed commitment to environmental protection. We will be enacting new incentives to clean up thousands of contaminated, abandoned sites in economically distressed areas. That not only will improve the environment, but it will help encourage redevelopment of these areas, known as brownfields.

I have seen it in towns in New Jersey, industrial cities that had a glorious past but now suffer from the delinquency that often results from industrial pollution. Some of these communities have had these sites, dormant sites, small sites that were unused, yet with people begging for work not blocks away, able to get there; people begging for retail facilities—they are not used. We have seen, in New Jersey, where we have cleaned up a few of these sites, good retail activity—in one site in Hackensack, NJ, with a couple of hundred people working in a discount store, a marketplace that people can go to, to get their goods, buy their food. It has been a miracle, almost, to see these things. And it is, often, for very small sums of money.

So we now have brownfields that I worked very hard on. It's now in place. It's a win-win approach that will make a difference for communities around the Nation.

Additionally, the conference report includes important provisions to move people from welfare to work as I mentioned. One million long-term welfare recipients stand to benefit from this initiative. And the Nation as a whole will benefit, as more Americans leave welfare and become productive members of our economy, lift their heads high, lift their spirits, provide some vision for themselves and their families. It is a wonderful vision and I am pleased to see we are putting the resources there to make it happen.

Mr. President, I am going to leave to others the discussion on some of the other details of this legislation. But I once again take the opportunity to congratulate the President, President Clinton, for his outstanding leadership in this effort. We are here today on a bipartisan basis only because the President decided it could happen and he wanted to make it happen. His people were all over the place, working alike with Democrats who occasionally disagreed and Republicans who occasionally disagreed. He brought us all together and we are grateful for that. I think his commitment will be acknowledged for many years to come.

Mr. President, I don't think, as I said earlier, there is anyone who would say they are 100 percent happy with this agreement. But, while no one sees it as perfect, everyone should see it as good. It is fair, it is balanced, and it will serve our country well. It will balance the budget. It will invest in education and training. It will provide tax relief to the middle class. It will protect Medicare. It will provide health care coverage to millions of children. It will throw a life vest to disabled legal immigrants. It will invest in environmental protection, move people from welfare to work, and will make life better for millions of ordinary working Americans.

So I urge my colleagues to put aside as much challenge as they can. Yes, everybody in this place is free to make their statements, to say what they want. But I hope in the final analysis they are going to support this budget agreement enthusiastically, because it sends a message to the American people. It will say yes, this wasn't something that was nurtured through an inch at a time. This is something that was supported by people across the room from different States and from different parties. That is the way it ought to be. It is the right thing for America and I am proud to have been a part of it.

With that, Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. GREGG). Who seeks recognition?

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

PRIVILEGE OF THE FLOOR

Mr. ROTH. Mr. President, I ask unanimous consent that Rick Werner, a detailee to the Finance Committee from the Department of Health and Human Services, be granted the privilege of the floor for the duration of the debate on this conference report.

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

Mr. ROTH. Mr. President, the budget reconciliation conference between the Senate and House has come to an end. All sides have weighed in. The process has been long and involved, around the clock, through the weekends. But I must say the result is well worth the exercise.

What we have achieved is a balance, a carefully crafted compromise between the Senate and the House, between Republicans and Democrats, between Congress and the White House. I can say with certainty that no Senator, no Congressman, not even the President got everything he or she would have liked. Undoubtedly there are specifics in this final package that I would prefer to have seen written differently. But I can say that, while there were necessary compromises to achieve balance and to deliver the budget reconciliation to the American people, there was no compromise on principle. Differences? Certainly, but I cannot remember the last time I saw such a positive, bipartisan willingness to work together in a budget effort.

This, I believe, is because there has been a profound change in the nature and character of Washington. Two recent proclamations demonstrate this change. The first was President Clinton's declaration in his State of the Union Address that the era of big Government is over. And the second came from our distinguished colleague, Senator DASCHLE, when, during this debate, he agreed that the question in Congress is no longer whether or not taxes should be cut, rather a question of how much they should be cut.

Cutting taxes and achieving a balanced budget have long been Republican objectives. For years now, we have advocated the need to change the way Washington does business. Now President Clinton and the distinguished minority leader demonstrate the growing bipartisan consensus on these objectives, objectives that underscore this reconciliation package.

It is a strong first step. It signals that the era of big government is over. Certainly government has its place. There are moral and contractual obligations that the Federal Government must maintain with the American people. Many are enumerated in the Constitution. Others, like Medicare and Medicaid, are more recent and have become critically important to those who depend on them now and to those who rely on them for the future.

Having said this, I believe a clear and growing majority realizes that the Federal Government is not the answer to all that challenges us. In fact, in some cases, the Government is shown to be the problem, particularly when it comes to waste, fraud, abuse, inefficiency, and a top-heavy, unresponsive bureaucracy. The ability of both sides to compromise on this bill demonstrates that Washington acknowledges this reality and that Washington is responding to the attendant frustration and legitimate concerns felt by Americans everywhere.

Beyond signaling an end to big and inefficient government, this package meets several other shared criteria. It places us squarely and honestly on the road to a balanced budget by the year 2002. We all know how important this is. The United States has not balanced a Federal budget since 1969. This, despite the fact that our Founders made it clear that saddling future generations with debt is immoral. According to Thomas Jefferson, the question of whether one generation has a right to bind another by the deficit it imposes is a question of such consequence as to place it among the fundamental principles of government. Jefferson said that we should consider ourselves unauthorized to saddle posterity with our debts; we are morally bound to pay those debts ourselves.

This budget reconciliation package is the first in years that puts us back where we must be. It is balanced. It begins to address the dilemma of big government's licentious legacy, a legacy that burdens every man, woman, and child with almost $20,000 in public debt. I am happy to say that our majority leader, Senator LOTT, made it clear at the beginning of the 105th Congress that balancing the budget in 5 years would be one of our top priorities. Mr. President, we have delivered on that promise.

Our third objective has been to strengthen the programs that would be influenced by our actions. The reforms to entitlement that are contained in this package are, indeed, historic. We make significant and important changes to Medicare and Medicaid. We strengthen assistance to children. We return authority and means to our States so they can better meet the needs of their citizens. It was not enough to simply change entitlement programs to reduce their rate of growth. We sought in the process to improve, to strengthen them, to preserve them, and, again, we succeeded.

Let me give you the specifics. But before I do that, let me reiterate that we were able to accomplish these significant objectives because of a growing consensus on both sides of the political aisle, and because of our willingness to compromise, compromise not on principles but for principles.

In our effort to control spending, the largest program we addressed was Medicare. Our objective here was not just to control its spending, but to strengthen the Medicare Program for the long term, and we did this. We did this by increasing choice and competition within the program. Choice within the Medicare Program will give beneficiaries myriad options. It will allow them to participate in HMO's, PPO's, PSO's and private fee-for-service programs. We have based our expansion of choice in the Medicare Program on the successful Federal Employees Health Benefits Program. Through these options, seniors will be able to obtain important benefits, like prescription drugs, that are not covered by traditional Medicare.

These changes and the money they will save also allow us to expand Medicare coverage for certain important preventive services, including mammography, prostate colorectal screening, bone mass measurement, and diabetes management. Beyond increasing choice and competition within Medicare, we strengthen and preserve the program by slowing its rate of spending growth. Our measures save Medicare for another 10 years, while still increasing program spending per beneficiary from $5,500 this year to $6,800 in the year 2002.

Beyond encouraging choice and competition, this bill introduces important innovations into the Medicare Program, innovations that could go a long way toward strengthening the program for future generations.

One very important innovation is the creation of a demonstration project that will explore the advantages of having medical savings accounts available within the Medicare Program. This demonstration project will allow up to 390,000 Medicare beneficiaries to opt into an MSA program, a program that will allow them to choose a high-deductible Medicare choice plan.

I believe medical savings accounts will be an important component of Medicare's long-term viability, and to study and recommend other innovations, our legislation creates a national bipartisan commission on the future of Medicare. Senator MOYNIHAN and I called for this commission back in February as we realized that to realize long-term solutions for the program, we needed a commission that would be above politics. This will be a 17-member commission established for a little more than a year. Its task will be to make recommendations to Congress on actions necessary to ensure the long-term fiscal health of the Medicare Program. It will report back to Congress on March 1, 1999, and these changes to Medicare will result in a net savings of $115 billion over 5 years, savings that will not only help us balance the budget, but savings and reforms that will preserve the Medicare Program while ensuring that it continues to serve those who depend on it now.

Concerning Medicaid, we were able to achieve a total savings of $13 billion. This savings will come largely from a reduction in disproportionate share, or DSH payments, and by giving our States more flexibility in how they run the program.

For more than a decade, there has been a tug of war between the Federal Government and the States over Medicaid. Each side has tried to assert its will over the other. From the mid-1980's and through the early 1990's, the Federal Government imposed mandates on the States and, in turn, the States shifted costs to the Federal Government. The result was devastating to all of our budgets as Medicaid routinely grew at a double-digit pace, reaching as high as a 29-percent increase in 1992.

This legislative package marks a new beginning, a new trend. It marks a change in the Washington mindset that has sought, since the days of the New Deal over 60 years ago, to centralize power in this city. With this substantive change in the Medicaid Program, we are offering our Governors the tools they need to control this program. This, I believe, is the way things should be done.

With this bill, they will be able to move more individuals into managed care without waiting years for waivers from the Federal Government. They will be able to contract with selected provider for services. The States will be able to ask families to take some responsibility for the decisions they make when seeking health care services. This power at the State level will go a long ways toward stretching Government health care dollars.

As I said, beyond making significant and important changes to Medicare and Medicaid, we have strengthened assistance to our children to meet the health care needs of the most vulnerable among us. It became clear through the conference that both sides of the aisle are equally committed to increasing access to health care for as many children as we can. Both sides of the aisle are committed to finding an answer to the problem of uninsured children in this country, and this legislation represents an important agreement in this area. It creates a new program, a program that covers low-income, uninsured children. The process of providing insurance and health care coverage to vulnerable American children is complex. As I have said before, of the 71 million children in the United States, more than 86 percent are already covered by some type of health insurance. Two-thirds of our children are covered by insurance through the private sector. Twenty-three percent of all children in the United States under age 18 are covered by Medicaid, and another 3 percent are covered by other public insurance programs.

Our plan provides $24 billion over the next 5 years to be used by States in a manner that provides them flexibility in how they will expand health care coverage to our children.

Our States will have two mechanisms of establishing programs. They can expand their Medicaid coverage or they can create their own program to address the particular needs of the children in their States. And while the Governors are given certain flexibility in the way they can use this money, our bill requires that they meet specific standards regarding health care coverage for children.

Expanding Medicaid is certainly a choice States have made. Thirty-nine have expanded Medicaid eligibility for pregnant women and children beyond the Federal requirements. But States are also developing other strategies for increasing coverage of children as well. There are already public-private partnerships in more than half of our States. There are successful programs such as New York's Child Health Plus and Florida's Healthy Kids. These innovative programs and programs like them can grow with these additional resources provided by this legislation.

These, Mr. President, are the major provisions of this legislation. They signal a new beginning in Washington—real reforms to make programs more cost-effective, more efficient, more responsive to the needs of our people and our States. Great care has been taken to assure that the most vulnerable among us are protected, and this includes our provision to restore benefits to all legal noncitizens who were receiving Social Security when last year's welfare bill was signed into law.

With this legislation, we also restore the ability to receive benefits to legal noncitizens who were residing in the United States as of that date should they become disabled in the future. These protections, however, are handled appropriately and in keeping with our overarching goal of restoring fiscal responsibility to Government.

With this reconciliation package, we have establish the first balanced budget since 1969. We have met the criterion given us in the May 2d budget compromise, and we will give Americans the first real tax relief package that they have had in 16 years.

Did we accomplish everything I would have liked to accomplish? No. I would have preferred to see some deeper, more significant fiscal restraint. I would have preferred to see a few other major reforms to Medicare, reforms that would have gone a long way toward strengthening the program, and these include the provisions that were in the original Senate package.

But recall, Mr. President, the history of the balanced budget debate; recall Congress' effort in November 1995 to balance the budget by the year 2002; recall the consequent Government shutdown and Bill Clinton's veto; recall the President's 10-year balanced budget plan and Congress insisting that balance could be achieved 5 years earlier.

Keep the history in mind, and the success of this legislation becomes clear. We have a balanced budget. That balanced budget will be achieved in 5 years, not 10. And we have achieved it without acrimony, without Government shutdowns, and without vetoes.

This is a bipartisan effort. It is an excellent beginning. And I am grateful to my colleagues on both sides of the aisle for their work, for the spirit of cooperation that existed on the Finance Committee, on the floor of the Senate, and throughout the conference.

I am especially grateful to my friend, PAT MOYNIHAN, for his wise counsel, his leadership, and cooperation in helping to bring about the success of this package. I am also grateful to the professional staff members on the Senate Finance Committee, as well as the Senate Budget Committee.

Likewise, I want to thank the staffs of the Congressional Research Service and the Congressional Budget Office, the Office of Legislative Council in the Senate, the Prospective Payment Assessment Commission, the Physician Payment Review Commission, the General Accounting Office, and all others who have worked long and hard for this package. The list of names is too long to read here, but I ask unanimous consent that these names be printed in the RECORD.

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

FINANCE COMMITTEE

Lindy Paull, Julie James, Alexander Vachon, Gioia Bonmartini, Dede Spitznagel, Dennis Smith, Donna Ridenour, Alexis Martin, Mark Patterson, David Podoff, Faye Drummond, Rick Werner, Kristen Testa, and Doug Steiger.

SENATE LEGISLATIVE COUNSEL

Jim Fransen, Mark Mathiesen, Ruth Ernst, John Goetcheus, Janell Bentz, and the rest of the Legislative Counsel's Office.

CONGRESSIONAL BUDGET OFFICE

Murray Ross, Tom Bradley, Cyndi Dudzinski, Jeanne De Sa, Anne Hunt, Jennifer Jenson, Jeff Lemieux, Robin Rudowitz, Kathy Ruffing, Paul Cullinan, Sheila Dacy, Joe Antos, and Pete Welch.

CONGRESSIONAL RESEARCH SERVICE

Celinda Franco, Beth Fuchs, Tom Gabe, Jennifer O'Sullivan, Richard Price, Richard Rimkunas, Kathy Swendiman, Madeleine Smith, Melvina Ford, Jean Hearne, Jennifer Neisner, Pat Purcell, Vee Burke, Christine Devere, Larry Eig, Gene Falk, Carmen Solomon-Fears, and Joyce Vialet.

PHYSICIAN PAYMENT REVIEW COMMISSION

Lauren B. LeRoy, David C. Colby, Anne L. Schwartz, John F. Hoadley, Christopher Hogan, Kevin Hayes, Katie Merrell, Michael J. O'Grady, David W. Shapiro, Sally Trude, and Christine M. Cushman.

PROSPECTIVE PAYMENT ASSESSMENT COMMISSION

Donald A. Young, Laura A. Dummit, and Stuart Guterman.

Mr. ROTH. Mr. President, it is my hope that the spirit of bipartisanship that carried us through this effort continues as we now consider the final package and send the bill to President Clinton for his signature.

I yield the floor.

The PRESIDING OFFICER. Who seeks time?

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. KERREY. I yield myself such time from the Democratic side.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. KERREY. Mr. President, I come to the floor and offer what I would call my reluctant support for this budget agreement.

Today, the subject at hand is the spending portion of this bill. And I wish it was completely different, I must say, than what is in here.

Yesterday, I spent most of the day in mourning for the loss of the provisions relating to structural changes in Medicare that would have added $8 billion to the HI hospitalization trust fund by imposing very reasonable and progressive change in the premium—it would have added $40 billion a year in spending relief in the year 2030 by accommodating this tremendous change in the baby-boom generation between 2010 and 2030—and other provisions. I spent the day grieving those. I have overcome my grief, and I am prepared to support this because I believe it does balance the budget by the year 2002. I believe it finishes the job that we started in 1990 and 1993. I voted for both of those bills, and I find myself compelled once again to come and vote for a bill that I am not altogether pleased with.

In this morning's New York Times there was an op-ed piece written by William Safire talking about an age-old problem in the West where cattlemen, because they had an interest in keeping the range open, and sheepherders, because they had an interest in keeping the range fenced in, were at constant odds and warring with one another. Their animals had different needs. They, as the guardians of those animals, went to war in order to protect the needs of those animals.

It was not until just recently that the people who manage these range animals have come together. They came together as a consequence of a common enemy, in this case, a rather pesky weed called leafy spurge that has roots that can go down as deep as 150 feet, impossible to, by any reasonable estimate, get rid of once it is in the grassland. It will spread and take over the entire prairie.

So the cattlemen are out there saying the leafy spurge will eliminate the grass. ''I'll have nothing for my cattle to graze on. What am I going to do? No herbicide is effective. No burning is effective. Nothing seems to work.'' Until one day they discover that what works is to put a few hundred sheep out on the grassland. As a consequence of the sheep's appetite for the leafy spurge, the sheep eliminates the weed, and thus is joined a battle between the cattlemen and the sheepherders. Suddenly they come together as a consequence of the common enemy.

I am impressed that Republicans and Democrats have come together with this bill to address a common enemy—the deficit. I wish that the 1993 bill had been bipartisan. I believe that if we had a few more spending cuts in 1993, that might have been possible. We missed an opportunity. It was bipartisan in 1990. It was not in 1993. And it is today. I am impressed with it.

I believe the Nation wants us to be bipartisan. I believe the Nation makes our greatest progress when we set aside not only our partisan differences, but we are able to find a common opponent, in this case, the deficit, a common objective, and we say that we are willing to risk a bit—in some cases, risk it all—for the larger goal.

I must say, after having made that observation, and to be specific, praising the distinguished chairman of the Budget Committee, Senator DOMENICI, the ranking Democrat, Senator LAUTENBERG, and on our Finance Committee, Senator ROTH of Delaware, Senator MOYNIHAN of New York, they have worked hard to say we have a common enemy—in this case, the deficit.

We see the connection between deficit reduction and jobs. We believe that jobs, and good jobs, can solve almost any problem that we have. And thus, we are willing to join forces against a common enemy.

I am reluctant to become enormously enthusiastic about this, as I say, because I do not believe it is asking of Americans the sort of tough decisions and choices that would enable us to say that we are tasking the American people to do something that is truly great.

We will balance the budget. It is true, we are reforming Medicare to give seniors more choice. I think the Federal Employee Health Benefit provisions in this bill will have long-lasting impact, give seniors more comfort as they make a choice to buy alternative care. The provisions for increased coverage for children, the provisions having to do with welfare reform, all these are good provisions and deserve attention.

We have, in addition, a lot of provisions—and I thank all four of the Members who have been involved with this for their assistance in making sure that rural America has an adequate reimbursement rate under managed care,

that we are able to take advantage of managed care and see increased penetration in rural America. I appreciate, as well, the change to increase budget enforcement to tighten some of the loopholes that were in law.

There are a lot of things in this bill, in short, that are good. It does, it seems to me, represent a successful compromise between Republicans and Democrats, and we have produced a piece of legislation that all of us, or most of us, anyway, are going to be able to come down and be enthusiastic about.

There are four things, Mr. President, that I would like to discuss which I would put in the category of unfinished business. First is entitlements. I appreciate that there is a commission in this bill. I believe it is 20 months that they have. I can save them a lot of time. We had a bipartisan entitlement commission, Senator Danforth and I. The distinguished occupant of the chair was on that commission as well.

There are a limited number of choices that one can make. There are roughly 10 or 15 choices you can make. They are all ugly. They are all difficult. And they all accommodate a demographic problem, not a problem caused by secular humanists or by Phyllis Schlafly or Ronald Reagan or George McGovern. This is not an ideological problem. It is a problem of birthrates during the period of time 1945 to 1965, and the birthrates following that. It is called the baby-boom generation.

Seventy-seven million Americans will begin to retire in 2010. And what we attempted to do, with what I consider to be a relatively modest change in the law with eligibility age and means testing and a copayment on home health care, was to accommodate that large generation of people. The sooner you do it, the better. You do not do them any favors by saying, we will do a commission for 2 years and perhaps do something in 1999. Then you have a Presidential campaign going. You will probably have to wait until 2001. The longer you wait, the harder the choices are.

As I said, the choices are fairly limited. If you do not like moving the eligibility age, if you do not like doing some means testing, the only thing you can hope to do is get some increases in the revenue stream, proposing to increase taxes or increase the premium. If that is your choice, make it now, because the longer you wait, the more likely it is that the people you are trying to help are going to pay a lot more. They are going to pay a bigger price. They have not been warned.

We missed an opportunity, and I am hopeful that by surfacing this in the debate and getting strong support, bipartisan support here in the Senate, we can keep these issues alive.

In addition to the long-term problem of entitlements is another problem with entitlements inside of our budget. Yes, it is true, we will have taken the final step to balance the budget with this bill, although I note parenthetically that one of the curious things about this particular proposal is we are going to balance the budget by rather substantially increasing spending in some areas and lowering taxes in others. It is an exciting proposition. We are going to balance the budget, it is true, but the budget has another big problem, and that is the growing percent of that budget that goes for mandatory programs.

Many of my colleagues have come down to give great, impassioned speeches about why we should not do all of these things. But the question that needs to be asked in a very calm environment is, what are you going to do about these numbers?

In this budget agreement, the amount of money we allocate for mandatory, plus interest, will go from entitlements, plus interest, the mandatory portion from about 66 percent, as I understand it—I haven't seen the final numbers—to about 70 percent in 2002. The Senator from New Mexico is shaking his head, but it does unquestionably increase. I do not know if it goes to 70 percent, but it increases, and it continues to increase. And it will increase even more when the baby boomers retire. It is not a flat number.

The head of the Congressional Budget Office, June O'Neill, prepared a report some time ago that shows how the cost of these programs continues to go up as a percent of our overall budget, and they are squeezing out our capacity to keep our defenses strong, our capacity to invest in education or infrastructure, or research, and all the other sorts of things that are being done in the other part of the budget. One of the reasons it was made easier to do our appropriation this year is, we put a little more money in the appropriated accounts in this fiscal year than you are going to see in the outyears.

So I alert Members that see the appropriations bills sailing through this year and are wondering why, there is more money this year than there will be next year and the year after that and the year after that. In years 4 and 5, we will have very tough decisions to make in discretionary spending—far tougher than I believe people realize. Thus, there is the second problem of the growing cost of entitlements inside of the budget. It sets up tough choices. It doesn't set up easy choices. It sets up very difficult choices that we have to make.

The second big area for me is, I must say, with the economy growing the way it is—and one of the great pieces of news for me in this budget debate is that as a result of the growth in the economy, I think there are very few people left that don't understand that, in addition to defending the Nation as the first order of business, whatever we do with our taxes, regulatory policy, and spending policy, we do need to ask ourselves: will this create jobs? Because if the economy is growing, it is producing jobs, and there is a demand for labor as a consequence of a growing economy. Lots of things get solved in a hurry. Not only does the Treasury have lots of revenue that makes our job easier, but the gap between rich and poor narrows, the number of people on welfare is reduced. A lot of problems we have get solved quickly if our economy is growing. If we recall from the recession of 1991, the problems are made a lot worse if you have the opposite in place.

So this growth we have out there in the economy is exciting. My view is that this is the time when we need to be investing in that public infrastructure—research, the transportation base, education, and all those things that will produce increased productivity and increased economic growth sometime out in the future. We may not get an immediate benefit from it, but we will benefit somewhere out in the future. It connects with this entitlement problem. For my friends on this side of the aisle who love to get up and get fired up and tell me why we can't do anything about entitlements, the question occurs: If you don't want to do that, Senator, where are you going to get the money to make these public investments?

I haven't heard many people that are enthusiastic about a tax increase. I have heard them being enthusiastic about going in the other direction. The only way you can find the resources to invest in the long-term growth of this country is by containing and controlling the pace of growth of entitlements. It is a question of whether or not we are going to endow the future, or are we going to convert the Federal Government into an ATM machine, entitling the present solving of the problems of me, me, me, now, now, now, but not solving the problems of future generations.

The third issue I speak of today is health coverage. I am of the opinion that the additional $24 billion that is in this particular budget is going to cover a lot fewer people than leading advocates predict. I don't believe that it is going to be a terribly efficient way to increase coverage. Again, I don't think you are going to be able to get the kind of increased coverage that is necessary, unless you come to grips with the rising costs of these mandated programs. For all the terrible things that were forecast and said about the proposal to add a $5 fee for home health, to add a means-tested and an income-related premium on Part B and increase the eligibility age, you thought we were not spending any money at all on Medicare.

No account in our budget grows as fast as Medicare. It will go up, on average, $24.5 billion per year for 10 years. Nothing grows that fast. We are allocating more and more of our gross domestic product into Medicare and other entitlements. Now, I am prepared to do more for low-income seniors, and help people who are in serious trouble out

there, having a tough time paying the bills. But the choice that we have to make, not only when it comes to investing in our future, but also being able to provide additional coverage, is between one group of Americans and another, or allocating $24.5 billion of additional money for children over 5 years and $24.5 billion per year for 37 million people over the age of 65.

Now, I think that is the kind of debate we need to have on this floor. It is a tough debate, and it involves telling the American people and, very often, giving them the facts. And the facts may be painful and difficult for us to face, but they are the facts. I, for one, as I said, am skeptical that $24 billion over 5 years is going to result in the kind of increased coverage projected for children. I must say again that I think the only way we are honestly going to be able to increase the coverage for Americans is to get after entitlements. There is a question of the legitimacy not only of the means test, but we must ask ourselves fundamental questions about requiring an eligibility test on age, another program based upon poverty, the veterans' programs, saying if you get blown up in a war, we have a good program for you. The final one, of course, is the income tax deduction.

The fourth problem that I think this country faces, which is not in this bill, but it will be taken up in the tax bill and I will talk about it later, but I think it's a big problem. We have a window into the problem of looking at the estate tax issue, and that is the difficulty Americans are having generating wealth. I will talk about it at greater length when we get on the tax bill. But income and wealth are not the same thing. It is not uncommon to pick up a newspaper and hear a story talking about this tax bill does this or that for the wealthy, and what they are talking about is income. They are not the same thing. I can have a half a million dollars a year in income and have no wealth, just as I can have $20,000 in income a year and if I save a little bit, I can get wealth. The estate tax debate is focused on about 2 percent of Americans who have estates at $600,000 or over. I believe estate tax relief is reasonable. I support doing that in the tax bill. But there are 98 percent of the American people that do not have wealth in excess of $600,000. It would not take much of a change in the Social Security program to enable somebody in the work force, indeed from the moment they were born, to have a savings account that enables them to say that when it comes time for me to retire, as I look forward to growing old, I know that in addition to some kind of an income transfer I am also going to have the opportunity to have security as a result of wealth. I think wealth distribution, identified as a problem repeatedly, cannot be solved by simply transferring income. It can only be solved by establishing that we are going to try to help working Americans acquire the wealth and use the principal retirement program, Social Security, that we have in place to get that done.

Mr. President, I close by saying that I intend to vote ''yes'' on this bill, and I intend to vote ''yes'' on the tax relief bill that follows. I wish it had done considerably more. I have great praise and great appreciation for the work done by the chairman of the Budget Committee, by the ranking Democrat, the chairman of the Finance Committee and the ranking Democrat on that committee as well. They set the tone of bipartisanship, which must be set if you are going to deal with these controversial issues, if we are going to be able to go after the common enemy, not just of deficit spending but other tempting, irresponsible things that might produce a round of applause, but might not be good for the United States of America.

Mr. DOMENICI. Will the Senator yield?

Mr. KERREY. I am pleased to yield.

Mr. DOMENICI. Senator, first let me make an observation, perhaps not as eloquently. I believe the Senator from New Mexico could, someplace or another in the United States, make a very similar speech. I think most of what you talked about I agree with. But I would like to make sure that everybody knows just how much you can do in a budget resolution and in a bill that is forced by a budget resolution and how difficult it is to try to do more than fits the bill. I want to say to the American people that while I agree with your statement wholeheartedly that we have to do much more with the entitlements—and let's be very precise, the one that is really, really in need of a long-term fix is Medicare—not because anybody wants to deny anyone anything, but the stark fact is that it, by itself, can break this country in another 15, 20 years all by itself.

Frankly, I never believed that we could fix Medicare in its totality in a budget resolution and a bill that was thrust by a budget resolution. Senator GRAMM is chairman of the Subcommittee on Health. I think he would agree with me that, while we probably could have done better, and should have, on the three items that would have helped, we can't force the total change of Medicare in a bill like this under a budget resolution format. First of all, a budget resolution is only applicable for 5 years. You are permitted to project for 10. I assume when Senator GRAMM starts that reform, he is going to start beyond 10 in terms of the real dollar impact, because that is when it is in trouble. It is not in trouble in the next 5 years. One might have a different mix as to how you get it to a state of solvency.

Senator, I would like you to know I never thought that we could do much more in Medicare. But I think the three changes you made in the Finance Committee, with your support, if we could have held them, it would have been a good first step. I still believe the spirit of getting this done may get us, within the next 2 or 3 years, to facing the issues for major, permanent reform of the entitlement programs. I am hopeful you are not giving up because we can't do it in this budget bill, because it is a very, very big issue that requires much debate in the Senate. I don't know exactly how that debate is going to be framed, but I don't think it is going to be framed in a reconciliation bill with no debate to speak of and no amendments to speak of. That is just the U.S. Senate's way of doing things. I thank you for yielding. Maybe you can comment on that.

Mr. KERREY. Mr. President, first of all, I say that the man who taught me about entitlements is the distinguished Senator from New Mexico. I recall coming to the floor, I believe it was on a budget resolution that the distinguished Senator from New Mexico and the now-departed Senator from Georgia, Senator Nunn, when they had the famous Nunn-Domenici amendment that controlled the growth of entitlements. The first time he proposed it, I voted against it. I listened to the opponents of it and said, ''That makes sense to me; this is not a good amendment, so I will vote no.''

Then I started looking at the facts, and I was very uncomfortable to have to conclude that I voted wrong. The next time the Senator brought it up, I voted for it and I became interested in this issue as a result of both you and Senator Nunn and your elaborations and your education that you did 3 or 4 years ago.

The point that I am trying to make, which I am afraid is sometimes lost, is that the longer you wait, the harder the choice is. This is not a problem that you can avoid forever. The more time you let expire, the more difficult the choice is—that is, on Medicare. The same is true on the budget item when it comes to Social Security. We have people under the age of 40 who will be beneficiaries out in the future, 26 and 27 years from now, under current law, for whom we have to say, are we going to be able to keep the promise that's on the table? We have to say no. Social Security Commissioner designate Shirley Chater, in 1996, when asked about it, said, ''You can expect Social Security to have to be reduced by 30 or 40 percent in benefits, unless some change occurs.''

Well, there is a presumption that those of us who proposed altering these programs today are proposing cuts. But the truth is, if you do nothing, that is what is going to happen; only the cut isn't going to occur to a future beneficiary, it will occur to a current beneficiary. Long after the time has passed when you can plan and make adjustments, suddenly the Congress is going to pop up and say, ''Sorry, folks, we have to cut the programs big time,'' in order to be able, as the Senator said, to save either the fiscal health or the program itself.

So my fear is that we missed an opportunity when the distinguished Senators from New Mexico and Georgia were down here. I recall people coming in the one year and pulling off veterans first, and once the floodgates were open, it was ''Katie bar the door,'' everybody got down here and got exempt and there was nothing left. There was no group that is entitled to payment left, and they were all exempted and there was no real reform that occurred.

So I am not going to give up on the issue. I am not going to stop talking about the need for these long-term changes. But I am just saying to the American people, especially those who understand the importance of Medicare and these entitlement programs, who consider it a victory that the conferees were unable—and I know the Senator from New Mexico fought for these things, but the conferees were unable to hold these provisions. There are many people who are advocates of these programs that consider that a victory. It is not a victory. It weakens the program long term. And some beneficiary out in the future is not going to thank us for this action. Maybe it gains a few votes in elections. I doubt it. I believe the American people once they hear the facts of the matter will be persuaded.

Anyway, it is a much longer answer. I know the Senator from Texas is not very appreciative of the fact that the Senator caused me to talk longer than I intended to.

But I want to underscore in closing that I do appreciate the fact that the Senator from New Mexico, Senator Nunn, and others led on this thing. It probably torments the Senator now to see his student come back here speaking in this fashion.

I just close by saying that I am prepared to vote for this agreement on the balanced budget. I believe that is good for the economy. I wish and hope that we are able in a bipartisan spirit to do much more, if not this year sometime relatively soon.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I yield to Senator GRAMM as much time as he may desire.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, let me first thank our chairman for yielding.

I would like to begin by congratulating some people and thanking them for their leadership.

First of all, I want to thank Senator DOMENICI for his leadership. I have had the opportunity to serve with Senator DOMENICI now for 13 years. I have been on the same side as Senator DOMENICI. I have been on the opposite side of Senator DOMENICI. I have noticed that when we are together we generally win. I wish Senator DOMENICI could be right more often.

But I want to congratulate him for his leadership. I don't have any doubt in my mind that Senator DOMENICI will go down as one of the great legislators of this era, and that I will always be proud to tell my grandchildren that I served with him. I want to congratulate him for his great work on this bill.

I also want to congratulate Chairman ROTH. This is the first full term that Senator ROTH has been chairman. He became chairman in the middle of the last Congress. And I think he has done a terrific job in chairing the Finance Committee and in building bipartisanship to a level that I would not have thought beginning this process that we could have ever had on the tax bill. I want to congratulate Chairman ROTH for his leadership, which I really think has been outstanding, having had the opportunity to be in committee, to be actively participating in the debate on the tax bill on the floor, and having had a chance to be in much of the conference.

I think our colleagues ought to know, or at least hear someone say what a great job that Chairman ROTH did.

I also believe that our Democratic colleagues, especially Senator MOYNIHAN, have made a great contribution to this bill. Whether you like the product, or whether you do not like anything else we do—it is as thick as this package that many like and many dislike—I think you have to clearly say that a tremendous amount of work has gone into the process.

Let me begin by talking about what I believe in this bill is unambiguously positive, and what is clearly going to be greatly appreciated by the American people—some of it immediately, and some of it over time—as people come to understand it.

I would like then to talk about the disappointments I have about some parts of the bill—opportunities lost, things done. And then I would like to conclude by simply talking about the future in the next 5 years as we try to implement what the Congress is clearly going to adopt, and then say a little bit about balancing the Federal budget. So I will try to do those things.

Mr. DOMENICI. Will the Senator yield?

Mr. GRAMM. I am happy to.

Mr. DOMENICI. I must leave the floor. I will tell the Senator that I look forward to reading the Senator's remarks. I think the Senator knows that I mean that. I believe what he has outlined is so typical. I mean the Senator is going to state the good things, things that are not as good as they could be, and he is going to lay them out with clarity. I say thank you for the generous remarks which the Senator made about me. But I also want to say I reciprocate.

It doesn't matter in the U.S. Senate whether you agree with another Senator half the time, all the time, or none of the time. What is important is that you respect them. That is all we can get in this place—is that somebody respects what we are doing. I want to tell the Senator from Texas, whether it is his way and I am not right enough, or whether it is my way and he is wrong too often, it doesn't matter. You can't be in the Senate and serve with PHIL GRAMM of Texas without respecting him. The Senator has a great mind, and he has learned to apply it to our problems in a way that really means something to a lot of us. It strikes our minds, and makes us think. I don't think the Senator from Texas can expect to do more, and he wins plenty of them because of the clarity and the philosophy, and the way he digs into the issues.

There are many things that we are experimenting with in this bill that may not work, and the Senator is going to certainly find them and tell us why. And they have an awful lot to do with the child health care package. The Senator is going to say something about that. And I am not trying to preempt him because I know there are problems there. I don't believe the people who say if it had gone straight under Medicaid that it would have covered many, many more. I don't believe that at all. The Medicaid Program that has not worked well in the past that we have been struggling to fix ought not be mimicked. It ought to be changed. And if you can, you ought to do the same thing in a different way. That is the theory of the Senator from Texas, and he has said that from the beginning. We are trying. But we are not there yet, and many other things.

I want to tell you, we struggled mightily on the welfare side, on the Fair Employment Labor Standards Act, and whether the myriad of laws should apply to trainees. And the Senator is going to speak about that. But I want to tell him, I couldn't win. I couldn't get it done. That is all there is to it. Everyone now knows, including the White House—and they will admit it—that the welfare program will not work in terms of the people that most need the training without some relief from some of the laws that apply across the board to people permanently employed in companies that make enough money to get by and have to pay them. And there is no doubt that the issue has been framed in a false way.

It is not a minimum wage issue. We have already agreed to the minimum wage. I heard the President yesterday speak of minimum wage again. That is not the issue. The issue is the rules that are going to govern a nonprofit organization that we asked to train 10 people. Isn't that right? They are going to say, ''Why should we do that?'' Every law on the books governs these trainees, and we didn't even pick them. You picked them for us.

So I am aware of those and many others. But I think the Senator is going to also say that there are some good things in this bill.

I thank the Senator very much for yielding.

Mr. GRAMM. I thank the Senator from New Mexico.

Mr. President, let me begin with the tax cut.

First of all, I think if you are going to judge what has been done, you have to first begin by looking at the fact that we are cutting taxes by approximately 1 percent. The tax cut on average over the next 5 years will lower the tax burden on the American people by slightly less than 1 percent.

So for all of those who are saying, ''Well, the Tax Code becomes more complicated, the changes that are made are piecemeal,'' all of that was driven by the fact that with the bipartisan nature of this bill and the fact that we have a President who was adamantly opposed to cutting taxes until 3 years ago, who only endorsed the concept of trying to balance the budget 2 years ago, that we had a very limited amount of resources. Obviously, for people who have listened to much of this debate and have gotten the idea that we are talking about a huge tax cut, they are going to be disappointed. But there are some people who are going to be directly affected, and in a very positive way. Right at the top of the list will be people who have families and who have children. Nearly all of the $85 billion net tax cut we have in this bill goes directly to families with children.

Why single them out? I am sure there are people who say, ''Well, children are important. Families are important. But why such a focus of this tax bill on children?'' Let me explain why.

In 1950, the dependent exemption—the amount you got to deduct from your income because you had a dependent—was $500. As a result of that $500 dependent exemption for children in 1950, 65 percent of all income of the average income working family was not subject to income taxes in the average family of four in America. Today the dependent exemption is $2,500. But to cover the same expenses and to protect the same level of income that it did in 1950, it would have to be twice that big, or $5,000 per child.

So what has happened since 1950 is that the real dependent exemption in terms of letting working families keep their money to invest in their own children has effectively been cut in half.

If you look at the Tax Code, what has happened is this: In 1950, rich people paid a lot of taxes. And today rich people pay a lot of taxes. In 1950, poor people didn't pay any income taxes to speak of. And today poor people do not pay any income taxes to speak of. But the explosion of Government between 1950 and today has been almost totally funded by a massive growing tax burden on working families with children. And we have literally starved the one institution in America that really works—the family.

So our primary focus—first, in the Contract with America, then the budget 2 years ago, then the budget a year ago, and now the budget this year—has been to give a $500 tax credit per child and to let working families invest in their own children, their own family, their own future, recognizing that the best housing program, nutrition program, and education program is to let working families keep their own money and invest in their own children, their own family, and their own future.

Second, in this tax cut bill we begin the long process of eliminating the death tax. People work a lifetime to build up a farm, or a small business, or to build up assets. And they do it for their children and their future. And they make the country rich in the process. But when they die, even though they pay taxes on every penny they earned along the way, when they try to pass these assets on to their children, the Government comes in and takes up to 55 cents out of every dollar.

So it routinely happens in America every day that parents die, and then their children have to sell the fruits of their lifetime labors—their business, their farm, their home, their assets—in order to give Government 55 cents out of every dollar of its value.

Republicans believe that is wrong. We believe you ought to tax income once, and not twice. And I think the changes we made in this area, especially for small businesses and family farms, is very, very important.

I believe that people who are trying to educate their children will be beneficiaries of this program.

Quite frankly, my favorite part of the tax bill in the area of education is not the President's initiative. It is instead an initiative that came from Senator ROTH. That is the initiative that lets people when they get out of school treat student loan interest payments as a business expense. Think about it for a minute. If you go out and buy a tractor, you can depreciate that tractor—write its value off against your income. But if you invest in going to college, or graduate school or medical school by borrowing a bunch of money on a guaranteed student loan, when you get out of college and you start to work with that big heavy burden of debt, none of the expenses you incurred in getting the education that economists call ''human capital'' can be written off as a business expense.

So our society's Tax Code has historically discriminated against investing in our own people.

One of the provisions of this bill that is critically important is the provision that for the first time will let a young wage earner who has gotten out of school, who has a big guaranteed student loan, to write off that interest against the income they are earning as a result of the earning power they got from going to college, or graduate school, or professional school. And I believe this is going to encourage people to go to school longer and to accumulate greater human capital.

There are a lot of provisions in the tax bill. I believe the tax bill is basically a good bill, and the American people are going to benefit from it. Not everybody is going to benefit. The top 5 percent of income earners pay 50 percent of the taxes. They are going to benefit from none of the general tax provisions. They will benefit marginally from the death tax change. They will benefit from the capital gains tax. But the focus of our benefit, quite frankly, with simply a 1-percent cut in taxes, is where it ought to be—on working middle-income families.

We have had a long debate with the President, and the President has won the debate in this bill. But what is the old saying? He, convinced against his will, is unconvinced still. And let me say I think it is a fundamental error, even though I am going to vote for the tax package, it is a fundamental mistake in a tax bill that only provides $17 billion of tax cuts a year, it is fundamentally unfair to take part of that tax cut away from working two-income families in order to give a tax cut to people who do not pay income taxes. I believe that tax cut bills should be aimed at cutting taxes for people who pay them. In any case, that is where we are in the tax bill.

Let me turn now to the spending bill. The best provision in the spending bill, from my point of view, is expanded choice on Medicare. Medicare has grown by 12 percent a year in cost in the last 20 years. No major program has ever grown that fast before, and, as a result, even with the reforms we have instituted, even under the best of circumstances, Medicare is destined to become the largest and most expensive program in the history of the American Government. But by letting our senior citizens have more choices, by encouraging competition, by allowing a broad range of choices between the traditional HMO and fee-for-service medicine, we are going to for the first time bring the forces of competition to bear on controlling the cost of Medicare.

Since 1965, we have tried to use Government regulation to control Medicare costs, and it has been a total and absolute failure. We are now going to try the forces of competition. I believe that they are going to be successful, and I believe that the most remembered part of the spending bill that is before us will be the expanded choices that we provide under Medicare. If we allow each of these choices to develop, if we continue to refine them and promote competition, I believe we can and will over time drive the cost of Medicare growth down to roughly the cost of medical care in the market system.

Last year, the cost of medical care in the private sector of the economy actually grew less than the Consumer Price Index. Medicare continues to outpace inflation by a wide margin. I believe that by bringing the forces of competition to bear, we have made a fundamental change in at least part of the Medicare problem. Our failure to deal with the long-term Medicare problem is my greatest disappointment with the bill before us.

Someone said in the newspaper this morning that the subtitle of this bill ought to be ''Opportunity Lost.'' I agree with that. I believe that we have missed a golden opportunity to begin the reform that will be required to keep Medicare solvent. I am proud of the Senate. I am proud of the three votes we cast to keep provisions in our bill that would have raised the eligibility age on Medicare to conform to Social Security, that would have asked very high-income retirees to pay their full part B premiums, that being the voluntary part of Medicare that you don't pay a penny for during your working life, and finally to have a simple $5 copayment for home health care.

Home health care is the fastest growing part of Medicare. The President had a 10-percent copayment in his national health insurance bill. The Democratic leader, Senator MITCHELL, when he offered the final version of the President's plan 3 years ago, proposed a 20-percent copayment. Prior to 1972, we had a 20-percent copayment. And the rejection of a simple $5 copayment to try to induce people to be cost conscious was, I believe, a sad commentary on the lack of leadership both at the White House and in the Congress. I believe we missed a real opportunity to reform Medicare, and I believe that each and every one of these things will be done.

Going back to a point that our colleague, Senator KERREY from Nebraska, made earlier, the longer we wait to institute these reforms, the more difficult it is going to become to make these reforms work because the problem is going to get bigger.

Some people are encouraged by the fact that we have set up a commission in this bill. Forgive me for being underwhelmed at setting up yet another commission. We have already had an entitlement commission. It has already reported. We know what the situation is.

Let me just summarize it. Under the best of circumstances, if everything goes right, if the economy stays strong, if we have the best possible circumstances that we could expect over the next 25 years, our current policy on Medicare and Social Security will require the payroll tax to double from 15 percent to 30 percent on every working person in America. Under the best of circumstances, if we do not change policy, we are going to have a doubling of the payroll tax in 25 years, and nobody disputes it. Under the pessimistic scenario of lower growth, we are going to have to triple payroll taxes.

Let me remind you what that means. It means that a low-income worker who is paying 15 percent of his income in taxes and 15 percent in payroll taxes will go from a 30-percent marginal tax rate to a 45-percent marginal tax rate. What it will mean, if we do not do something to reform Medicare and Social Security, is that, with absolute certainty, 25 years from today the average working American will be paying over 50 cents out of every dollar they earn in payroll taxes and income taxes.

For those people who said, do not make these hard choices in Medicare, they are the people who are going to have to explain why we are doubling payroll taxes over the next 25 years.

I believe we have a crisis in this area, and let me say the first week we are back, as chairman of the Medicare subcommittee, we are going to hold a series of hearings on Medicare. Senator KERREY and I are going to reintroduce our reforms as a freestanding bill, and we are not going to let this issue die. I am also going to expand our hearings to begin to look at private investments and ownership of assets especially by young workers as a way to guarantee that they have Social Security benefits when they retire and as a way of guaranteeing that they have Medicare benefits.

If we do not change this program, with the baby-boom generation retiring in 14 years, we are going to have a generation of Americans that will be paying 30 percent payroll taxes to pay benefits to retirees who will never get benefits out of these programs that are in any way related to what they paid in. Only if we begin to reform these programs now and only if we begin to restructure the system so when a young person is setting aside money for their retirement, it is not going to some phantom account with the Social Security Administration but where it is going in a real investment in something they own and can depend on and trust, until we collateralize or securitize the Social Security and the Medicare contributions of our young people, their retirement is not going to be secure.

Senator DOMENICI said that I was going to talk about the welfare reform, and I am. One of my biggest disappointments in this bill is that, as it is currently structured, we have gone a long way toward killing welfare reform, and let me explain why. First of all, we made some tough decisions about denying benefits, setting higher standards and saying, especially to immigrants, you come to America. You have to come with your sleeves rolled up ready to go to work. You cannot come to America with your hand held out ready to go on welfare. We have partially reversed that in this bill, and we are going to spend tens of billions of dollars providing benefits to people who are denied benefits under our welfare bill, but that is the smallest part of the problem.

As a result of the administration responding to special interest groups, especially organized labor, we now have provisions that will make it virtually impossible for States to require welfare recipients to work, and let me explain why.

If a State has a mandatory work requirement, and let us say they want to require welfare recipients who are young mothers who have one skill, and that skill is taking care of children, and let us say they set up in Government housing projects a day care center, and they ask some welfare recipients to do part of the baby-sitting under supervision, under the provisions of this bill and under the new requirements that have been set by the administration, we would have to pay minimum wage. We would have to provide fringe benefits. We could not count all the welfare benefits they are getting like Medicaid and housing subsidies as part of those wages. And so it is going to cost States substantial amounts of money to put welfare recipients to work where they would acquire skills that would let them go out in the marketplace and work.

The net result is going to be that we are in reality coming very close to killing the very welfare reform bill that was the greatest achievement of the last Congress.

These are trainees. They are people who are receiving public benefits, and to ask them, in return for those benefits, to do productive work is the most reasonable thing imaginable. It was something that a large percentage of Senators and Congressmen on a bipartisan basis agreed to last year, and yet 1 year later, with administrative action by the President and through this bill, we are going to make it virtually impossible for the States to have a work program for welfare recipients.

Now, I am hopeful that we can in the future come out with a bill that will at least let the States count all the benefits that are received by people who are receiving welfare in calculating what their effective wage is by working. But this is a very, very serious matter.

I am also very concerned about this massive new program to give health insurance to children. Who can be opposed to health insurance for children? Nobody. Bismarck once said, never does a socialist stand on firmer ground than when he argues for the best principles of health. And I would just paraphrase Bismarck by saying, never does a socialist stand on firmer ground or higher ground than when he argues for the best principles of health for children.

But here is the problem. We started off with a bill that had a broad consensus and it was a bill where we were going to spend $16 billion to try to help the States get access for health coverage for children from very low-income families. What happened in the process is that the piling on of the tobacco industry got caught up in this, so, whereas the President started out with $16 billion, it has now already grown to $24 billion before we adopt the bill, and does anybody believe that this program is not going to explode in the future?

Here is the problem. Once you get up to roughly 200 percent of poverty, 82 percent of the children are covered by private health insurance. So, unless we are very fortunate, what is going to happen to us in this bill is that we are going to end up having four children

who will give up, through their families, private health insurance, for every one new child we get covered. So 80 percent of our money will simply displace private health insurance. And how can you blame them? If you have a moderate-income family, having trouble making ends meet, and we are going to give their children private health insurance, what rational parents are going to continue to pay for it themselves?

So, we have the very real specter, here, of spending a tremendous amount of money and covering almost no additional children. Let me say, I totally agree with Senator DOMENICI. I think the worst choice we could have made was simply going through Medicaid, when all 50 Governors, 2 years ago, told the Congress that they could do what Medicaid was doing for 30 percent less if we would let them do it. But I think we have to be very concerned about this program. I hope we are as committed to monitoring what we are doing as we are to doing it. If it becomes clear that all we are doing is displacing private health insurance, I hope we will be willing to go back and try to adjust this program to try to prevent that from happening.

I am also very concerned about all of these new benefits. Again, they are not benefits anybody can be against. We are cutting the copayment for outpatient care under Medicare. We are adding a whole bunch of new benefits to Medicare. The problem is, Medicare is going broke as quickly as it can go broke. The only reason we can claim we have saved it for 10 years is we, in the process, were forced to give in to the administration's demand that we take the fastest growing part of Medicare and take it out of the trust fund and put it into general revenue. As I said when we first debated this, I can make Medicare solvent for 100 years by simply taking hospital care out of the trust fund. But have we changed anything by doing it? The answer is no.

I am concerned that, by creating these new benefits, all of which are popular, that we have to look and see whether, in fact, we made the problem better or worse. I am very skeptical that cutting reimbursements to doctors and hospitals will really save money. The reason I am skeptical is that, as we have gone back and looked at our reforms in the past, that has not been a very effective way to save money. Because what tends to happen is that doctors and hospitals—basically, doctors are smart people or they wouldn't be doctors; hospitals tend to be run by smart people—what they do is they figure out how they can change the billing so they end up billing for more and getting the same amount of money.

So, I am concerned about these add-on benefits. I am worried that these new programs are like little baby elephants, they are little and pretty now, but if we are not careful they are going to all grow, each one, into a big elephant. And, as we talk about balancing the budget, the final subject I wanted to talk about, this could be a problem for us.

Finally, let me talk about balancing the budget. I have been involved in budget debates since I first came to the House of Representatives. We have, on many occasions, claimed to have balanced the budget. Many of us on various occasions have thought we had really done it. And I think, on balancing the budget, it is important to remember an adage that ABRAHAM Lincoln used to be fond of. ABRAHAM Lincoln once said, ''The hen is the wisest of all birds. She never cackles until the egg is laid.''

I believe that a lot of work is going to be required to make this budget ultimately produce a balanced budget. Much of this budget is based on assumptions about a strong economy—which today is very strong. Obviously, we all want it to stay strong and we are going to try to make it stronger. It is also based on the premise that these programs are not going to grow beyond the levels we have set out in our budgets, even the new programs, and that we are going to live up to these discretionary spending caps. Obviously, it is hard to live up to them. As everybody knows, we pass emergency appropriations bills for $8 billion, and we end up breaking the budget, not only in the year we are in but for the next 3 or 4 years. We don't write money for emergencies into the bill, knowing we will have an emergency bill. It is going to take a tremendous amount of concerted, bipartisan effort to live up to the commitments we made on discretionary spending. I hope our colleagues are as committed to living up to this budget as they are to adopting it. I think, if they are, we might have a fighting chance. But clearly, balancing the budget is not something you buy on a one-time payment. You buy it on the installment plan.

And the weakness of the program is it is based on the assumption that this very strong economy is going to continue into the future. It may and it may not. We are in the second-longest peacetime expansion in American history. I think it is highly improbable that we would go 5 years without an adjustment. But we could still balance the budget with a minor recession if we could control the growth of these programs. I wish, as I said numerous times during the budget debate, we could have done more to control spending. I wish we could have bought more insurance.

But, in conclusion, let me say that the reforms in Medicare, the expanded choices, represent a fundamental change in policy. And I believe we will all benefit from them. I think we did about as good a job, given that we had a Democrat President who had very strong goals in the tax bill, especially a belief that you can't cut taxes for people who pay taxes unless you give money to people who don't pay income taxes. I think, given that we had 1 percent of taxes to deal with and we had a President who didn't share our fundamental goal, I think overall we did a pretty good job on the tax bill and I think we have reason to be proud of that.

I think the reforms and choice on Medicare are good reforms. But I think there is really reason to be concerned about what we have allowed to happen on welfare reform, and much of our budget is assuming that the progress we have made on reducing the welfare rolls is going to continue. I think we have to be concerned about growth, especially in these new programs. We have to enforce the discretionary spending caps to have any chance of balancing the Federal budget.

So my message today is that there is a lot of work to be done. I look forward to participating with Senator DOMENICI and with our colleagues to try to get that work done.

I yield the floor.

The PRESIDING OFFICER (Mr. HUTCHINSON). The Senator from New Mexico.

Mr. DOMENICI. Mr. President, Senator KENNEDY has been waiting. I am only going to take a minute, Senator.

I did not get to hear Senator GRAMM's entire remarks. I pledged to him before that I would read them in their entirety, and I will. But let me make just a couple of quick observations.

I think everybody knows—my good friend from Texas said—you can't get a balanced budget overnight. You do buy it on the installment plan. When you buy it on an installment plan that is 3 years, 5 years, or 10 years, you have to make some assumptions. I think, distinguished economist that he is, he would know that.

The Senate should know we did not use optimistic economic assumptions. In fact, we used CBO's very modest economic assumptions. There is no way we could provide an assumption, outright, that, if we have a serious recession, that we provided for it. But CBO's economic assumptions versus others, more optimistic, at least build into their model that, indeed, there could be a slowdown and, thus, they take something off the growth edge. So I don't think we have an unduly high one.

Senator, I am agreeing with you that unless we seek to look at the new programs we created, in terms of are they performing as we expected, we won't make it. And, second, I am not terribly interested in being the enforcer on appropriations caps—which are very strenuous after 1998. In fact, I will give you the number. The baseline for discretionary, if we did nothing, is $2.943 trillion. Under this bill it is $139 billion less, which means for a period of time it is going to grow very little, in fact five-tenths of 1 percent.

But I am not going to run around being the enforcer if entitlements are going wild again. You might, and I would respect you for it. But, essentially, we cannot balance the budget on

the appropriations accounts. We have to make sure we control the entitlements and I think you agree with that. You are not agreeing with me that we should not worry about appropriations. I would worry less than you about correct appropriations. But what the Senator has said about making sure we get there, and making sure we do some things to assure that this commitment and this path is, indeed, realized—which is what you are saying, I believe—I think that's correct.

I think—so long as everybody leaves knowing that, in terms of making sure we don't let things within this slip and say, ''Oh, well, $10 billion didn't matter, we thought it was that but we are wrong,'' and just pass those tens of billions by—we will get there. And that's not an exceptional thing to expect of a group which is out claiming a balancing budget. Would you agree? We are out there claiming it. We ought to be willing to say we will do what's necessary. And I think if we do what's here that's enough. We don't have to do a lot more over the next 5 years, but if we are going to do less, it is not going to be enough and we are all going to be ashamed.

I thank the Senator for those observations which prompted me to say this because I believe that's absolutely true. I yield the floor and I yield to Senator KENNEDY.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I yield myself such time as I require.

The PRESIDING OFFICER. The Senator is recognized.

Mr. KENNEDY. Mr. President, this is a great day for America's children. With this agreement, we have taken a giant step toward giving all American children the healthy start in life they deserve.

The establishment of a new, $24 billion program to provide low and moderate income families the help they need to purchase health insurance for their children is a landmark achievement. It represents the most far-reaching step that Congress has ever taken to help the Nation's children and the most far-reaching advance in health care since the enactment of Medicare and Medicaid a generation ago.

The funds provided under this bill are sufficient to assure that every American family has access to affordable insurance for its children.

President Clinton deserves tremendous credit for his leadership in achieving this milestone. His fight for health security for all Americans in the first 2 years of his administration laid the foundation for the progress we made in the last Congress and for today's agreement.

The Kassebaum-Kennedy legislation enacted in the last Congress guarantees that workers can change jobs without losing their health insurance coverage, or being denied coverage because of a pre-existing condition. The vast majority of Americans obtain health insurance for themselves and their families through their jobs, and ending insurance discrimination against those in poor health was a significant step toward greater health security for all families.

Today's expansion of health insurance coverage for children could not have happened without President Clinton's strong support. The President fought hard to include a $16 billion commitment for children in the budget agreement. And it was his unwavering support that assured the additional $8 billion added by the Senate was included in the final bill.

I also commend several others who contributed to this victory for children. Mrs. Clinton has made the issue of good health care for children a lifetime of commitment, and I thank her for her strong support. Senator HATCH's courageous leadership in the battle for health insurance coverage financed by a cigarette tax was absolutely critical. Senator ROCKEFELLER, Senator CHAFEE, Senator JEFFORDS, Senator KERRY, Representatives NANCY JOHNSON, BOB MATSUI, and MARGE ROUKEMA and others were effective leaders in reaching this bipartisan goal.

Among many outside groups that worked to make this day possible, the Campaign for CHILD Health Now, cochaired by the Children's Defense Fund and the American Cancer Society, was indispensable in its tireless efforts to inform and mobilize the public in support of children's health insurance. Marian Wright Edelman, as always, was outstanding in these efforts.

When Senator HATCH and I introduced our children's health insurance proposal in March, we said that it would help guarantee good health care for millions of children who have been left out and left behind. These children come from hard-working families. Their parents work 40 hours a week, 52 weeks a year—but they still cannot afford the health care their children need. Whether the issue is eyeglasses, or hearing aids, or asthma, or prescription drugs, too many children do not get the care they need for the healthy start in life they deserve.

The agreement today brings new hope to these children and their families. It means that they will have a better opportunity to achieve a long and healthy life. It means that our country has at last given children's health the high priority it deserves.

I am also pleased that there will be an increase in the cigarette tax, but I am disappointed that the cigarette companies still wield sufficient power in the back rooms of Congress to roll back the tax below the 20-cent increase approved by an overwhelming bipartisan vote in the Senate. A higher tobacco tax is an effective means to discourage children from smoking. This issue will not go away, and I expect the Senate to return to it later this year, either in the context of legislation on the tobacco settlement or as part of other bills.

Finally, it is gratifying that the agreement drops the harsh and ill-thought-out proposals on Medicare, such as raising the eligibility age, imposing a means test on premiums, and requiring copayments for home health care that would have penalized the oldest, sickest, and poorest senior citizens. Long-run reforms are needed to keep Medicare strong, but any reform worth the name deserves careful deliberation by Congress, not the short-circuited consideration imposed by the strict rules on budget bills.

Finally, I express my very personal appreciation for the strong leadership that was provided by Senator DASCHLE, on our side, and for his strong commitment on health care. Senator DASCHLE had indicated that health care for children was going to be one of our Democratic strong priorities in this Congress. His unflagging strength and commitment and support for this program was invaluable in seeing its achievement.

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

Mr. DOMENICI. Mr. President, I ask unanimous consent that the time be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. DASCHLE. Mr. President, I want to take a few moments to talk about the budget agreement, and this reconciliation bill in particular.

Let me begin by complimenting the distinguished majority chairman, Senator DOMENICI, and the ranking member, Senator LAUTENBERG, for their outstanding work in this whole effort. As has been said now by many Members, this would not have been possible were it not for their effort and the leadership they have demonstrated.

Let me commend the administration's negotiators—Secretary Rubin, Chief of Staff Erskine Bowles, John Hilley, and others—for the extraordinary effort they have made in working with us on the President's behalf.

The majority leader deserves a great deal of credit. This would not have been possible without his direct participation. He ought to take great pride in this agreement's accomplishments.

Many others on both sides of the aisle have worked diligently over the last several weeks to bring us to this point, and they too deserve credit. I am very appreciative of their efforts. This agreement is one of the most extraordinary accomplishments achieved, at least since I have been leader and perhaps since I have been in the Senate.

I think the message in the last election on the part of the American people all over the country was very simple:

We want Republicans and Democrats to cooperate, to work on major problems together, to address the major problems in a way that gives them and gives us hope that there is a better future, a stronger future. They recognize, as we do, that the deficit is a major problem and has been a major problem. I think this agreement—as spelled out in both the spending and tax reduction bills—is clear evidence that we understood that message and have responded as consequentially and as sincerely as we possibly can.

This agreement is the final downpayment on a budget process that has now been underway for several years. In fact, it goes back to the vote of 1993, as some of my colleagues have already articulated.

This chart, Mr. President, very clearly illustrates from where we have come and what we have left to do. The projected deficits prior to the enactment of the 1993 economic package are represented in the top line.

In 1993, we made the tough choices, the very critical decisions in 1993. As a result, we have been able to reduce the actual and projected deficits by $2.4 trillion over the period from 1993 to 2002. Were we to stop at this point and do nothing, annual deficits for the next 5 years are currently projected to remain in the range of $100 billion. If, as I expect, we pass this bill by week's end, we will have completely eliminated the deficit no later than the year 2002. In other words, the net savings over the next 5 years that will be generated by enacting this budget agreement will total over $200 billion.

So we will achieve our goal of a balanced Federal budget by the year 2002, if not sooner, as a result, first, of adoption of the 1993 budget agreement, and, second, enactment of the 1997 budget agreement. Passage of these two pieces of legislation will bring us to a balanced Federal budget for the first time since 1969.

There were many fears expressed about what would happen to our economy and the deficit if we were to enact the spending and tax policies contained in the budget agreement of 1993. I will not belabor the point or go over those fears at this time. Instead, I will simply concentrate on what has been said about the economy since the passage of the 1993 package by people outside of the Senate, in particular the Chairman of the Federal Reserve Board, Alan Greenspan.

Here's what he says about the state of our economy since the adoption of our 1993 budget plan: we are ''now in the 7th consecutive year of expansion, making it the third longest post-World War II cyclical upswing to date.''

In addition, he said:

> This strong expansion has produced a remarkable increase in work opportunities for Americans. . . . Our whole economy will benefit from their greater productivity.

Finally, he said:

> Consumers are also enjoying low inflation . . . financial markets have been buoyant . . . in a relatively stable, low-inflation environment.

That is about as optimistic a series of statements as I have ever heard the Chairman of the Federal Reserve make. He has a reason for making them—the economy is strong, we have been able to reduce the deficit, and we have an optimistic outlook about our future. And it is universally held. Whether we turn to the Chairman of the Federal Reserve Board, or Members of Congress, or the business community, or members of labor, the response is the same: Our country is stronger today.

There can be no doubt that we are strong.

Unemployment and inflation right now are at a combined rate of 8.7 percent. That is the best since Lyndon Johnson was President of the United States.

Inflation is at a 2.8 annual percentage rate. That is the best since John Kennedy was President.

The employment picture, with 12 million new jobs, is the best employment situation our country has faced in its history. Construction jobs are stronger now than at any time since I was born, since Harry Truman was President.

Consumer confidence has increased 14 percent in the last 4 years, which is the best we have seen since President Eisenhower.

Deficit reduction has been reduced to under 1 percent of gross domestic product in 1997. That is the best we have seen in all the years that I have lived. One would have to go back to Harry Truman's Presidency to find a time when it was this good.

Home ownership has increased from 63 percent to 65 percent, the best ever. Never in our Nation's history have two-thirds of all Americans lived in their own homes.

The stock market has gone from 3,500 to more than 8,000, a growth record that has been matched only once, and that was during World War II.

Median family income is up $1,600 since 1993, the best since Lyndon JOHNSON was President of the United States.

So, Mr. President, we feel very good about the circumstances and about the economic progress and performance of the last 4 years.

At the same time, we have said repeatedly over the last several months that there are four categories by which we would judge any agreement that would attempt to make further progress on the deficit: fairness, fiscal responsibility, education, and how we target the investments that we will make as a result of this legislation. Those are the four criteria. How fair is it? How responsible is it fiscally? How good an educational program can we achieve? And how well are we going to be able to target our investments?

Let us take the first category. How do Americans do under this agreement on the issue of fairness? Many of us talked for some time about how important it was that we benefit all income categories, not just the top income category, but those working families in the $20,000 to $30,000 income categories, people who pay a portion of their income to income taxes but an even greater portion to payroll taxes. Are we going to be able to provide tax relief to families such as those?

We will provide a child tax credit to 27 million working families. Families who pay thousands of dollars in payroll taxes, families who pay income taxes, families who try to make ends meet, each and every week, each and every month, those families are going to benefit very directly as a result of what we were able to do with the child tax credit.

And $24 billion has been committed in the first 5 years for a children's health program, which is the largest single investment in health care since the passage of Medicaid in 1965. That is just the beginning, because we have also committed another $24 billion in the second 5 years. For the first time in history, thousands of South Dakotans and millions of Americans are going to benefit from a Federal health program that for the first time will provide meaningful health care to children who are not getting it today.

And $1.5 billion is going to be committed to low-income seniors to help pay for Medicare premiums.

So, Mr. President, from a fairness point of view, there can be no doubt, when it comes to health, when it comes to the array of opportunities that we present working families, this bill deserves our support.

Mr. President, we also, as I indicated, made a very important point of arguing the need for targeted investment. Indeed, this legislation provides opportunities for targeted investment in environmental cleanup, in enterprise communities, and targeted job tax credits, ensuring that family farms and family businesses are going to be protected as one generation transfers its property to the next.

Employer tax deductions are going to be made available for employee education and training.

In a number of ways, we say we are going to take the resources available to us and target them to where they can be used to the greatest advantage—on environment, on communities, on jobs, on farms and small businesses. We provide an array of opportunities in that regard to do what Democrats said was very critical: provide the kind of targeted investment that is so essential to ensuring that all aspects and all elements of our American society benefit from what we are doing today.

The third criteri we spelled out was fiscal responsibility. How well do we do in that regard? We said at the very beginning, we do not want to see an explosion of deficit in the outyears. We wanted to be absolutely certain that, regardless of what else we do, we did not want to pass a tax cut we cannot afford and place ourselves back in the same box we created for this country in

the 1980's. We did not want to relive the bad old days of those extraordinarily high deficits. Instead, we now recognize that achieving a balanced budget in 2002 is only the first step in maintaining a balanced budget in the years beyond 2002.

So we do not index capital gains. We put income limits on individual retirement accounts. We do not index the estate tax exemptions, simply because we were afraid of the extraordinary explosion in outyear deficits that these changes would trigger.

I recognize the fact that we did not go as far as some of us would have liked to ensure fiscal responsibility, to ensure with a high degree of confidence that we will be able to maintain a balanced budget. However, I also believe we took a number of steps that allow for some confidence that once we have balance the Federal budget, it will stay balanced in the years 2003, 2004, 2005, and beyond.

Mr. President, the last category is one that is probably of greatest importance to many working families because they are trying to make ends meet and still send their children to college. In this information age, it is important that we do all we can to make available to working families the tools and the resources necessary to allow every child who graduates from high school the opportunity to get more education. So this bill provides the single largest investment in higher education since Harry Truman passed the GI bill almost 50 years ago.

We provide a $1,500 HOPE credit in the first 2 years of college and a 20 percent tuition credit for college juniors and seniors and lifelong learning opportunities. There are families of all ages with many different sets of circumstances involving children who want to go to college, involving a spouse who may want to get additional education. An array of different challenges confront all working families as they attempt to cope with the circumstances we are facing in this information age. We provide that mechanism and those tools to working families in ways that we have not done in more than four decades.

So, Mr. President, as a result of this President's advocacy, we are committing resources to education that we have not done in the period I have served in the Congress.

There are no Pell grant reductions. There are opportunities for people to use other tools as well and not be penalized for using the credits that we now make available.

In the end, Mr. President, it all comes down to real names and real families, people that are truly going to be affected. While there are many families who have come before us over the course of the last several weeks to describe their situation, and talk about their circumstances, I think the Richards family in Sioux Falls, SD, who talked to us via television camera just a couple of days ago, is a clear example of what this legislation means for a typical American family.

Charlie Richards is a teacher. He is not only a teacher; he has two extra part-time jobs. There are many people in South Dakota who work not just one job, but two and three jobs in order to make ends meet. Charlie Richards is that kind of an individual, hard working. He believes that his family must have the very best that he can provide them, and he is willing to commit the extra time and effort and hours to see that provides his family with a quality of life that he now only dreams of.

His wife Karen is pregnant with their second child. Their income is about $24,000 a year. As a result of what we are doing this afternoon and what we will do this week, Charlie and Karen will get a $975 child tax credit. This figure was zero under the legislation originally drafted and passed by the House. Both children, once the second child is born, will get health care coverage, perhaps for the first time. Both children will be eligible for HOPE credits when they are ready for college. Both children will be eligible for KidSave and other individual retirement accounts when savings increase.

For the first time, Charlie and Karen will be able to perhaps set a little money aside for savings, maybe to buy a home, maybe to improve the home they are living in now, maybe to give their family just a little bit more hope that they are going to be able to make ends meet and do the kinds of things that every family dreams of doing, not just with the one child they have now, but with two.

So to Charlie and Karen, and to families just like them across the country, let us say today that we give them hope of a better future, a brighter and more realistic opportunity of achieving their goals.

We heard our constituents last year when they told us we have got to work together to solve problems, when they told us it is important that they have the kind of economic strength and security that they want so badly, when they told us we have got to continue to work and put our best effort forward to reduce the debt. We heard them on all these fronts. As a result of the extraordinary leadership and work done on both sides of the aisle, we are responding today in a way that makes me very proud.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, this conference report comes before the Senate in an atmosphere of near euphoria. While I have signed the conference report—I was a Democratic conferee from the Finance Committee on these matters—and while I will vote for each of the bills, I cannot share the elation. I say this with the greatest respect for the Senators who managed this through the Budget Committee and, of course, for our own revered chairman of the Finance Committee—Senator ROTH—and others who have worked so very hard on the legislation. Surely, there is much to applaud in both bills. But the agreement does little to address, in a serious way, either short run or long-run budget problems.

In the short-run, the Federal budget is already on the verge of balance. This is due to a strong 7-year economic expansion. The expansion is attributable, in part—very probably in large part—to the budget decisions made by the President and this side of the aisle in the Senate in 1993. Indeed, my respected colleague, BOB KERREY, suggests that the Omnibus Budget Reconciliation Act of 1993 be renamed the Balanced Budget Act of 1993. The deficit reduction brought about by OBRA 93, as our usage has it, is expected to reduce the deficit by a cumulative $924 billion through 1998. That is almost a trillion dollars.

I stood on the floor at this desk, with my great and good friend, Senator Sasser, as the chairman of the Budget Committee at that desk. I was chairman of the Finance Committee. In the end, we enacted that measure by one vote, which has brought us to where we are today. I don't know that the Nation, having heard so much for so long about deficits, had been properly concerned about them so much and for so long. It is not easy to grasp the possibility that the deficit for this fiscal year, which will end September 30, will come in under $30 billion. That is about one-third of 1 percent of gross domestic product—an insignificant number. If the present trends continue, we could well be in a surplus in a year's time—the first such surplus, if I rightly recall, since 1969.

And then having reached the point where we have free resources, we would be in a very proper position to turn to questions of, do we want to cut taxes, which clearly we might do? I would much prefer to see tax rates reduced—and I will talk about that tomorrow—or to provide new benefit programs of the kind that we are providing, but not before we have done what we said we would do first, which was to balance the budget.

Over the long run, too, this legislation does less than many of us on the Finance Committee would have liked. Indeed, I can say, sir, that all of us on the Finance Committee would have liked, as the measure I am referring to, passed unanimously in the Finance Committee, 20 to 0, on June 18. In particular, we chose to confront the long-run issues in Medicare. We are told that our two major retirement programs—Social Security and Medicare—

are in grave difficulties. That is not so clear in the case of Social Security.

Four rather simple steps would bring us into actuarial balance for a full 75 years—the usual way solvency is measured for the Social Security program. It could be done by four simple measures.

Construct an accurate cost of living index—rather than a consumer price index—in the manner that has been proposed by the chairman of the Federal Reserve Board, the previous director of the Office of Management and Budget, Dr. Rivlin, and the Boskin Commission established by the Finance Committee when Senator Packwood was chairman—he and I jointly did that.

Tax Social Security retirement benefits in the way that all other pensions are now taxed.

Include all workers in the Social Security system. To this day, in a kind of exasperating holdover from the 1930's, there are several million State and local government employees who are not in the Social Security system as government employees, but who acquire the benefits, in any event, through part-time work outside.

Increase the computation period from 35 to 38 years.

Just take those four measures, and a few other odd things, and we put Social Security in fine fiscal condition into the second half of the next century.

This is not the case with Medicare. Medicare is a health program, and it provides health care to a population that grows older and does so in the setting where medical science grows ever more successful in the treatment of the diseases associated with aging. But those treatments are, of necessity, ever more expensive. There is a true problem in Medicare. We have made many changes in the present program, so as to provide another 10 years of trust fund solvency. But in fact, sir, since 1992, the revenues from the Medicare payroll taxes have not equaled the outlays. And we have used general revenues to fund the shortfall, and since the Federal budget has been in a deficit situation, we have had to borrow money to do it. We can say, if you like, that we have 10 years of solvency. There is not now and there won't be until we do very important things.

We began that effort in the Finance Committee on June 18. We took the decision to increase the age of eligibility for Medicare from 65 years to 67, in very gradual steps over the next quarter century, and bringing it into line with the increased age of eligibility for Social Security benefits, provisions adopted in 1983 in the aftermath of a commission, headed by Dr. Greenspan, on which Senator Dole and I served, among others. That measure just responds to the age profile, the demographic profile of the American people. We are living longer. And I would say, Mr. President, also, while we are living longer, we are retiring earlier. The majority of Americans now retire at age 62, when a reduced benefit on Social Security is available, and some 70 percent have retired by age 65. It is not entirely clear why. Some have sufficient resources and they simply want to stop working, and others have not gotten work, or others find the work no longer possible for them. But the fact is that most people now are retired before age 65, and on actuarially reduced benefits, so the trust funds are left unaffected. We proposed to do that with Medicare.

If there is a problem of interim insurance from the time you leave employment to the time you are retired, well, we can resolve that problem. We could be thinking about it right now, in terms of those who retire early on Social Security. The problem of health care insurance does not deter, so far as we can tell, persons from doing that. It is not an admirable fact; it is a distressful fact that the last time the Social Security Administration did a survey asking persons the reasons why they retired early was about 15 years ago. The Social Security Administration is very slow in providing the kind of information we would like to have to make these decisions.

We also, in the Finance Committee, unanimously agreed to increase the part B premiums for upper-income beneficiaries. That is to say, to reduce the part of the Medicare Program paid for by general revenues. When the program was begun—and I was involved if not peripherally, but with some measure of consequence as an Assistant Secretary of Labor for Policy Planning and Research in the Johnson administration—we provided that this program, Part B, should be paid for half by premiums paid by beneficiaries and half by general revenues. Over the years, as a technical result of having constrained the increase in premiums to the same percentage increase in Social Security benefits, while the cost of medical care increased faster than the consumer price index—which itself was an inadequate measure of the cost of living—that 50/50 share dropped to 25 percent for beneficiaries and 75 percent for the Government.

We would simply provide that persons with higher incomes would pay more than the simple 25 percent that the great majority of persons would pay. We are talking about a very small number of people—about 6 percent of all beneficiaries—but the principle is that if you have the income, you don't need the subsidy. Indeed, the overall subsidy would still be much greater than it was originally envisaged in 1965—with the Federal Government financing 72 percent of program costs out of general revenues. The time has come to do that.

Equally, the time has come to provide some measure of copayment for home health care, which has been growing at extraordinary rates, and which is evidently subject to serious abuse. This was widely reported in the press just this week. These items have come to be known as the big three Medicare changes. They were adopted on June 25 here on the Senate floor by a vote of 73 to 27. However, they are not included in the conference agreement. The House was not willing to do this, and I can only regret that we have not done so. I stand here and say, however, that the Senate has led the way and has shown you can do it. The response in public opinion has been quite moderate. The comment in the press has been almost unvaryingly supportive.

These are necessary, sensible things to do. And it is time we set about doing them. There is an opportunity that we will not miss, particularly if the Finance Committee—under the leadership of Chairman ROTH—continues to work in a bipartisan manner.

About 80 percent of the savings in mandatory programs in this bill before us, this extraordinary large bill—I would hate to see it dropped on anyone's foot—about 80 percent of those savings came from actions by the Finance Committee. The 5-year savings for Medicare are $115 billion. That is a decrease in the increase, in a manner we have come to be familiar with, and, as I have said, the trust fund will be in technical balance for about 10 years.

This does buy us time for an important provision in the bill, the provision for the creation of a national bipartisan commission on the future of Medicare—time for such commission to do its work. The statute provides that it issue its report by March 1, 1999, a year and a half from now.

The commission is required, in the first instance, to review and analyze the long-term financial condition of the Medicare Program, which is not an easy matter because we are talking about the long-term progress of medicine in an age of discovery that has proved extraordinarily creative and fruitful but equally and not unsurprisingly costly, and to identify the problems that threaten the financial integrity of Medicare, including the extent to which Medicare update indexes do not accurately reflect inflation.

If I could say parenthetically, Mr. President, we have had a great deal of talk about the accuracy, or inaccuracy, or sufficiency, or insufficiency of the Consumer Price Index. The fact is, we have at least four distinct price indexes in our present statutes and in our practices. They are spread all over the Government. One of them indexes Medicare expenses in ways that it seems to me probably overstate inflation.

Next the commission is asked to make recommendations regarding the financing of graduate medical education, including consideration of alternative broad-based sources of funding for medical education. This could not be a more important matter. The question of medical schools and medical education is absolutely essential as we begin the process of economic rationalization in the provision of health

care, as we do in this measure making a wide range of HMO's available to Medicare beneficiaries and Medicaid recipients.

In this regard, Mr. President, might I just go back to 1994 when the Finance Committee was taking up the health care proposal sent to us by the administration in the last days of the first session of the 103d Congress. I was in New York City and asked the distinguished head of the Memorial Sloan-Kettering Cancer Center in New York—Dr. Paul Marks—if he would arrange a seminar to bring me up to date on the thinking of medical deans and medical academic researchers in the area of health care generally. We met one morning in a conference room in January at 10 o'clock. And at about 10:20, one of the deans, who comes from another part of the country, said, ''You know, the University of Minnesota may have to close its medical school.'' That was said to me and I knew I had heard something important. Minnesota is the kind of State where they open medical schools. They don't close them. I asked, ''How could that be?'' They said, ''Well, managed care is making its way from the west coast to the east coast. It has reached the high plains, and is now widely used in Minnesota.''

Persons enrolled in managed care plans are not sent to teaching hospitals because they are, by definition, more expensive. If you do not have a teaching hospital, you can't have a medical school. And, indeed, the teaching hospital at the University of Minnesota has since merged with another health care institution.

We are dealing with something profoundly important. An ancient practice of medicine goes all the way back to the Greeks. The establishment of medicine doesn't go back just to the Greeks, but the idea of a profession of medicine with a code of ethics, a Hippocratic oath, certain responsibilities, certain immutabilities in medicine—something of a mystery, something of a guide. In my youth, doctors would prescribe medicines taken from drugstores in a handwriting that was illegible to the laymen. Only the pharmacist could read it. All of that is disappearing.

In our hearings in the Finance Committee, Msgr. Charles J. Fahey, a professor at Fordham University said to us, ''What you are seeing is a 'commodification' of medicine.'' There is a striking image here on the Senate floor. For generations, we have argued the issue of whether labor is a commodity. Finally, in the Clayton Antitrust Act of 1914, we said labor is not a commodity. Well, medicine is becoming one.

The next week, Dr. Raymond G. Schultze, at the time the head of the UCLA Medical Center volunteered, and said, ''Can I give you an example of that?'' We were discussing it with our witnesses, saying that is a new idea. He said, ''In southern California, we now have a spot market of bone marrow transplants.'' Well, when you get into that, that is good. It keeps control on prices. It brings rational decision-making into this market. But it doesn't provide for the public good. Markets won't provide for the public good that a teaching hospital and a medical school constitute.

So our commission must pay special attention to these institutions.

Finally, we ask the commission to make recommendations on modifying the age of eligibility for Medicare so that it corresponds to the changes in the age of eligibility for Social Security. I would simply suggest that this provision—the instruction to the forthcoming commission to deal with this matter of age of eligibility—obviously reflects the decision in the Finance Committee and the Senate that it ought to be increased to be in harmony with that of Social Security.

The Medicaid changes in this legislation will save about $10 billion over 5 years by providing greater flexibility to the States, and at the same time, as I have remarked earlier, the Medicaid recipients will be encouraged to participate in HMO's just as Medicare recipients do. When we began Medicaid and Medicare, there were very few arrangements which we now call health maintenance organizations. Fee-for-service medicine was almost the universal experience. So, naturally, when people retired, they continued it, and Medicaid recipients took it up. That has changed with the general population and ought to change with this population as well.

To the one bit of really strikingly good news in this measure, we have taken action to provide health coverage for uninsured children, $24 billion over 5 years. This will be the largest expansion in Government health insurance since the enactment of Medicare and Medicaid in 1965. We have done something that has not been done in a generation, and something that is needed. It will be financed by an increase in the cigarette tax that will eventually reach 15 cents per pack. Both of these measures were also an initiative of the Senate Finance Committee.

I would also note that the conference committee, even prior to our commission, includes provisions to ensure an adequate stream of Federal funding for teaching hospitals. Financing of health care continues to undergo dramatic change. We will have a more comprehensive proposal from our commission. But we have done some things in this bill.

Medicare payments to HMO's now reflect the higher cost of providing care in teaching hospitals. Under the legislation before us, these payments will be carved out, as we say, and sent directly to the teaching hospitals, thereby ensuring that the money will go where it is intended.

In addition, while payments for medical education have been reduced as part of the overall reduction in payments to hospitals and physicians that are inevitable in a deficit reduction bill, the conference report includes the Senate language which limits the cuts to about $5.5 billion rather than $6.5 billion recommended by the House.

Again, sir, I would say that had we not decided to go for a large tax increase, which we will talk about tomorrow, we wouldn't have had to make some of these reductions which I think we will find difficult, if not indeed painful.

Finally, it should be noted that this bill sensibly increases the statutory debt limit from $5.5 trillion to $5.95 trillion, which will be sufficient to take us through December 1999—a much smaller increase would be required if we decided simply to stay the course that we set in 1993.

So, Mr. President, I will support this conference report. It is the product of a long and difficult effort to reach compromise between the Congress and the President. It was characterized by extraordinary unanimity in the Finance Committee, where 80 percent of the mandatory program reductions are to be found, and by very large majorities here on the Senate floor.

I think that speaks to the sincerity of the participants and, I hope, to our knowledge. If I consult my hopes in this matter, there is no real alternative. And, in the meantime, we have done some things that we surely can be proud of.

I see my friend, the Senator from West Virginia, is on the floor. I know what particular pleasure he will take in the provision of $24 billion in health insurance for children, the largest such increase in health care in a generation since the enactment of Medicare and Medicaid was done.

With that, Mr. President, and seeing that there are other Senators present, I yield the floor.

I thank the Chair.

The PRESIDING OFFICER. Who seeks recognition?

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DOMENICI. Mr. President, I do not know who is controlling time, but certainly the Senator can take as much time as he desires. There is nobody here on your side. I give it to you off my side.

The PRESIDING OFFICER. The Senator from North Dakota is recognized under the time under the control of the Senator from New Jersey.

Mr. DORGAN. Mr. President, I thank very much the Senator from New Mexico for his courtesy, and I will take the time under the control of the Senator from New Jersey.

Mr. President, I will make a couple of general comments first, and then I want to speak specifically about a provision in the conference report which is before us that is enormously troubling.

First let me explain that I intend to vote for this legislation. The Senator from New Jersey and the Senator from

New Mexico and others have, I think, done a remarkable job of crafting a bill that represents a compromise with the White House, with the Republicans and the Democrats, putting together a piece of legislation that tackles this budget deficit, and is the second step of several steps that we have taken, first in 1993 and then now in 1997, which will lead to a fiscal policy that is under control in this country—not only tackling the deficit but doing so in a way that makes a great deal of sense, cutting spending in some areas and increasing investment yet in other areas.

This builds on accomplishments that we began earlier by tackling the budget deficit effectively but also by saying there are several other things in this country that are enormously important. One is children's health, what to do about children's health care in this country. The fact is this piece of legislation and the accompanying piece of legislation will make available a substantial amount of money to provide health insurance for children who are not now covered with health insurance. The question of whether a sick child gets health treatment or gets treatment in the medical care industry when that child is sick ought not ever be a function of whether that child has a parent with money in their checkbook. This piece of legislation will provide substantial additional coverage to provide health care to children, especially those who come from impoverished families.

This piece of legislation also says education matters, education is a priority in this country. This bill puts on track 1 million additional kids to be enrolled in Head Start by the year 2000. Head Start matters and Head Start works. Anybody who has been to a Head Start center and seen those bright little eyes of children who are getting a head start, coming from circumstances of difficulty getting a head start, understands this program works. This program saves money. And this program invests in the young lives of young people who otherwise would not have had an opportunity.

Mr. President, 300,000 more eligible college students will get additional help in Pell grants. This agreement places a priority on education, and that is exactly where the priority in this country ought to be. And finally this agreement solves a problem that caused me to vote against this legislation when it left the Senate. When the legislation left the Senate, it had two things that I did not support. One, increasing the eligible age of Medicare from 65 to 67 and, two, means testing Medicare.

Let me explain quickly I am willing to support means testing of Medicare. I am not willing to support providing a means test for Medicare for any purpose other than making Medicare solvent —certainly not for the purpose in a reconciliation bill of making room for some tax cut somewhere else. We will have to and we must find a way to deal with the ticking time bomb, the demographic time bomb that is going to cause us problems both in Medicare and also in Social Security because of the aging of our population. I understand that. In the construction of solving these problems, I am willing to cast hard votes on the issue of Medicare with respect to means testing. I am unwilling to do so in the construct of a reconciliation bill. This is not where that sort of thing should have been done, and I did not support it when it left the Senate. That has been solved. Those provisions are out of this legislation. This legislation is better because of it.

Let me mention one additional point. Senator ROCKEFELLER, from the State of West Virginia, is here to discuss another subject with me, but the point about health care and Medicare especially is one that all of us ought to understand. Even though it is a challenge, we ought to understand that this is born of success. Mr. President, 100 years ago, the average life expectancy in America was 48 years of age. Nearly a century later it is 78 years of age. Why? A lot of things. Better nutrition, better lifestyle, breathtaking changes in health care, new knees, new hips, cataract surgery, open up the heart muscle when it has been plugged, give people additional life, breathtaking medical advances, and therefore a 30-year increase in life expectancy in our country in one century. It is wonderful. It is born of enormous success. It is also very expensive, and that is also causing part of our strain with respect to the Medicare Program, and we must make that program solvent for the long-term because it is too valuable a program for us not to fix it for the long-term.

So I wanted to make a few comments. I intended to make more, but I will abbreviate them because we have another subject that is critically important. I want to make a few comments about the job that I think was done by the Senator from New Mexico, the Senator from New Jersey, the President and many, many others. It is nice for a change to be talking about something that is bipartisan. The American people tend to believe, and in many cases rightly so, that instead of getting the best of what both political sides have to offer we often end up with the worst. At least in this circumstance we have engaged in a bipartisan agreement that I am going to vote for, I am going to support.

Is everything here the way I would like or the way I would write it? No. But we have advanced in the area of education and health care and tackling the deficit and a number of other areas in a way that is significant and in a way that will be beneficial to this country's future, and I am going to vote for it.

Now, having said that in laudatory terms, let me say there are a couple things that give me enormous heartache here, and one of them is a problem the Senator from West Virginia and I want to talk about for a couple of minutes. And at the end of this I intend to make a point of order under the Byrd rule against the universal service provisions in this conference report.

Let me describe it very briefly and then yield to the Senator from West Virginia. There is, in my judgment, a fundamental mistake being made in the conference report in this reconciliation process. And that mistake is this: This conference report will use universal service funds in the Telecommunications Act for the purpose of plugging a hole in the budget process.

In my judgment, that is totally and completely inappropriate and without foundation. Those who were involved in it were repeatedly told this is inappropriate and yet somehow through the mechanisms of the Congressional Budget Office and the Office of Management and Budget and a range of other interests it got stuck into this piece of legislation.

Let me describe it very briefly. We have in this country something called the universal service provision in the Telecommunications Act. What does that mean? It means that in this country, even if you are in an area where it is very expensive to provide telephone service, we want to make sure you have good telephone service at an affordable price. If you happen to live in an area where it is very expensive to provide telephone service, we have a universal service fund that collects resources from all of the users in the country and uses it to drive down the cost to those in the highest cost areas of the country so that everyone in this country has affordable telephone service.

That is what universal means. It has been around forever and for a good purpose. Every telephone in this country is more valuable because there is a telephone in the smallest highest cost area of this country and we have decided to drive down those costs so that telephone service is universally affordable.

Now, the universal service fund produces the money to do that. It is not a fund that comes into the Federal Government. It is not Federal money. It is not a fund that has money that the Federal Government spends. It is completely apart and separate from the Federal coffers.

Two years ago, we passed something called a Telecommunications Act and now we are told by the Congressional Budget Office and by some others that the way the universal service fund is worded in the Telecommunications Act there is justification for the Congressional Budget Office and the Office of Management and Budget to rule that the universal service fund can be used in the construct of a Federal budget as both revenues and outlays.

That is pure nonsense. This has nothing to do with the Federal budget—nothing. And those who believe it does have either misread the law or don't

know the foggiest thing about what they are reading.

Now, we have tried very hard to pull this out of this conference report because it is a couple, I guess it is a $3 billion plug they stuck in, just like a cork in a big hole. They walk around with corks in their pocket down at OMB or CBO, and say, well, here is a big hole we can't explain; we will stick a cork in there. This cork is the universal service fund. And the minute you start using that as a cork the cork will get bigger every year they manipulate it. This is a misuse of the fund. And the Congressional Budget Office and the Office of Management and Budget had no business and no capability of suggesting that this is a part of the Federal Treasury.

Now, I would like to yield for purposes of discussion. At the end of the process, I am going to make a point of order, a Byrd rule point of order. And let me, as I yield to the Senator from West Virginia, say that the Presiding Officer, who is on the Senate Commerce Committee and was integrally involved in the issue of the construction of the Telecommunications Act and the universal service fund, has been involved in signing letters and discussions with other Members of Congress about this very subject. The Senator from Arizona, the current chairman of the Senate Commerce Committee, feels the same way I do. It is inappropriate to have it in this conference report in this manner. The Senate minority leader feels the same way. A good number of us feel the same way. And yet we seem powerless at this point to pull it out of this conference report. I expect that my challenge on the Byrd rule is probably not going to survive for reasons that I will understand, but I think it is critically important that we raise this issue now so it will not become habit forming; this will happen once and only once. And between now and the next time someone has an urge to do this with the universal service fund, I hope we have the law changed to disabuse anybody that they can interpret any language in the Telecommunications Act with the universal service fund in any way which suggests it is part of the Federal Treasury assets receipts or outlays.

Mr. President, the Senator from Arizona I notice is in the Chamber. I just mentioned him. He is the distinguished chairman of the Senate Commerce Committee. I know the Senator from West Virginia also wishes to be recognized. I would be happy to yield the floor so the Senator from Arizona may speak.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. How much time would the Senator like—10 minutes?

Mr. McCAIN. Three minutes.

Mr. DOMENICI. I yield 5 minutes to the Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona is yielded 5 minutes from the time under the control of the Senator from New Mexico. The Senator from Arizona.

Mr. McCAIN. Mr. President, I understand and appreciate Senator DORGAN's concerns. I would disagree with the action of challenging it. The Senator from North Dakota is quite correct in one sense; Federal finagling with the universal service fund ought to raise concerns over any potential impact on the provision of essential phone service to rural and high-cost areas and low-income consumers.

Mr. President, I think it is important to put its genesis and its likely real life effect into perspective.

I reluctantly concurred with the last-minute—I emphasize reluctantly—inclusion of this provision in the bill. I am sure I am telling the worst-kept secret in town when I tell you this provision was dreamed up by the Clinton administration and essentially imposed on the Commerce Committee conferees by OMB. It is not a provision we liked and not a provision we wanted, but it was made very clear to us that our failure to include it would likely result in our losing control of the bill. And if this were to occur, the probability was that not only this provision but numerous others that would be worse, such as spectrum fees, would get added to the bill if that happened.

So including this provision was by far the lesser of two evils. This is particularly so because it is hard to see how this provision is likely to have any real life effect on maintaining essential telephone service. Basically, what this provision does is shift $3 billion in funds between the Treasury and the universal service fund in alternating fiscal years in an attempt to cover a residual $3 billion savings shortfall in the outyears.

Because industry universal service fund subsidies today total over $6 billion and are projected to soar as high as $12 billion to $20 billion, there can be no doubt that the telephone industry will be financially able to sustain a $3 billion loan for the limited time period prescribed. Similarly, if we really think that the Treasury will not be in a position to repay a $3 billion loan, we have far worse deficit problems than this bill can ever hope to cure. And because the bill explicitly provides that telephone companies may not raise their rates to recover this $3 billion, it attempts to assure that telephone rates will not increase, at least for this reason.

So, I believe it extremely unlikely that essential telephone service is likely to be hurt in any way by the enactment of this provision. In saying this, however, I do not wish to trivialize the validity of concerns over the Federal Government reaching into private, nongovernmental pockets to help plug a budget hole. That's a terrible precedent to set, regardless of whether it is the universal service fund or the airline safety funds, and I have consistently voted against such schemes in the past.

I suggest the better remedy is to pass this bill today, then enact new legislation that will prevent this kind of action in the future. We should not risk bringing down this historic agreement because of one such scheme that, however objectionable in concept, will have no practical impact on the public.

Let me emphasize again, this administration provision is designed to have no adverse effect on the consumer. For the information of my colleagues, I have already stated I will hold conference committee hearings early next year to make sure that we need do nothing more legislatively or in terms of FCC oversight to further assure that the universal service provision before us will not, in fact, cause any loss in essential service or raise telephone rates.

I want to tell my colleague from North Dakota, we will have hearings. We will take action to make sure that this provision does not raise phone rates nor impair the ability of people to have universal service. I want to point out that the Presiding Officer in the chair, the distinguished chairman of the Appropriations Committee, also a member of the Commerce Committee, has pledged to do exactly the same. I don't like it. You don't like it. He doesn't like it. In fact, in a rather unusual move, the chairman of the Appropriations Committee was more vociferous in his opposition to this provision than I was.

So I want to point out I think it is important the Senator from North Dakota raised this concern. I know the Senator from West Virginia has the same concern and will articulate it. But I want to say that we will have hearings. We will do whatever is necessary to make sure this does not impair—either raise phone rates or impair the ability of people to obtain universal service. I also want to reiterate, as did the Senator from North Dakota, it's a lousy way to do business, Mr. President. It's not a good way to do business. But I also, with some sympathy to my dear friend from New Mexico, realize that he was in a position where they were $3 billion short and they had to make it in order to make this budget work.

So I want to thank my colleague from North Dakota. I want to thank the Senator from Alaska as well, for his commitment to fix this situation. There is, quite simply, no reason to endorse this provision or the kind of tactic it employs. But neither is there any reason to vote against this balanced budget bill because of it. I urge my colleagues to take that into consideration.

I yield the floor.

Mr. DOMENICI. Mr. President, I thank my good friend from Arizona. I am sorry if we waited until the last minute to notify you. We had plenty of time. You could have come down slowly and taken your time.

Mr. President, I yield myself 5 minutes, and then I will yield to Senator ROCKEFELLER.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 5 minutes.

Mr. DOMENICI. I surmise the distinguished Senator from West Virginia is going to stand up and agree with what has been said. I just ask him if he would consider seriously, with me, what the miner protection fund looks like. It is exactly like this, and it is on budget. The Federal Government orders mining companies to pay into a fund, but the Federal Government does not disburse the money. That is your bill. You are famous for it, Senator. That is on budget. It has been on budget from the beginning.

Now, let's look at this. It's exactly the same. We order companies to pay into this fund so that we can get universal service out of the fund. Who disburses the fund? The companies; not the Government. That resonates very well with a mining bill, miners' protection, the same way it has been on budget for 4 years. Frankly, it doesn't matter to this Senator.

But the point of it is, we are bound by an interpretation that essentially was this. The reason I didn't cite this is because it never became law. But you might recall, I say to the Senator, when we had the universal health plan from the White House, noted by some as the Hillary health plan, the distinguished chairman, then, of the Congressional Budget Office—not this one; one that you-all had appointed from the other side—ruled one morning, to the amazement of everyone, that the bill had a tax in it because the procedure was that we were ordering money to be paid by somebody, and then, in the various States, we would disburse the money. The Federal Government was not disbursing the money.

So the White House thought they would have a bill that was without taxation in it. And what did he rule? He ruled that if the Government orders payment of money into a fund, then the fund is on budget, even if the Government doesn't control the fund.

I know my friend in the chair does not agree. I might not agree. But I am merely explaining what the facts are. I understand that you would like to make a point of order. I will be here and we can talk a little more about it, Senator. I do believe we have just reason to ask the Senate not to impose that point of order under the circumstances surrounding it, but I understand you, and I will speak to that later.

I yield the floor at this point.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, I yield myself, off the time of the Senator from New Jersey, 10 minutes.

The PRESIDING OFFICER. As the Senator present and in charge of the bill he has that right. The Senator is recognized for 10 minutes.

Mr. ROCKEFELLER. Mr. President, I appreciate that very much. I also appreciate very much, as I always do, what my good friend, the Senator from New Mexico, said. I would draw one small point, however of difference. That is, in the miners' health retirement bill there has never been any thought, any action, any suggestion that any of that money should be used for anything but the health care of miners, period. It doesn't go anywhere else. In the case of what we are now talking about, the universal service fund, it is something which was set up for one purpose and which is being used for an entirely different purpose. The Senator may wish to come back—

Mr. DOMENICI. Will the Senator yield?

Mr. ROCKEFELLER. Of course.

Mr. DOMENICI. Senator, when we first proposed this, we could find no way to do this without doing exactly what you said. But the White House came along, and they are a little more ingenious than are we. They offered us a proposal that is now in this bill. It does not change universal service, nor does it use that fund in any way other than what it was originally intended to do. All we have is, those who were paying into it get a 1-year reprieve, to the tune of $3 billion. Then they pay it in the next year. I think they are delighted. They get a reprieve because we lend them the money for the year and everything is exactly as you want it, and in the following year the companies that would have been paying it pay into it the next year. That happens to give us the $3 billion credit on the budget. That was dreamed up by the White House. We said, ''It's extremely ingenious and it fits all the tests,'' and that is why we are here.

Thank you for yielding.

Mr. ROCKEFELLER. I thank my friend and ask unanimous consent the time used by my friend from New Mexico be used on his side and not from the time of the Senator from New Jersey.

The PRESIDING OFFICER. It has been so accounted.

Mr. ROCKEFELLER. Mr. President, I strongly agree with what Senator DORGAN of North Dakota has said. I expect that, if the Presiding Officer were in a position to take the floor, he might say something not that dissimilar.

There is an enormous amount of anger among those of us who worry about rural America, that for the first time in its history —hopefully for the last time in its history—the universal service fund is literally being raided for the purpose of a gimmick. The Senator from New Mexico is correct, I think, in the way he describes the process of what will happen. He is incorrect in one small matter, which doesn't really make that much difference but happens to make some difference to me as a Democrat, and that is that the idea came first from the Congressional Budget Office, not from the White House. It came from the Congressional Budget Office, this so-called gimmick fix. Then it was upheld by, so to speak, the Office of Management and Budget, which is something that I am very angry about, as a Democrat, because that happened on the President's watch.

I think the problem with this is that universal service is sacred. When the Senator from North Dakota described equal phone calls—as he sometimes says, Donald Trump can call into Minot, ND, and that is good for Donald Trump in New York City and that's good for Minot, ND, and the possessor of that phone. But the purpose of universal service is, in fact, that rural areas are able to be sustained in part of their rate-paying because some States have to be more generous than others. That is what universal service is about. That is what the money is there for. It is not there for black lung, it's not there for retired miners, it's not there for environmental purposes. It's there for one purpose, and that is to guarantee that universal service on the telephones is available and affordable by people no matter where they live, and people particularly in rural areas.

Part of my objection to all of this, of course, is that this whole process of working out this reconciliation bill—which I do support. I am not jumping up and down, but I do support it. That will be another speech at another time. But basically there were a lot of meetings held in a lot of rooms in which a lot of us were not allowed to be. I have a feeling that this decision was made at the last moment by OMB. Their people tried vainly to convince Senator DORGAN and his folks and myself and my folks that this was all really nothing but just a shifting of money here and there. But that is not the case. If you look at the historic proportions of raiding the universal service fund, no matter for what purpose—it's not for telephone service, it's not for making it possible in rural New Mexico or rural West Virginia or rural North Dakota for people who have telephones not to have to pay exorbitant rates.

So here we have this one very unfortunate example. It's a budget gimmick. It's lousy policy. It's using the service fund as a piggy bank. There is no excuse for it. It's in the bill. I understand that we are probably not going to be able to do very much about it, but it is wrong. It is not only wrong because of what it does to universal service, but it's also very wrong because of what it does to libraries and schools and health care center telemedicine programs, which I will talk about in a moment.

I will say the fact that Senator MCCAIN was on the floor, that Senator STEVENS has strong feelings about this, and Senator HOLLINGS has strong feelings about this, Senator DASCHLE has strong feelings about this, Senator DORGAN, myself, many others, Senator SNOWE—many others—this is a problem that we are going to come back to and fix. As the Senator from Arizona indicated, he's going to hold hearings. But we are going to come back on this until we can fix this problem. We can't fix it today, but we will be back, we will be

back again, until we get this eliminated—eliminated and changed. Because it is wrong.

I recognize the universal service fund isn't recognized by most people. They don't know what it means. But it's something of such incredible importance to affordable phone rates for rural citizens that it is something people better understand very, very thoroughly. When a group of us passed and fought hard for something called the Snowe-Rockefeller-Exon-Kerrey amendment, we extended the promise and the idea of universal service to something which fits in that category; that is, schools, libraries and rural health care facilities that use telemedicine. There are 116,000 schools in this country, Mr. President, and we are going to make every classroom applicable and every one of those classrooms, every one of those schools, we are going to make them fully wired up, ready for Internet, so there won't be any first- and second-class society in our country.

I never, ever thought during the battle that we had to get to pass that Snowe-Rockefeller-Exon-Kerrey amendment, I never ever for a moment thought that we would be dealing with budget negotiators, but much more significantly I think, in this case, the Office of Management and Budget and their intransigence in trying to work out some kind of a Federal budget worked out that was not—I was shocked when I heard about that.

Unfortunately, the budget has a neat trick, and as the Senator from New Mexico points out, it will work. It will loan universal service funds in the year 2001 and it will repay that in the year 2002, solely to have enough money appear on the books to make it possible to say that the Federal budget was balanced in that particular year, 2002. It violates the promise made to telecommunications providers that the universal service money was for telecommunications only. They are offended by it.

I ask unanimous consent to have printed in the RECORD a letter from Bell Atlantic and Nynex expressing exactly that view.

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

BELL ATLANTIC,
Washington, DC.

NYNEX,
Washington, DC, July 25, 1997.

Hon. JAY ROCKEFELLER,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR ROCKEFELLER: We urgently request that you delete the universal service ''tax'' from the budget reconciliation legislation. This proposed ''tax'' is a direct assault on the policy of universal, affordable telephone service for all Americans.

Section 3006 of the Budget Reconciliation Bill is bad public policy and it should be deleted from the Budget Reconciliation legislation. This budget gimmick borrows money from a fund established to ensure universal telephone service in order to ''balance'' the federal budget.

Because this fund is privately administered and not funded through the federal budget, it is questionable whether the federal treasury can ''borrow'' from this fund. If passed, this provision would surely be the target of litigation.

This section sets a dangerous precedent of using funds intended to support affordable phone service as a ''trust fund'' or ''piggy bank'' to balance the federal budget each cycle. As a result, this proposal raises serious concerns for the future viability of universal telephone service.

We urge you, in the strongest terms, to delete the universal service section from the budget reconciliation legislation.

Sincerely,

AUBREY L. SARVIS,
Vice President, Federal Relations, Bell Atlantic.

THOMAS J. TAUKE,
Executive Vice President, Government Affairs, Nynex.

(Mr. ABRAHAM assumed the chair.)

Mr. ROCKEFELLER. The provision that will probably become law, in this gigantic stack of papers, is opposed by telecommunications companies. It is opposed by education groups. It is going to be opposed by a lot more groups before this process is finished.

The universal service fund is private money. It comes from telephone companies. We don't own the telephone companies. They are their own property. It is managed by nonprofit NECA, the National Exchange Carriers Association. This is private money—private money—that should not be used for budget gimmicks.

At this point, we are caught between a rock and a hard place. The bill is before us. It is a good bill on balance. It is a bill that I am going to vote for. It is something that all of us have worked hard for since 1993, and probably before that. It is going to have to be changed, I fear, in the future. I tried to reach Franklin Raines this afternoon. I could not do so. I have spoken to the Vice President about it. I have spoken to everybody I possibly could, because it is terribly bad public policy.

I am committed to protecting the integrity of universal service, and I intend to work with Senator DORGAN, Republican colleagues, industry leaders, and advocates to protect universal service and its promise of affordable access to rural America.

I urge interested parties to join me in this fight. Universal service is not just about putting computers in classrooms. It is about fairness to rural Americans. It is a sacred trust. The universal service fund has been briefly violated. One can hope that this will be the only time, and one can hope that even this time, it will only last for about a year before we clear it up.

Mr. President, I thank the Presiding Officer and yield the floor.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Will the Senator from New Mexico yield me 10 minutes?

Mr. DOMENICI. I yield as much time as the Senator from Alaska desires.

PRIVILEGE OF THE FLOOR

Mr. STEVENS. Mr. President, I send to the desk a request for privilege of the floor for my staff for today through August 1:

Antonette Advincula; Kai Binkley; Larissa Sommer; Matt Hopper; Melissa Kassier; James Hayes; Kate Williams; Bronwyn Rick; Jay McAlpin; and Jessica Huddleston.

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

Mr. STEVENS. Mr. President, first, let me thank the distinguished occupant of the chair. I was fearing that this issue might come up for a ruling while I had the privilege of sitting in that chair and was fearful what I might do, because I can tell the Senate that if one examines the signatures sheets for reporting this bill, you will find that I excepted from my approval of the bill as a conferee on the Commerce Committee side this provision on the universal service fund.

Mr. President, I am not going to raise a proper point of order, and there is a proper point of order, but it would bring down the whole bill, and it is not timely. I would raise it if this went into effect next year. It will not go into effect until October 1 in the year 2000. So we have time to work this out and find a way to make peace on this subject.

I intend to pursue that after the hearings that the Senator from Arizona has announced, as chairman of the Commerce Committee, he will hold.

I don't think anyone really realizes what this does. I will say, and I know the Senator from New Mexico was trying to get it to me, the first time I saw this was today, although it had been described to me, and that is why I would not approve the Commerce Committee portion of the bill pertaining to the service fund. As a matter of fact, this is the old interstate rate pool, Mr. President. People in the business still refer to that in many ways. It became the universal service fund. I was the one who dreamed this up about 5 years ago when we first introduced the bill to modify the old Communications Act of 1934, and really that was carried through in the Telecommunications Act that passed.

I am pleased to have been part of that, because what this does is it gives us a fund which the industry itself can use to equalize the costs of assuring service anywhere in the United States so that our telecommunications will, in fact, be capable of being delivered wherever there is a person seeking to send or receive communications as defined by our act.

This money is kept by the National Exchange Carriers Association, [NECA]. It is not Federal money. It is not subject to Federal control. As a matter of fact, it is not even enforced by the Federal Government in terms of payment into the fund. It cannot be a tax.

With due respect to my friend from New Mexico, I think we have a Supreme Court of the United States that will determine eventually what is on budget and what is not. The Director of the Congressional Budget Office, in my judgment, has made a serious mistake, and we are pursuing that mistake here. But there is more than just his mistake. The basic mistake has been made by the White House itself, when it conjured up this new approach to using this fund which is not Federal money, it is not taxpayer's money. It is paid by the ratepayers, not the Federal Government. You might have dipped into the Postal Service surplus in the bank right now under this theory. That is ratepayer money, too.

It is not on budget, but, as a matter of fact, this money is not subject to Federal control. But this bill says there is appropriated $3 billion to put into this fund that NECA manages for the telecommunications world, and it sits there for a year, Mr. President. Of course, it is going to earn interest, right? At the end of the year, it is paid back by the fund, and the fund can keep the interest it earned during that period.

Once more, the people who would have paid into the fund don't have to make a payment for a year. They keep that money that they would have paid the fund in their own banks and they pay it to NECA the following year, and guess what? They make money off it, too. So this is one of the greatest shell games I have ever seen with Federal money. The Federal money being fooled with is the $3 billion from the Treasury that goes into the fund before the game begins, and these guys get to play poker with this for a year, and then after a year, they can keep whatever they earned with it and pay back $3 billion to Treasury. It is a win-win thing for everybody but the people who should be served, because the earnings for the fund ought to accrue to the fund, the people who are the recipients of universal service, and this is just too cute. This, in my opinion, is the worst gimmick since the Budget Act was enacted, and I am glad the Senator from New Mexico has indicated he really didn't dream this one up, because I think he is smarter than that, and I think he is embarrassed to have to carry it, as I would be.

The proper point of order, Mr. President, is a constitutional point of order. I will not raise it because it will pull the whole bill down, and we have to have this to bring about a balanced budget. It will take place in the year 2000, as I said. But I warn the Senate, before 2000 gets here, we will raise a constitutional point of order to take this out of here unless it is straightened out, because it is nothing but smoke and mirrors. It is the worse case of smoke and mirrors that ever came out of the White House.

Somehow or another, someone has to understand that it is not right to play with money, that $3 billion of taxpayer's money goes into this fund, managed by a private association; it stays there for a year, the interest on it accrues to private associations, and at the end of the year, they pay back $3 billion. Meanwhile the people who should have been paying in for a year have earned their own money, and guess what? It is not a wash in the sense of everybody who keeps their own checkbook and everyone who pays bills and the people who need this service, this universal service; it is a wash under the Budget Act, which I thought was a stupid act to begin with, and now I know it is a stupid act, if it can conjure up something like this. It is not in the public interest.

So, Mr. President, I am now satisfied that I was right. I signed this bill and approved it, except for this provision. I urge everyone to read it, section 3006. If there is anything that demonstrates we need a new Budget Act, this is it, if people can sit in the basement of the White House and dream up a charade like this and say that it balances the budget. This is why people don't believe us. They really don't believe us, because they think we play funny games with their money, and this demonstrates they are right, Mr. President, unfortunately.

I will swear to you—I am glad you came, Mr. President, because I would be hard pressed not to approve the point of order that is raised by the Senator from North Dakota, and I would have hated to be in that chair and to have said what I don't believe. I am not saying you have to believe it either, Mr. President, just follow what the Parliamentarian tells you and we will pass this bill, and we will live to the year 2000.

Meanwhile, someone has to put down a marker on these people. They have to stop using smoke and mirrors. That is why we don't have a balanced budget now, because people play games with money, and those of us who don't have much money don't understand it.

It took me a little time to find out what they were trying to do, I say to the Senator from New Mexico. I see him smiling a little bit. He is my great friend, and I know he is embarrassed to have to carry someone else's brainchild like this. I hope we will find some way to stop this business, to give us a chance to deal with straight up-and-down money, and straight up-and-down provisions and not more smoke and mirrors.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I just say to my good friend—who is my good friend, perhaps one of the best here—there are plenty of smoke and mirrors in the appropriations bills, and I am not here saying we should abolish the appropriations process. If you would like a debate someday, we will go through 20 bills, and I will find you more smoke and mirrors than $3 billion in any given year in the appropriations process. I yield the floor.

Mr. STEVENS. Mr. President, if the Senator will let me have a couple minutes, it would be nice to have this discussion. There are no smoke and mirrors in the appropriations bills. We sometimes have devices in order to enable us to meet the objectives of the Budget Act, but we never end up by appropriating money to an account that is not controlled by the Federal Government, nor do we give up interest on that $3 billion for a year and expect just to get the straight $3 billion back. If there is something like that going on in an appropriations bill, I don't know about it.

He is right, we have our devices for making sure that we have control on spending money, and sometimes that is subject to criticism, similar to what I have just given him.

Mr. DOMENICI. I appreciate that. That is plenty for me. I appreciate it very much.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I thank the distinguished Senator from North Dakota, the Senator from West Virginia, and the distinguished chairman from the Appropriations Committee, the Senator from Alaska, as to the point being made relative to the universal service fund.

In the 4-year tour of work of trying to reconcile and bring up into the modern technological age communications law, there was one thing that was sacrosanct and generally agreed upon by everyone—and there really are no exceptions to it, because it was sort of a private endeavor. I know the distinguished occupant of the chair believes very strongly in the private market and the forces of private industry vis-a-vis those within the Government. But those within the telecommunications industry, years back, by way of the entities in which they belong, determined the volume of business, and with that volume of business and the costs, they then factored in each month through this private universal service fund the amount to be contributed thereto. And it is operated that way. From time to time the FCC has rules and regulations about it, but, generally speaking, it is a well-administered fund, not participated in, really, by Government law. The Government does not say or the 1996 Telecommunications Act does not require this.

So it came with some amazement that, in all the machinations in trying to work for the Balanced Budget Act of 1997, we were hearing that they were going into the universal service fund. We raised the point in discussions. We had resolutions about it. We put amendments up. And we thought we had gotten the clear, crystal word through to the negotiators and conferees. Now it appears that that has been disregarded.

For one, we can see what was really bringing it about. They came in with the spectrum auctions, which this Senator and the Senator from Alaska

joined in in the original instance, tried to raise money and factor in the market forces. But we have found in the more recent auctions that we sort of are scraping the cupboard dry or bare, as the expression is, whereby on an auction of last year, agreed upon in October to bring in $3.9 billion, only factored in or received $13.1 million instead of billions up there—few millions. So when they came with the factored-in $26.1 billion in spectrum auctions, they realized that the Congressional Budget Office, and anyone else estimating it, was going to have to downgrade it, so they put in a catchall, the universal service fund with a blank amount, until now, I guess. It is marked at the desk.

I understand from the debate it is $3 billion. This cannot happen. You do not want to take what is really working and turn it into a slush fund for budgeteers or for conferees or for any other kind of nonsense that is going on along here—smoke and mirrors, as they call it.

So I am glad the point is being made here in a most eloquent fashion by the distinguished Senator from North Dakota, Senator ROCKEFELLER of West Virginia, and now Senator STEVENS, who was the ranking member on our Commerce and Communications Subcommittee for many, many years. We worked in this field. We fashioned out some funds that would be available for the schools, for the libraries, the hospitals, and otherwise.

We really have, I would say, one of the finest elements of the 1996 Telecommunications Act, passed by a vote of 95 Senators here in this body, that the outstanding innovative feature was the agreed-upon embellishment of the universal service fund in order to bring in the libraries and schools and hospitals and otherwise of America, to bring to all of America communications services in the Internet and otherwise.

Now, we just passed that early on, and we turned our backs, and, heavens above, budgeteers have turned it into a slush fund. I hope that does not occur. I hope the point is made. I do appreciate the leadership of our colleagues who pointed it out this afternoon.

I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. I appreciate very much the comments made by the Senator from West Virginia, the Senator from South Carolina, the Senator from Alaska, the Senator from Arizona, and others. I say that the Senate minority leader, Senator DASCHLE, feels very strongly in opposition to this particular provision.

I was very careful when I began this discussion. I was not critical of the distinguished chairman of the Budget Committee. I said that I thought they had brought a product to the floor that is a compromise which represents the best of public service.

There is much in here to commend this. I am going to vote for this. This is what we are going to vote on. It is a pretty good piece of work. This page is what I am talking about, coming right out of the middle of this provision, ''Universal Service Fund Payment Schedule.''

There was a story once about a fellow—I do not have backwoods in North Dakota. In fact, we rank 50th in America in the amount of our native forest lands. So we do not have any backwoods stories. But down in your part of the country, we hear all these backwoods stories.

There was a story I heard once about a fellow that came over a hill in the backwoods, and he found a couple of old codgers there sitting over a pot that was hanging over a fire, and they were making something. He said, ''What are you fellows making?''

They said, ''Stew.''

''What kind of stew?''

''Horseradish stew,'' they said.

''How on Earth do you make horseradish stew,'' they asked.

''Well,'' one said, ''You take one horse and one radish.''

That is the menu here—''horse'' and ''radish.''

You have to look through this whole thing to find out what has been brewed, what has been cooked. And I like a lot of this. I think a lot of this advances this country's interests. The provision I brought to the floor today to talk about is a terrible provision. It is a terrible provision and ought not be here.

Mr. President, I heard discussion earlier by the chairman of the Senate Commerce Committee, chairman of the Senate Appropriations Committee, and others, that there will be legislation—first a hearing, and then legislation to deal with this. We may never again be back at this intersection, an intersection where we are having to come to the floor to say, ''You can't use money, you can't count money that never comes to the Federal Treasury as part of a calculation to balance the budget.'' Why, in my hometown of 300 people, you would be laughed out of the cafe in 2 seconds. You can't count money that does not come to the Federal Government.

So, despite the fact that I am going to offer a point of order under the Byrd rule—and my understanding is that I will probably not prevail—I do not intend to ask then for a vote to appeal the ruling of the Chair. I will accept the ruling of the Chair as a ruling, and will disagree with it, I suspect, if the ruling is what I expect it to be. But I will say this: I expect us never to be back to this intersection because I expect that those of us on the authorizing committee who know what the fund is and what it is for and what it is about, we will never again allow a discussion to go on somewhere in the bowels of this building in which OMB and CBO bring to the table a menu of items that say, ''By the way, here is a way to count money to make things look different than they really are.''

I say, the Senator from New Mexico talked about this being a White House creation. My understanding is that, indeed, the Office of Management and Budget and the White House have agreed that this provision is part of this budget process. In fact, the latest provision, which is, I think, the third provision of this type, this was, in fact, brought to the table by the White House. Originally, I understand it came from the Congressional Budget Office, agreed to by the Office of Management and Budget. But notwithstanding what its conception was, I think it is terrible, terrible public policy, and I hope that we never again are at this point.

I think the discussion we have had is a useful discussion, which has served notice to every Member of Congress that while we cannot get at this provision at this point, there will be a time when we will no longer debate this because we will have changed Federal law to prevent this sort of thing from happening.

Mr. BURNS. Mr. President, the Federal Government should not manipulate the universal service fund to balance the Federal budget. I believe this for several reasons.

The provision in the conference reconciliation package which manipulates the Federal universal service fund and allows the Federal Government to use this fund to balance the Federal budget is outrageously bad policy, and is, I believe, an unconstitutional takings.

In States like Montana, the universal service fund is absolutely critical to the provision of basic telephone service at reasonable and affordable rates. However, lately it seems that this fund is becoming the ''ox that gets gored'' to resolve a variety of high profile problems or issues. Universal telephone service is a privately funded support system that works without Federal monetary aid. Unfortunately, due to its present on-budget status, this privately financed program is subject to the whims of the budgeteers. A couple of months ago, the FCC, at the urging of the Vice President, decided to add a further burden of $2.25 billion a year on the contributions to the fund to pay for linking schools, libraries, and rural health care facilities to the Internet. Now the Congress, by this reconciliation package, is seeking to balance the budget at the cost of universal telephone service. This will have extremely negative impacts upon basic telephone service in rural and remote areas of the country which depend upon the fund to keep prices for telephone service reasonable; consequently, here we are, in the name of balancing the Federal budget, effectively raising rates for telephone service for all customers who happen to live in states like mine. This effectively targets the rural customers and is simply unacceptable. Sound telecommunications policy must not be manipulated to comport with fleeting budgetary concerns. Rural Americans—and those others who receive affordable

service as a result of universal telephone service—must not be subjected to the uncertainty of this process.

Furthermore, I believe that, even if this provision were not such outrageously bad policy, we should not adopt it because it will likely be struck down by the courts as an unconstitutional taking of private property. Contributions to the Federal universal service fund are made by telephone companies and wireless telephone providers and, as such, are not the property of the Federal Government. The Telecommunications Act clearly establishes the manner in which universal telephone service funds are to be collected and disbursed. Pursuant to the act, universal telephone service moneys logically should not be classified as either Federal receipts or Federal disbursements and thus should not be associated with the Federal budget, as the administration has insisted, and as some in Congress have allowed. Clearly these are not Federal funds.

Thus, the Federal Government's use of these funds interest free is, in effect, a governmental taking of that interest. Consequently, I believe that a constitutional challenge to this provision will likely be successful. Regardless, there is one thing of which we can be absolutely certain: this provision will end up in the court system, thus wasting phone company, and by extension phone company customer, and taxpayer money. Folks, this provision is a bad idea for any of a number of reasons, and I urge my colleagues to join me in opposing any efforts by either the administration or Congress to use the universal service fund to balance the Federal budget.

Additionally, this ill-advised raiding of the universal service fund sets an absolutely terrible precedent. While I am confident that the budget agreement is based on sound numbers, what will happen if the economy takes a turn for the worse and the economic assumptions on which the balanced budget plan is based come up short? Will the budgeteers not look to increase the amount of money that is borrowed from the universal service fund? Even if that's not the case, and even if the money borrowed from the fund will be repaid, this amounts to a back-door tax increase levied on every American through his or her telephone bill. I don't believe that we need to raise taxes in order to balance the budget—that's why I joined every other Republicans member of Congress in voting against the ill-conceived Omnibus Budget Reconciliation Act of 1993—but if we're going to raise taxes, we ought to be forthright about it. This scheme to raid the universal service fund is anything but forthright.

UNIVERSAL SERVICE

Mr. KERREY. Mr. President, I support the Dorgan point of order against the provisions in the reconciliation bill which manipulate the universal service support system to create a book-keeping gimmick which is disguised to look like deficit reduction.

Universal service support is the complex system of intercompany payments between phone companies designed to ensure that telephone rates are reasonable and affordable. The universal service support system assures that phone rates and services are comparable in rural and urban areas. This system of payments and shared costs does not touch the U.S. Treasury.

For the first time, the reconciliation conference agreement would manipulate the universal service support system for budgetary gains. This is a terrible precedent which if abused will drive up phone rates, especially for rural Americans.

The idea of universal service is profound. It is one of the most fundamental principles of telecommunications law and economics. The concept was introduced in the original Communications Act of 1934 which promised ''to make available to all Americans a rapid, efficient, nationwide and world-wide wire and radio communications service * * *''

From 1934 to 1996, regulation and monopoly were the primary means of ensuring telephone services to all Americans. In 1996, the Congress embraced the idea that competition would best deliver telecommunications services to all Americans at affordable rates.

The Congress also recognized that there were some markets which competitive companies would not serve and some areas where costs are so high that rates would drive citizens off of the phone network. In those markets, universal service support would keep rates affordable and comparable to urban areas.

The principle of universal service is that all Americans should have modern, efficient, and affordable communications services available to them regardless of where they live.

Universal service support is not a subsidy, and it is not a tax. It is a shared cost of a national telecommunications network.

What makes the American phone network valuable is that almost anyone can be reached. Affordable phone service is not just important to the citizens of Valentine, NE or Regent, ND, it is of value to the citizens who live in New York, Chicago, and other urban areas who need to reach Americans in all 50 states.

The basic bargain of the Telecommunications Act of 1996 was that the gates of competition would open, provided all telecommunications carriers contribute to the support of universal service. Under the act, support would be sufficient, predictable, and the burdens would be shared in a nondiscriminatory manner.

To assure that all Americans shared in the benefits of the information revolution, the Congress also adopted the Snowe-Rockefeller-Exon-Kerrey amendment which provided for discounts to schools, libraries, and rural health care facilities. The bottom line was that no American would be left behind.

The precedent that the reconciliation conferees have set is dangerous. It threatens to undermine the promise of sufficient and predictable support for universal service. It does so to gain a smoke and mirrors bookkeeping advantage in the budget.

If the universal service support system is manipulated for this purpose, consumers will lose.

The very system which assures affordability should not be jeopardized by an attempt to avoid the real choices necessary to produce a balanced budget.

Mr. DOMENICI. I ask the Senator, are you ready to at least make your statement about this? I understand your points. I hope everybody knows—I should have gotten recognition. Are you through?

Mr. DORGAN. I ask the Senator from New Mexico if he could hold for a moment. I will be happy to yield the floor and take a moment.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I would like to ask the Senators, we have now been on this bill since 12 o'clock, which has been for 5 hours, 25 minutes, all of which I believe is counted against the 10 hours. I very much wonder what Senators would like to do with reference to the bill.

Are there more Senators who would like to speak? The bill is not subject to amendment. There is a list of BYRD rule violations that is around. It is not hidden. I just am wondering what the pleasure of the Members is. I think that most of the Byrd rule violations have been clearly worked by Democrats and Republicans and are consistent with the bill and should be waived. But we cannot do that without conferring with a number of Senators, including the distinguished Senator BYRD, in due course.

There is a conference going on, so I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. DORGAN. Mr. President, I appreciate the indulgence of the chairman of the Budget Committee. I was prepared to make a point of order, a Byrd rule point of order, on this universal service provision. I am persuaded that making a point of order, in which the Parliamentarian would likely rule that this provision is not violative of the Byrd rule, would put us in the position of having a ruling by the Chair blessing an approach that I think deserves not a blessing but condemnation. So I am not going to proceed to make the point of order.

I am persuaded to decide that by the fact that the Senator from Arizona, the

chairman of the authorizing committee, of which I am a member, indicates, first of all, a determination to hold hearings in support of changing the law to prevent this from occurring again and statements by the Senator from Alaska, Senator STEVENS, and Senator ROCKEFELLER and others, including Senator HOLLINGS.

It is clear to me that we will not likely come to this point again. We will likely see a law change that says universal service funds cannot be used for this purpose. For that reason, I will not require the Chair to rule on a Byrd rule point of order on the universal service provision because I simply don't want anybody to believe there was any blessing applied to this approach in this piece of legislation.

Let me make one additional point. The Senator from New Mexico made a point some while ago, and I suspect he thinks that we are here in some ways jabbing away, and so he made a point that, gee, this isn't the only place this stuff goes on. Everybody in the Chamber would agree with that assessment. We understand that there are games and there are games. We also understand that this piece of legislation, the reconciliation bill, this year provides significant traction toward the goals we all want for this country: getting our fiscal house in order, making the right investments, cutting spending, and doing other things. I understand all that.

My point was—and I was not critical of the Senator from New Mexico—there is a provision right in the middle of this, which is a tiny provision, that is fundamentally wrong and ought to never be put in a piece of legislation like this. I am now believing from this discussion this afternoon that we will not likely be forced to discuss this again on the floor of the Senate, because those of us who are involved in describing what a universal service fund was in the Telecommunications Act will join and conspire, in a thoughtful way, to change the law, so no one—OMB, or CBO, or anyone—can misinterpret whether those revenues touch the Federal Government. They do not and they cannot, therefore, be used to plug some kind of a hole in the budget process.

Mr. President, I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield myself 5 minutes. First, while Senator STEVENS is on the floor, he has made some very good points, and, certainly, the distinguish Senators on the Democrat side have made some good points. The Senator from New Mexico wants to do nothing in this budget bill that will adversely affect our movement toward universal service. There is no intention in this budget reconciliation bill, which I ended up agreeing to—and I have already explained why—but there is nothing in it that is going to deny the march toward universal service that is prescribed and was your thoughtful, visionary idea, Senator STEVENS. I just ask you, so we have the record straight, is that your interpretation, also?

Mr. STEVENS. Mr. President, I say to the Senator from New Mexico that we have studied this and there is no impact on any universal service provider or universal service beneficiary that is adverse. There may actually be a beneficial effect, in terms of some of the providers. But it is not a provision that harms universal service. It is a provision that tinkers with the funding of universal service, but not adversely to the system. I will agree with that.

Mr. DOMENICI. Now, Mr. President, might I say while a number of Senators are present—and hopefully others have access to what we are saying—we have now been on this bill on the floor for 6 hours, or we will be in 15 minutes. As everybody knows, there are 10 hours on reconciliation. Frankly, there are no amendments in order, and, clearly, the Senator from New Mexico will stay here if there are other speeches or other comments that people want to make. But I very much think we ought to be able to vote at a time certain tomorrow morning.

Now, I am just wondering if there is anybody who—Senator BYRD?

Mr. BYRD. Mr. President, I thank the distinguished Senator. I have a question. Under the rule with respect to extraneous material, I read an excerpt therefrom:

> The Committee on the Budget of the Senate shall submit for the RECORD a list of material considered to be extraneous under subsections b(1)(A), b(1)(B), and b(1)(E) of this section to the instructions of the committee as provided in this section.

Is that list available?

Mr. DOMENICI. Senator BYRD, that list is not only available, it has been sent to the desk in accordance with the statute.

Mr. BYRD. May I see a copy of it?

Mr. DOMENICI. Yes, indeed. This is the list that we submitted.

Mr. BYRD. I thank the distinguished Senator. Now, I have been supplied by the minority with a list of extraneous provisions, and it appears that, on a cursory examination, they are not the same; the two lists are not in agreement on all fours.

Mr. DOMENICI. Senator, we don't know what might be different, but we are certainly willing to look and see what is different. We have been in contact with them and working together, as you might suspect.

Mr. BYRD. Mr. President, I think if there is going to be a list, it should be a complete list, and I am only raising the question because I have been supplied with two different lists—one list by the minority and one by the majority—and there may be some of the same things on both lists, but I am not sure. It appears to me that some of the items on the minority list are not on the majority and perhaps vice versa.

Could we have a clarification of this matter?

Mr. DOMENICI. Staff for the minority is approaching. I will ask him the question.

Could I get a quorum call?

Mr. BYRD. Absolutely.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Mr. President, I yield to the other side.

Mr. REED addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. REED. Mr. President, I request such time as I may consume from the Senator from New Jersey.

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

Mr. DOMENICI. Could the Senator kind of guess? How much; 15 minutes?

Mr. REED. No. Close to 5 minutes.

Mr. DOMENICI. Why doesn't the Senator ask for up to 10?

Mr. REED. I ask for 10 minutes.

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

Mr. REED. Thank you, Mr. President.

Mr. President, I rise to speak in favor of this bill. As one who voted against the Senate version of this legislation, I am especially pleased today to be able to support this initiative—an initiative that, among other things, provides 10 years of solvency to the Medicare Program, and makes a substantial investment in the health care of our children. I would like to remind my colleagues that we were able to craft this agreement because of the tough vote that I and others cast in 1993 for President Clinton's deficit reduction plan—a plan that has reduced the deficit from almost $300 billion to approximately $40 billion or perhaps lower.

I am particularly pleased that this bill makes a remarkable investment in the health care of our children by providing $24 billion to States to spend for children's health care. This new program represents the most significant and far-reaching expansion in our social programs since the passage of Medicaid and Medicare in the mid-1960's. These children's health provisions will give our children the healthy start that they deserve, and the healthy start that is necessary to help young people become effective students and help these students become effective workers, and help all of us raise a generation of American citizens who will serve this country and lead the world.

Congress is committing significant resources to children's needs. And now we must turn our attention to the days ahead to ensure that these resources are used wisely. I remain cautious about this new initiative. As with any investment of our taxpayer's dollars,

the Federal Government needs to ensure that the investment is well spent. The plan which is being offered today provides a wide array of options and benefit plans with a high degree of flexibility. And it is crafted in a such a way that it could perhaps be gamed—not for the benefit of the children but for the benefit of those who will be enriching themselves from the system. As this program is implemented, we need to provide adequate oversight to ensure that the children are the beneficiaries of this program, and that they receive the benefits they need, that their health care is protected, and that we as a Nation can prosper. The Secretary of the Department of Health and Human Services, along with the Congress, has her work cut out for her. And together we must ensure that this program is implemented wisely and benefits the children that we so desperately and appropriately want to serve.

In addition, this conference agreement makes significant changes in the Medicare Program. Most importantly, this bill brings 10 years of solvency to the Medicare Program—a program that more than 30 million Americans depend upon, and that more than 170,000 Rhode Islanders depend upon.

Like the amendment I offered during the debate on the Senate version of this bill, this legislation does not include the provisions which I believe take the wrong approach to solving our Medicare problems—provisions like raising the eligibility age, means testing for the part B premiums, and a home health copayment for home health services. This legislation strikes those provisions, as my previous amendment struck those provisions.

A home health care copayment would have negatively impacted the sickest and poorest of Medicare beneficiaries. And an increase in Medicare's eligibility age is a step in the wrong direction. Simply put, raising the eligibility age for Medicare increases the ranks of the uninsured. Already, 13 percent of the 21 million people age 55 to 64 lack health insurance. It makes no sense at all for Congress to eliminate Medicare as an option for seniors who have nowhere else to turn. These and other issues will be debated in the context of long-term Medicare reform as we address the problems faced by Medicare for the next generation.

During the Senate debate on this bill, as I indicated, I offered an amendment to strike these provisions. My amendment failed. But I am glad to see that today we have reached an agreement which protects Medicare, extends the life of the program for at least 10 years and does not attempt an ad hoc approach to structural reform.

This bill includes many improvements to Medicare. For example, it has expanded preventive health care benefits for mammography, pap smears, diabetes, prostate, and colorectal cancer screening, bone density measurements, and vaccines. This bill also requires the Medicare Program and managed care plans to give more information to beneficiaries about their choices and their coverage, and the quality of that coverage. All of these are welcome developments.

I am also pleased that this bill contains $1.5 billion for protecting low-income Medicare beneficiaries against an increase in Medicare premiums. However, I am disappointed that this comes in the form of a block grant to the States that ends after 2002. This approach has the potential to fall short of providing real protection for low-income Medicare beneficiaries. Any increase in Medicare premiums can result in significant hardships for low-income seniors, and these individuals deserve a permanent guarantee of protection.

This bill also includes numerous changes in Medicare reimbursement policies—changes that will have a great impact on those individuals and institutions that provide health care to Medicare beneficiaries. I will keep a vigilant eye on the implementation of these changes, paying particular attention to their impact on the access to and quality of care provided to Medicare beneficiaries.

This legislation also establishes a bipartisan national commission to examine the long-term solvency of the Medicare Program. The creation of this commission lays an important foundation to work on long-term reforms and solutions, and to tackle those issues that are not suitable for the narrow confines of a budget debate. Such reform is needed to address the challenges that the Medicare Program will face as members of the baby-boom generation become recipients of Medicare. This commission provides that framework, and I am encouraged that the commission is established by this legislation.

I am prepared to vote in favor of this bill. As with any piece of legislation, it is not perfect. Indeed, many individuals will benefit from various provisions of the bill. Medicare beneficiaries will have the security of an additional 10 years of solvency in the program. The families of uninsured children will now have new State programs to turn to. Medicare beneficiaries will have new choices and increased preventive health care benefits.

But this is no time to rest on our laurels. To ensure that Medicare beneficiaries continue to have access to high-quality care in the face of constrained payments to providers, to ensure that the $24 billion for children's health care is well spent, and to ensure the long-term viability of the Medicare Program, we will need continued vigilance on the part of many, including the Congress, the Secretary of Health and Human Services, and those persons served by the Medicare and Medicaid Programs.

We also must recognize that within this budget, as we continue to draw down discretionary spending over the next several years, harder and harder choices will ensue. We have to ensure that we make the right choices. We have to ensure that the spirit today—a spirit that reaches out to help our children, a spirit that reaches out to help and maintain our seniors—will be the spirit that dominates our future budget deliberations as it has ennobled our past efforts to strengthen America.

I yield the remainder of my time.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, on behalf of Senator DOMENICI, I yield myself up to 15 minutes. I don't believe I will take that long.

But I also ask that the Senator from Montana be allowed to take a minute to introduce legislation.

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

Mr. BURNS. I thank my friend from Indiana.

(The remarks of Mr. BURNS pertaining to the introduction of S. 1090 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER (Ms. COLLINS). The Senator from Indiana.

Mr. COATS. Madam President, I don't believe I will take all 15 minutes.

I want to express, however, the reason I am voting against this budget agreement. When the budget resolution came before the floor of the Senate initially, I voted against it because it did not contain the entitlement reforms—the structural reforms that I felt were absolutely necessary if we are ever going to have a sustained, consistent effort at balancing our budget. Clearly, we all know that the entitlements—the mandatory spending—have not been structurally reformed for a long, long time, and we are on a collision course with their ability to meet the demands on those funds in the future. Some changes were made in this bill. I want to talk about those in a minute. But they were not the structural reforms.

Then when the budget reconciliation bill came before the Senate, I supported the budget reconciliation bill because the Senate had the courage to stand up to the plate and address the need for entitlement reforms. I doubt that there is a Member of this Congress, House or Senate, or anyone else who has paid attention to this issue, that doesn't recognize that this is something that we have to do. We are on a collision course with bankruptcy for Medicare.

We hear all of this wonderful talk about preserving Medicare for the benefit of our elderly. Yet, the quality of Medicare services continue to decline because we continue to impose restraints and restrictions on the providers, and it squeezes the quality of care. And we fail to have the will to step up to the plate and deliver any kind of structural reform in the program—even reform that takes place well into the next century. The Senate addressed that issue. The Senate by a fairly substantial vote passed legislation which

would begin that process of structural reform. So I supported the bill on that basis, hoping that it would survive conference. Due to a number of factors which I will talk about, it didn't survive. And it is back here now without those reforms.

All the wonderful promises and rhetoric about addressing the Medicare problem is more of the same that we have been promising for the last several budget resolutions, most of which has not come to fruition.

So I approach this conference spending bill with a sense of sadness and feeling of resignation—a sense of sadness because I know that the Senator from New Mexico and others who have been involved in this process have worked very, very hard to put together a bill which moves us toward a balanced budget. They have incorporated a number of provisions in here which I believe are important provisions, and provisions which I support; but a sense of sadness because we have dropped in the negotiations what I think were the most important parts of this budget reconciliation bill—the structural reforms and entitlements.

It is entitlements that are eating up our revenues. It is the entitlements, were it not for a booming economy which is pouring revenues into our coffers for the present time—it is the entitlements which would be squeezing other aspects of the budget, whether you are for education, or roads or safe water, or environmental issues, or a whole number of other things. Those are being squeezed because we don't have the political will and courage to address the entitlements.

It is resignation that I feel because lasting structural reform of Government spending seems to be beyond the ability of the Congress and the executive branch.

The measure before us today is significant not for what it contains but for what it does not contain—commitment to fundamental institutional change. And that failure is most obvious, as I have said, when we look at the entitlement parts of this bill.

Here, for whatever reason—probably a lack of political will—we have dropped the three measures which maybe signaled the best hope of future ability to contain entitlement growth. Instead, we have what is estimated as a $115 billion reduction in Medicare spending, but this is an evasion, not a reform, because these projected savings are achieved by the typical way we have done this: decreasing payments to providers. It has been tried over and over again, and it has failed. Costs have continued to rise under reduced payment schemes while the quality of care has decreased.

The plan also shifts the home health care program, the fastest growing part of Medicare, from Medicare part A to part B. That is a shift, at taxpayer expense, by the way, that simply delays the overall failure of this program by not reforming its faults but simply making it sustainable. In addition, the measure drops the Senate provisions that would have set the stage for future reforms, measures that, as I said, were adopted as a result of the leadership of Senator GRAMM, who offered the amendment, and support on a bipartisan basis—Senator KERREY of Nebraska and others—for these reforms. The Senate bit the bullet. The Senate exercised the political will. The Senate put itself out on a limb only to see all of these reforms dropped in these negotiations.

Means testing provision dropped, the increase, very gradual increase in eligibility from 65 to 67 that would not affect anybody 46 years of age and older, and the increase in copayments for home health care service dropped, all killed, and along with that any hope for meaningful reform.

The President bears some of this responsibility, a lot of this responsibility, because we all know that we cannot accomplish this without Presidential leadership, and that leadership was tepid at best. There was no sustained active involvement on the part of the executive branch and the President to bring about these reforms. And support from the House, not this body, but support from the House was weak, and I regret that. It falls on the shoulders of both parties.

Left unchecked, CBO projects that Medicare spending will explode to $470 billion a year by the year 2007, representing an average annual increase of 8 percent over the next 10 years. This is a growth rate of nearly double the estimated growth of the overall economy for the same period. In the period from 2010 to 2030, when 80 million baby boomers move into retirement, Medicare's expenses are expected to surge to 14 percent of our gross domestic product as compared with 2.5 today. This cannot be sustained. This is a train coming down the track headed for a wreck, and yet time after time after time, as we are faced with the prospect of that train wreck, we blink. We pass it off to the next Congress and the next Congress, and we defer and pass that debt off to future generations.

The $115 billion in promised reduced payments does nothing to avert this long-term disaster. By dropping the reforms passed by the Senate, budget negotiators have brought the looming crisis one step closer to reality. And just yesterday in the Washington Post, there was an article entitled, in fact, ''Billions Wasted, Medicare Audit Says.'' The article opens by stating that nearly 40 percent of the home health care services provided to frail elderly Americans under the Medicare Program are unjustified either because the service is not necessary or the agency administering the care is not sanctioned to do so or the person is not covered—40 percent. I think the figure was $23 billion a year in fraud and waste and abuse of one part of the Medicare system.

We had a provision in the bill that began to address the problem, and we passed on it. We could not even turn to seniors and say that the program which benefits you, home health care—and I used that for my father when he was home in need of that health care—the program that benefits you is so fraught with waste and abuse it is jeopardizing the entire Medicare system. And yet, the Congress refuses to even impose the most minimal of corrections to try to address that problem.

So what do we offer our seniors? A so-called bipartisan commission to study the problem. Madam President, there is nothing left to study. We have studied this thing to death. The problem is not a lack of knowledge. It is a lack of political will. Confronting the Medicare crisis will take political courage and it will take sacrifice. But these values, which should come easier in a time of economic growth and prosperity, are absent in the spending plan. That is to say nothing about Social Security. That is another problem that we don't even touch here and we also need to address.

All of this, as I said, is deeply disturbing, but then when you add to that a new entitlement program, a $24 billion health care entitlement, paid for with a tax hike on cigarettes and tobacco, you compound the problem—not because we do not need a health care program for children; we do, but because this one was designed with no rational basis. It was created without an assessment of the need. The level of funding was arbitrary. We were throwing figures around here—how much can we add? How much can we subtract? Pulling figures out of thin air in a mindless bidding war rather than having an adult policy debate.

We are creating in this measure future entitlement problems that we cannot even imagine because we have not taken the pains to consider those problems.

I am not speaking against the need for health care for children. I am saying let us determine what the need is and tailor a program that addresses the specific need without just throwing a new entitlement program in place that will probably go the way of all other entitlement programs and that will grow beyond our means to check it, and we will not be able to put reforms in that either.

What is absent from this agreement is any type of fundamental, lasting structural reform in our Government and its spending. That reform is now possible because of the strength of our economy. This is when we ought to be putting these reforms in place.

We always hear that we cannot make structural reforms during times of economic slowdown, because that would have too much negative impact on our economy. And now we hear the argument that we cannot make reforms during economic prosperity because it is too difficult, because a strong economy signals to us that we do not need to make reforms. We will just reap the benefits of the new revenues that are

coming in. And so when the economy is down, we cannot do it because it hurts the economy, and when the economy is doing well, we say we do not need to do it; there is no sense of urgency anymore.

Our entitlement crisis is lurking around the corner, just below the surface of this strong economy. The same irrational and bloated bureaucracies that choke our economy in hard times hide in the shadows of economic boom because this legislation does nothing to reform and limit the Federal Government.

Sooner or later the economy is going to slow. I wish it would not, but it will. And when it does, the reckoning will be even more severe. We have squandered a unique opportunity—a President who is not running again, a Congress led by Republicans who are willing to walk out on a limb again for entitlement reform, who will support a President if he would just provide leadership on entitlement reform, a prosperous economy where people are at work, revenues coming in.

Is there ever going to be a better time to bring entitlement reform to our budget process? I doubt it. And yet we are squandering this marvelous opportunity to make changes now that will be incremental and small in nature but will provide great dividends and great benefits for the future. Instead, in the interest of political expediency, we postpone those tough decisions to a future Congress, to future generations, and we look myopically at the immediate election consequences, what we perceive them to be. I do not believe they are there. I think people are looking for politicians who will exercise political will, make the tough decision, step up and do what is right, and I think they will be rewarded in the polls. Instead, we say let us pass on this one more time.

We will never have a better moment. We will never have a better opportunity. We will never be in a position where we are 3 years out from a general election, more than a year out from the next off-term election, with an Executive who does not ever have to stand for election again in his life, with a Senate that has already made the decision to go out on the limb. We will never be in a better position, and yet we have squandered this moment.

For that reason, for all of the hard work that the Senator from New Mexico and others have put in this agreement, for all of the benefits in this agreement and the positive things in this agreement, I cannot support this resolution, because my litmus test, as I stated when I voted against the budget resolution and for the budget reconciliation, included entitlement reforms. But now, because they have been drawn out, that litmus test was not met.

That is a minimal litmus test. I was willing to accept minimal reforms, anything, anything that moved us in a path of structural reform, addressing a problem that we know is going to impact negatively on the people of this country and the economy of this country. We know it passes on debt to future generations. We know it places our elderly people in a precarious position for the future of Medicare. And yet at this golden time, which may not come again, for political expediency or whatever reason—I wasn't in the budget negotiations—we once again pass, we once again take a powder on this and say we will do it another time; let's form a commission; let's study it some more; let's have some more recommendations.

How many studies, recommendations and conditions do we have to put in place to keep telling us what we already know?

So, Madam President, I know I am a skunk at the party here, the celebration for the passage of this so-called balanced budget agreement, and I hope it does balance the budget, and it may, mostly, I think, not because of new spending we put in place but because the economy is roaring along and pouring money into the coffers of the Government. I wish we could get more of that money back to the people who have earned that money. Instead, we are creating new entitlements. We passed on the opportunity to reform existing entitlements, and I just regret that very much.

So I may be a lonely voice in this vote, but I cannot for the reasons I have stated support this resolution.

I yield back whatever time I have remaining.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. Madam President, I have spoken with the distinguished chairman of our Budget Committee. He has allocated 20 minutes. I think I will take far less.

Madam President, when Alice in Wonderland asked the cat where they were headed, the cat replied, ''before you decide where you are going, you must first decide where you are.''

And as we look at this so-called Balanced Budget Act of 1997, we should look to see, before anything is enacted, exactly where we are. At this very minute, we have a pretty good estimate from the Congressional Budget Office.

We know, Madam President, that as of May 19, CBO estimated the deficit for this year, 1997, to be $180 billion. We also know that both the CBO and the Office of Management and Budget have agreed that this year's revenues are now exceeding their original estimates by as much as $40 billion. So, the August estimate for 1997 will be revised to show a deficit of about $140 billion.

The idea is to balance the budget and remove the deficit. If you are going to remove your deficit, you have to do it one of two ways—or both ways; namely, you have to cut back on your spending and you have to increase your revenues or do both. The present Balanced Budget Act of 1997 proposed increases in spending, rather than cuts in spending. And, instead of increasing the revenues, it reduces revenues by some $90 billion.

So, Madam President, I have studied this document, and I have to stand here as a matter of conscience, because I have been the chairman of the Budget Committee. I have been in the committee itself since its institution in 1974. I cannot mislead the people with a vote that would approve what this budget resolution is all about. I could go at length as to the various smoke and mirrors, backloading, excessive spectrum auctions and other deceptions contained in this bill, but let me go to one that is not just a simple smoke or a simple mirror. The fact of the matter is, it is an illegal smoke and an illegal mirror. Why do I say that? We had some struggle during the original enactment of the Greenspan Commission report in 1983. Social Security was about to go broke, but its bankruptcy was avoided by the National Commission on Social Security Reform. I hold a section of the report, dated January 1983, in my hand.

Section 21 of the Greenspan Commission report recommended taking Social Security off budget. That is the core of the misunderstanding—or the understanding. We stated categorically, in accordance with the Greenspan Commission, that when we were calculating deficits, whether or not we were in the red or in the black, that we would not include Social Security trust funds.

I ask unanimous consent at this point to have printed in the RECORD a table of the various pension fund moneys that have been expended and, so there will be no misunderstanding, I would also like to include the ''Budget Reality'' table that I referred to earlier which contains the CBO figure of a $180 billion actual deficit this year.

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

TRUST FUNDS LOOTED TO BALANCE BUDGET

[By fiscal year, in billions of dollars]

	1996	1997	2002
Social Security	550	629	1,095
Medicare:			
HI	126	116	−58
SMI	27	22	34
Military Retirement	117	126	173
Civilian Retirement	394	422	561
Unemployment	54	61	77
Highway	21	23	40
Airport	8	5	−28
Railroad Retirement	17	18	20
Other	60	62	78
Total	1,374	1,484	1,992

HOLLINGS' BUDGET REALITIES

[In billions of dollars]

President and year	U.S. Budget	Borrowed trust funds	Unified deficit with trust funds	Actual deficit without trust funds	National debt	Annual increases in spending for interest
Truman:						
1945	92.7	5.4	−47.6	.....	260.1	.....
1946	55.2	−5.0	−15.9	−10.9	271.0	.....
1947	34.5	−9.9	4.0	+13.9	257.1	.....
1948	29.8	6.7	11.8	+5.1	252.0	.....
1949	38.8	1.2	0.6	−0.6	252.6	.....
1950	42.6	1.2	−3.1	−4.3	256.9	.....
1951	45.5	4.5	6.1	+1.6	255.3	.....
1952	67.7	2.3	−1.5	−3.8	259.1	.....
1953	76.1	0.4	−6.5	−6.9	266.0	.....
Eisenhower:						
1954	70.9	3.6	−1.2	−4.8	270.8	.....
1955	68.4	0.6	−3.0	−3.6	274.4	.....
1956	70.6	2.2	3.9	+1.7	272.7	.....
1957	76.6	3.0	3.4	+0.4	272.3	.....
1958	82.4	4.6	−2.8	−7.4	279.7	.....
1959	92.1	−5.0	−12.8	−7.8	287.5	.....
1960	92.2	3.3	0.3	−3.0	290.5	.....
1961	97.7	−1.2	−3.3	−2.1	292.6	.....
Kennedy:						
1962	106.8	3.2	−7.1	−10.3	302.9	9.1
1963	111.3	2.6	−4.8	−7.4	310.3	9.9
Johnson:						
1964	118.5	−0.1	−5.9	−5.8	316.1	10.7
1965	118.2	4.8	−1.4	−6.2	322.3	11.3
1966	134.5	2.5	−3.7	−6.2	328.5	12.0
1967	157.5	3.3	−8.6	−11.9	340.4	13.4
1968	178.1	3.1	−25.2	−28.3	368.7	14.6
1969	183.6	0.3	3.2	+2.9	365.8	16.6
Nixon:						
1970	195.6	12.3	−2.8	−15.1	380.9	19.3
1971	210.2	4.3	−23.0	−27.3	408.2	21.0
1972	230.7	4.3	−23.4	−27.7	435.9	21.8
1973	245.7	15.5	−14.9	−30.4	466.3	24.2
1974	269.4	11.5	−6.1	−17.6	483.9	29.3
Ford:						
1975	332.2	4.8	−53.2	−58.0	541.9	32.7
1976	371.8	13.4	−73.7	−87.1	629.0	37.1
Carter:						
1977	409.2	23.7	−53.7	−77.4	706.4	41.9
1978	458.7	11.0	−59.2	−70.2	776.6	48.7
1979	503.5	12.2	−40.7	−52.9	829.5	59.9
1980	590.9	5.8	−73.8	−79.6	909.1	74.8
Reagan:						
1981	678.2	6.7	−79.0	−85.7	994.8	95.5
1982	745.8	14.5	−128.0	−142.5	1,137.3	117.2
1983	808.4	26.6	−207.8	−234.4	1,371.7	128.7
1984	851.8	7.6	−185.4	−193.0	1,564.7	153.9
1985	946.4	40.5	−212.3	−252.8	1,817.5	178.9
1986	990.3	81.9	−221.2	−303.1	2,120.6	190.3
1987	1,003.9	75.7	−149.8	−225.5	2,346.1	195.3
1988	1,064.1	100.0	−155.2	−255.2	2,601.3	214.1
Bush:						
1989	1,143.2	114.2	−152.5	−266.7	2,868.3	240.9
1990	1,252.7	117.4	−221.2	−338.6	3,206.6	264.7
1991	1,323.8	122.5	−269.4	−391.9	3,598.5	285.5
1992	1,380.9	113.2	−290.4	−403.6	4,002.1	292.3
Clinton:						
1993	1,408.2	94.3	−255.0	−349.3	4,351.4	292.5
1994	1,460.6	89.2	−203.1	−292.3	4,643.7	296.3
1995	1,514.6	113.4	−163.9	−277.3	4,921.0	332.4
1996	1,560.0	154.0	−107.0	−261.0	5,182.0	344.0
1997	1,622.0	110.0	−70.0	−180.0	5,362.0	359.0

Historical Tables, Budget of the US Government FY 1998; Beginning in 1962 CBO's 1997 Economic and Budget Outlook, May 19, 1997.

Mr. HOLLINGS. Fortunately—and we are all enthused about it—the deficit is going to come down to about $140 billion this year. It may come down to $135 billion, but I doubt that. I have talked to the authorities. But we know we are spending over $100 billion more than we are taking in. We cannot, under the law, use Social Security trust fund surpluses to mask this deficit. The Senate voted on October 18, 1990, by a vote of 98–2, to take Social Security off budget. It took us quite a while in the Budget Committee, but we finally got it done. That is a law, section 13301, signed by President Bush, to take Social Security off budget.

So, this was a very deliberate act. I am not just trying to impassion senior citizens or any of that nonsense. I am trying to inflame the intellects and the consciences of the Senators. Because every Senator present here today who was here in 1990, voted and said, I believe in that particular policy. No Senator since 1990 has tried to change that; there has been no amendment or bill or otherwise. We had the policy itself reaffirmed in the Retirement Protection Act of 1994 which barred businesses from using the pension moneys to pay the debt.

Then, the Senate passed an amendment in the budget bill, barring corporations from pension misuse, known as the Pension Reform Act of 1994.

Madam President, when I look at this particular budget, I say how in the world, if you are spending over $100 billion more than you are taking in, can you remove the deficit by increasing spending and decreasing revenues? It is quite obvious it cannot be done, except under subterfuge, misuse, misappropriation or other fraudulent acts. Because the Balanced Budget Act of 1997—and we have examined the document now—uses $465 billion of Social Security trust funds to make it appear balanced.

There is no gimmickry here about Government moneys and buying bonds. When you spend the money out of the fund—and that is what we are doing because we don't have it—then it has to be replaced. Under the chart I included earlier, you can see that over $600 billion from the Social Security trust fund has already been expended, and now they will spend an additional $465 billion in this bill. This means that by the year 2002 we will owe Social Security over $1 trillion.

They say, ''Oh, it's the baby boomers in the next generation that are going to bankrupt Social Security.'' No, not at all, my colleagues. It is the senior citizens, the adults on the floor of the U.S. Congress that are decimating Social Security. It is going on. It continues to go on. It is absolutely fraudulent. It is absolutely illegal.

I ask unanimous consent to have section 13301 printed in the RECORD.

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

SEC. 13301. OFF-BUDGET STATUS OASDI TRUST FUNDS.

(a) EXCLUSION OF SOCIAL SECURITY FROM ALL BUDGETS.—Notwithstanding any other

provision of law, the receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund shall not be counted as new budget authority, outlays, receipts, or deficit or surplus for purposes of—

(1) the budget of the United States Government as submitted by the President,

(2) the congressional budget or

(3) the Balanced Budget and Emergency Deficit Control Act of 1985.

(b) EXCLUSION OF SOCIAL SECURITY FROM CONGRESSIONAL BUDGET.—Section 301(a) of the Congressional Budget Act of 1974 is amended by adding at the end the following: ''The concurrent resolution shall not include the outlays and revenue totals of the old age, survivors, and disability insurance program established under title II of the Social Security Act or the related provisions of the Internal Revenue Code of 1986 in the surplus or deficit totals required by this subsection or in any other surplus or deficit totals required by this title.''.

Mr. HOLLINGS. Then, Madam President, I refer to the document itself. They do not have to list in this reconciliation bill the annual deficits, the outlays, budget authority, and the debt itself. But the document of last month, the conference report, does—and I refer to Mr. KASICH's bill: ''From the committee of conference submitted on the conference report on the concurrent resolution on the budget for fiscal year 1998.''

If you turn to page 4—and I am going to ask the first 15 lines, just those 15 lines, be printed in the RECORD at this particular point. I ask unanimous consent to have that printed.

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

(4) DEFICITS.—For purposes of the enforcement of this resolution, the amounts of the deficits are as follows:

Fiscal year 1998: $—173,000,000,000.
Fiscal year 1999: $—182,200,000,000.
Fiscal year 2000: $—183,200,000,000.
Fiscal year 2001: $—157,100,000,000.
Fiscal year 2002: $—108,300,000,000.

(5) PUBLIC DEBT.—The appropriate levels of the public debt are as follows:

Fiscal year 1998: $5,593,500,000,000.
Fiscal year 1999: $5,841,000,000,000.
Fiscal year 2000: $6,088,600,000,000.
Fiscal year 2001: $6,307,300,000,000.
Fiscal year 2002: $6,481,200,000,000.

Mr. HOLLINGS. Madam President, on line 1 it says, ''fiscal year 2002''; line 2, subsection 4, it says ''deficit.''

Then you look down on line 8 at ''fiscal year 2002,'' and you will not see a balance, but a deficit of $108,300,000,000.

The reason it shows this deficit is because of section 13301, which says you cannot include Social Security trust fund surpluses.

But, if you go down to line 15 and see that the fiscal year debt, from year 2001 to 2002, goes up, not into balance. The debt doesn't go into balance from the year 2001 to 2002. Instead, the debt increases $173.9 billion. This is not a balanced budget.

It's a tragic thing that you can't get this reported. It is a matter of fact. It is a matter of law. It is a matter of conscience. We should all come together and say we won't use pension funds to pay off our debt. We passed a formal rule here some time ago for all corporate America which made this illegal. Denny McLain, the Cy Young Award winning pitcher for the Detroit Tigers, when he got out of baseball, became the head of a corporation, and, unfortunately, used the corporate pension fund to pay off the debt. He was sentenced to 8 years in prison. Tell our friend Denny, if you can catch him in whatever prison, to please run for the U.S. Senate because, rather than sending us off to prison here when we use the pension funds to make the debt look smaller, we get the Good Government Award. Everybody is standing up with the President and the Speaker and the majority leader and saying, ''How wonderful, boys. It is Christmas in July.'' It is a total fraud, absolute farce, and everybody ought to know it. Because what we are doing is breaking into the airport trust fund, the highway trust fund, the military retirees' pensions, the Civil Service retirees' pensions, and everything else I have included in the record. There it is. I have had it typed up.

As a matter of conscience I cannot engage in this deception. I was always taught, some 50 years ago when I got into public service, in 1948—that public office was a public trust. I believe Social Security is a public trust. I think the consummate 98 Senators said we ought to make it a public trust. They said, not only for us but for corporate America, we ought to make certain that some fast-moving merger artist can't come in on a takeover and abscond with the pension funds to pay the debt and pay himself a good bonus and leave everybody else hanging.

So we have it in formal law, we have it in formal policy. But, when it comes to us, we run around and say ''unified, unified.'' There is nothing unified. It is expended moneys in violation of the formal statutory law of the United States of America, section 13301 of the Budget Act.

I can't vote to violate that law and, therefore, will have to oppose the bill.

I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. CHAFEE. Mr. President, I would like to offer my congratulations to the leaders on both sides of the aisle, the chairmen and ranking minority members of the Finance and Budget Committees, for all of their hard work in consummating this very significant, bipartisan budget agreement. While this bill is not everything I had hoped for, it is an important step toward getting our fiscal house in order.

Moreover, it is grounded in a philosophy that I strongly believe in—that bipartisanship is the key to making government work. On difficult national problems, such as balancing the budget, neither party alone can get the job done, nor garner the public consensus needed for such action.

Indeed, this was the genesis behind establishing the so-called Chafee-Breaux centrist budget coalition, which I believe deserves considerable credit for advancing the terms of debate on the issue of long-term Medicare reform. Regrettably means-testing of the part B premium, increasing the age of eligibility from 65 to 67, and the $5 home health copayment were dropped from the final package. However, the credit for getting them into the Senate version of this bill belongs to the centrist budget coalition. Each of these provisions was added to the Senate bill with a big, courageous bipartisan vote—something which would have been unthinkable just a few years ago.

As a result of these pioneering Senate votes and the growing national consensus on the need for long-term reform, President Clinton has now pledged to stand with those Members of Congress who vote for means-testing of the part B premium, an important step toward creating the political environment which will be needed to secure this program for future generations of retirees.

I would further urge the President, as well as Democratic party leaders, to disavow and distance themselves from candidates who resort to mediscare demagoguery in their future political campaigns. The American people deserve a responsible debate on this difficult subject, and the centrist coalition will be working to see that this happens.

This bill does include a number of helpful changes for Medicare beneficiaries, low-income children, and legal immigrants which I would like to briefly highlight.

Medigap provisions included in this bill, which I was pleased to author earlier this year, will do for Medicare beneficiaries much of what the Kassebaum-Kennedy health insurance bill did for working Americans: It vastly improves portability and bans preexisting condition limitations for Medigap policy holders.

This bill also improves access to emergency services for Medicare beneficiaries enrolled in managed care plans, which is derived from legislation Senator GRAHAM authored and I was glad to cosponsor earlier this year. This provision establishes a prudent layperson definition of emergency medical conditions to ensure that emergency services are properly covered.

This legislation also includes expanded preventive health care benefits for Medicare enrollees, including mammography, colorectal and prostate cancer screening; testing for osteoporosis; and improved coverage for diabetes and other important prevention measures. These enhanced services will be helpful to the more than 174,000 Medicare beneficiaries in Rhode Island.

One of my most important priorities, that of expanding access to health insurance for low-income children, is also addressed in this bill. I am especially pleased that we are providing $24 billion for this purpose. This is a critical step forward for Rhode Island's

children, 19 percent of whom live in poverty. Many of these poor children—38 percent—live in families where at least one parent is working, yet they are still poor. These funds are targeted to help these families especially.

While I would have preferred greater specificity in terms of the benefits to be provided to children under this program, the final package is a significant improvement over some of the earlier proposals. I want to thank and acknowledge Senator ROCKEFELLER for his leadership and expertise in working to advance the cause for children's health insurance. He was a strong partner in helping to make this a stronger and better program than it otherwise would have been.

I also want to thank Senator ROTH for helping me to ensure that Rhode Island can take full advantage of the funding provided under this program to continue its children's health initiatives. The Finance Committee chairman was very responsive to the problems this legislation posed for States, like Rhode Island, that have already expanded coverage. We were able to work together to ensure that Rhode Island will not be penalized for choosing to expand coverage on its own.

This bill also gives States critical new flexibility by allowing them to enroll Medicaid beneficiaries into managed care without obtaining a waiver from the Department of Health and Human Services. At the same time, the legislation includes important safeguards for these beneficiaries, many of which were contained in legislation I introduced earlier this year. For example, disabled children, children in foster care and special needs children who have been adopted are protected from mandatory enrollment in managed care. Women enrolled in Medicaid managed care programs will continue to have the freedom to choose their family planning provider, even if that provider is not part of their managed care plan.

This bill also restores Medicaid coverage to thousands of children who were removed from the SSI rolls as a result of eligibility changes made in the 1996 welfare reform law. This will be enormously helpful to many low-income families whose children may no longer be considered statutorily disabled but who nevertheless have significant special health care needs.

Let me take a moment to describe the provisions of this bill dealing with legal immigrants. As my colleagues know, the 1996 welfare reform law placed severe restrictions on the Federal benefits that legal immigrants may receive. Among these restrictions was a complete and immediate cut-off of supplemental security income [SSI] and food stamp benefits, not only for future immigrants but for those already in this country legally.

For the elderly and disabled legal immigrants who last August were in the United States—including nearly 4,000 in my own State of Rhode Island—the new SSI ban represented nothing short of a crisis. For many, the loss of this critical Federal aid would mean losing the ability to live independently. In turn, this would present a serious community and fiscal challenge to State and local governments, as immigrants who had lost benefits and faced destitution turned to nursing homes or other costly facilities for support.

I was sorely troubled by these restrictions on immigrants, and pledged to do what I could to mitigate the most harsh of these during this Congress. I am delighted to say that in this regard, we have been successful. The conference report before us now is identical to the Senate-passed bill on which I and others of my colleagues worked very hard.

It restores benefits to those legal immigrants who were receiving SSI as of last August. It also allows immigrants who were in the United States last August and who may become disabled in the future to receive SSI. For my State, this means that 3,753 currently elderly and disabled Rhode Island residents—and many others who may become disabled in the future—will be able to receive basic SSI assistance to allow them to live with dignity.

Now, the immigrant provisions of this bill are not perfect. And I am disappointed that it does not contain the Chafee-Graham amendment on legal immigrant children and Medicaid, or the provision dealing with SSI for those too disabled to naturalize. But the bill before us goes a long way toward restoring fair treatment for the thousands of legal, tax-paying immigrants who were in the country and playing by the rules when welfare reform was enacted.

I want to commend Senators D'AMATO, FEINSTEIN, DEWINE, and GRAHAM for all of their hard work in helping to solve this problem. Since the introduction of our Fairness for Legal Immigrants Act in April, we have been working as a united team toward fair treatment for legal immigrants. With passage of this bill, our efforts will have met with success.

In closing, I am hopeful that we can build upon the bipartisanship that was necessary to make this bill a reality when we turn to the more challenging task of advancing long-term budget and entitlement reforms in the future.

I particularly want to address the entitlement reforms I strongly believe are necessary for Medicare. Although the provisions we worked hard on—means testing the part B premium, increasing the age of eligibility from 65 to 67, the $5 home health care copayment—were dropped in the final package, nonetheless, I think it behooves all of us to continue our work on each of these measures, and certainly I will do everything I can to advance them. I thank the Chair.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. GRASSLEY. I yield myself such time as I might consume.

The PRESIDING OFFICER. The Senator is recognized.

Mr. GRASSLEY. Madam President, I rise to address the Balanced Budget Act of 1997.

This is an important moment. This bill represents the triumph of the idea that we must get our national accounts in order. This is an idea that Republicans, with the help of many Democrats, have labored for years to put at the top of the national agenda.

Finally, it is close to being done.

As a member of the Finance and Budget Committees, and as a Budget Committee delegate to the conference, I have been deeply involved in the consideration of this bill. And I have been in a position to witness the dedication Senator ROTH, Senator DOMENICI, and Senator LOTT hve brought to the difficult task of giving birth to this balanced budget legislation. I want to congratulate them on the success of their efforts.

I would particularly like to thank Chairman DOMENICI, Chairman ROTH, Senator LOTT and the other Senate conferees for protecting a number of excellent Senate provisions in the conference committee. Believe me, Madam President, it wasn't easy.

The Medicare portions of the bill will bring about very positive changes in the program.

The bill calls for necessary savings in Medicare, and thereby will help put Medicare, and particularly the Medicare hospital trust fund, on a sounder financial footing. The bill also contains a number of innovations that I think will improve the Medicare Program.

First and foremost is the new Medicare Plus Choice Program, reforming Medicare managed care.

From my perspective, representing the State of Iowa, the inclusion in this bill of a 50–50 local/national blended rate for Medicare managed care reimbursement is extremely important. Also critical is the bill's inclusion of a minimum payment of $367 in 1998, with annual updates thereafter.

The opportunity for additional types of health plans, other than HMO's, to participate in the Medicare Choice Program will open additional opportunities to Medicare beneficiaries. Based upon what I have been hearing from Iowa, I think the reformed payment system and the additional types of plans should truly broaden choice for Medicare beneficiaries in Iowa.

These provisions together should go a long way toward giving Iowans the same kinds of choices Medicare beneficiaries in other parts of the country have.

I also want to thank the chairman and my colleagues on the Senate Finance Committee and the House and Senate conference committees for including many provisions contained in S. 701, legislation I introduced earlier this year regarding Medicare managed care standards. I am especially pleased to see that, beginning in 1998 and annually thereafter, beneficiaries will receive comparative user-friendly charts

listing health plan options in their area. The only way to foster consumer choice and competition is by informing Medicare beneficiaries of their options and their rights under the Medicare Choice Program. The lack of information currently distributed to Medicare beneficiaries is astonishing.

The Medicare conference agreement will ensure that beneficiaries have the information they require to make the right health plan choice for their individual health care needs.

Another important protection for Medicare beneficiaries is a fair appeals process. I have been advocating for an objective review of health plans' decisions to deny care.

I am pleased that the Medicare conference agreement adopted my provisions to provide Medicare beneficiaries increased protections during the appeals process. Now, all Medicare beneficiaries will have the assurance that the Medicare program will provide an independent review of all denials of care by health plans prior to beneficiaries appealing to the Department of Health and Human Services.

This increased protection will hold health plans more accountable in their decision making process regarding medically necessary care and will give beneficiaries greater confidence in Medicare managed care, if they choose this option.

Madam President, I am also very pleased that we have preserved in the conference agreement rural health provisions that I have been working on for several years.

These provisions include:

My Medicare dependent hospitals bill, which will help a large number of rural hospitals in Iowa suffering from negative Medicare margins;

Senator BAUCUS' bill on critical access rural hospitals, on which Senator ROCKEFELLER and I have been close collaborators;

Reform of the Medicare disproportionate share hospital program, so that deserving hospitals will be treated fairly whether they are located in urban or rural areas——

Mr. DOMENICI. Would the Senator yield on that point?

Mr. GRASSLEY. Yes.

Mr. DOMENICI. I say to the Senator, I have been listening to your remarks and analysis.

I want to tell the Senate, and anybody interested, if not for CHARLES GRASSLEY, the Senator who has been speaking, we would not have gotten that provision. That is a fair provision because those parts of America—your State, my State, and others—that have done a good job of keeping costs way down, can't make it if we build the program on keeping them down while the very expensive States do not come down. And this is a formula we did not get exactly what we wanted, but thanks to your efforts we came very close to something that you can say is fair and much better for your people.

Mr. GRASSLEY. Yes. I thank the Senator from New Mexico for his kind remarks. And he has spoken better than I can on that issue. But basically what his constituents do not realize and my constituents do not realize, is that we have a very cost-effective delivery of medicine in rural America, very high quality by the way, but because of the historical basis for the reimbursement of Medicare, based upon that cost-effective medicine, we are at a very low level, and the options that metropolitan areas have will not come to rural America; but the provisions of the legislation he just described will make that possible now.

And so I can say this, that in 1995, it would not have been included in the legislation without the intervention of the Senator from New Mexico, even though it was my basic legislation. And he helped us this time at a very, very critical time in the negotiations between the House and the Senate. So I may have authored this legislation, but the fact that it is in the final package is a tribute to the leadership of Senator DOMENICI.

I will continue on and say that we have also for rural areas the provisions for:

Expanding the existing telemedicine demonstration project, in order to improve the delivery of health care to underserved areas;

Reform of the eligibility requirements for rural health clinics, enabling this vital program to operate as originally intended; and

My legislation assisting rural referral centers.

I am also pleased to finally see my legislation to provide direct reimbursement at 85 percent of the physician fee schedule to nurse practitioners, clinical nurse specialists, any physician assistants is finally going to become law. Similar measures were included in the President's Medicare proposal and in the House Ways and Means Medicare bill and were part of the Balanced Budget Act of 1995.

Senator CONRAD and I introduced these bills in the last three Congresses. We reintroduced them again in this Congress and were successful in getting them included in the Senate Finance Committee bill. This legislation will reform Medicare policies which, under certain circumstances, restrict reimbursement for services delivered by these providers.

Direct reimbursement to these nonphysician providers will improve access to primary care services for Medicare beneficiaries, particularly in rural and under served areas.

There has been much deliberation in this Congress over proposals to address the problem of uninsured children in our Nation.

I am very pleased that the bill before us today includes a strong bipartisan package addressing this matter. This bill includes a total of $24 billion to be spent on children's health insurance initiatives for those who are not currently enrolled in Medicaid or who do not have access to adequate and affordable health care coverage. This is $10 billion more than the President's original proposal.

We should view this achievement not only as an important piece of health care policy, but also as a giant step toward improving the quality of life for our Nation's children. I commend the Senate leadership, particularly Chairman ROTH and Chairman DOMENICI, for their leadership and commitment to this important matter.

These funds will be provided to States in the form of block grants. States are allowed considerable flexibility in designing health insurance programs, yet States must meet important Federal guidelines in their efforts to provide quality health care coverage.

I am confident that this proposal will be successful in meeting our goals to cover our Nation's uninsured children.

Yet, it is important that Congress remain committed to this goal and we must closely monitor the developments of the proposal set forth in this legislation.

This budget bill includes a number of improvements to the Medicaid Program to ensure that high-quality of care is provided to our Nation's most vulnerable population. And, this bill reforms Medicaid to give States much more flexibility in managing their programs.

In recent years, States have undertaken numerous initiatives to control spending in Medicaid. As a result, Medicaid spending has slowed significantly. This budget saves a total of $13.6 billion in the Medicaid Program over 5 years. Most savings are achieved through new policies for payments to disproportionate share hospitals. Funds have been retargeted to hospitals that serve large numbers of Medicaid and low-income patients.

Other improvements made to the Medicaid Program include changes to last year's welfare reform law so that benefits are restored to legal immigrants needing long-term care services. Also, a number of important reforms were made to managed care policies for Medicaid programs serving children, people with disabilities, and other Americans.

Of course, I do have a number of concerns, Madam President. Does this bill represent a long-term solution to the problems facing the entitlement programs? No, it most certainly does not. But I note that the proposal of Senators ROTH and MOYNIHAN to establish a Medicare Reform Commission is included in the conference agreement. We will look to the work of this commission to make proposals for reform and to help us produce the consensus we need to act to put the Medicare Program on a sound footing for the retirement of the baby-boom generation. Make no mistake: we will need to do more. But on balance, I believe that we have made a good start.

I want to conclude by again thanking Senators ROTH and DOMENICI and their

hard-working staffs for the efforts they have made, for several years now, to bring us to this point.

RESTORING BENEFITS FOR LEGAL IMMIGRANTS

Mr. KENNEDY. Mr. President, the balanced budget agreement represents major progress in restoring benefits to legal immigrants. The harsh welfare law passed last year wrongfully denied access by legal immigrants to most Federal assistance programs. It permanently banned them from SSI benefits and food stamps. It banned them for 5 years from AFDC, Medicaid, and other programs. And it gave the States the option of permanently banning them from these programs.

Americans across the country were rightly concerned about these unfair provisions, and Congress soon agreed that the legislation had gone too far.

If the provisions of last year's welfare law remain in effect, many elderly legal immigrants would be forced out of nursing homes. Legal immigrants injured on the job and those with disabled children would lose assistance. Some 500,000 legal immigrants who were already living in the United States would have been affected. In Massachusetts, 15,000 elderly and disabled legal immigrants would have lost their SSI benefits.

Some said in last year's welfare debate, ''Let the immigrant's sponsor support them.'' But, Congress now realizes that legal immigrants often do not have sponsors. Refugees, for example, do not have sponsors. In cases of many older immigrants, their sponsor has died or is no longer able to provide support.

Immigrants affected by last year's harsh cuts are individuals who came to this country legally. Many are close family members of American citizens. They play by the rules, pay their taxes, and serve in our Armed Forces. They are future citizens trying to make their way in this country.

The $12 billion restored for legal immigrant assistance over the next 5 years in this bill is urgently needed. It will allow most legal immigrants who currently receive SSI benefits to stay on the rolls. In addition, legal immigrants who were in the United States at this time last year's welfare bill was enacted in August 1996 can receive SSI in the future if they become disabled. These changes will help a very large number of people hurt by the welfare law.

Unfortunately, those who are too disabled to go through the process of naturalization to become citizens are left out of the final bill. I proposed an amendment, which was accepted by the Senate, to receive SSI benefits after their first 5 years in the United States, and I hope we can revisit this important issue in the near future.

I had also hoped the final budget agreement would allow legal immigrant children to continue to receive Medicaid. Currently, they are banned from Medicaid for 5 years. Some States may even act to ban legal immigrant children from Medicaid forever. The Senate bill included a Chafee-Graham amendment to enable these children to receive Medicaid benefits, and I regret that it was dropped from the first bill.

There is still much more to be done to correct the problems created for legal immigrants by last year's welfare bill. The Senate version of this bill restored less than 50 percent of the cuts made last year in their benefits. We are making worthwhile progress in this legislation, and I intend to do all I can to see that additional progress is made in future legislation.

I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. DOMENICI. How much time does the Senator desire? Fifteen minutes?

Mr. CRAIG. Yes.

Mr. DOMENICI. I yield 15 minutes to the Senator.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Madam President, let me thank the chairman of the Budget Committee for yielding, and let me also recognize him this evening and the chairman of the Finance Committee, Senator ROTH, for the work that both Senators have done with their ranking members over the last good many months to craft the legislation that is before us today, tomorrow, and through the balance of the week dealing both with the budget and with tax cuts.

I rise in support of H.R. 2015, the Balanced Budget Act of 1997.

Madam President, in 1993 and 1994, we had a President who said balancing the budget probably was a bad thing to do. We had a high administration official who actually had written a book that said it was a loophole whenever children could inherit some of their parents' money. Congress had increased spending and joined with the President in the passing of the biggest tax increase in the history of our country. That was not a decade ago. That was just a few years ago.

Then came November 1994. And what a difference an election makes. What a great transformation of the mind and the political thought can occur when the American people have spoken and said, ''We've had enough.''

We asked the Congress to change their thinking. And we changed the Congress to think differently. And the first Republican Congress in 40 years began in 1995, with promises to do several very important, necessary things—to reform welfare, to cut back bureaucracy, to balance the budget, and to provide some tax relief for American taxpayers who work hard, have families, and create jobs.

In 1996, the voters rewarded a Congress and President who accomplished the first two of these items and who promised to bring about the rest.

This week, the Republican majority in Congress, joined by now many reform Democrats in a bipartisan majority, will deliver on those promises.

Madam President, this week, as we consider the Balanced Budget Act, and especially the Tax Relief Act of 1997, we are talking about more freedom for more of America's people.

Freedom is not something that the Government gives the people. Our Nation's founders knew that the people's freedom is, in the words of the Declaration of Independence, ''self-evident,'' ''unalienable,'' and ''endowed by their Creator.''

Freedom comes from limiting Government to its necessary functions. Freedom is what remains when Government is not excessively burdensome or coercive.

This week, we take modest but very significant steps toward restoring freedom to the American people—freedom from the most severe tax burden on families in our Nation's history, freedom from an oppressive national debt, freedom from the growth of an ever-larger, ever-more intrusive Federal Government.

A couple from Idaho and their four daughters visited my office just this week and we discussed taxes, and particularly death and inheritance taxes. They told to me they run a small farm in Idaho that their great-grandparents had established in 1882. And they reminded me that people turned to Government to take care of them when the Government, usually through taxes, takes away their ability to take care of themselves.

And as Ronald Reagan said: A Government big enough to promise you everything you need is a Government big enough to take away everything you have.

The Tax Relief Act that we will begin debating tomorrow, combined with balancing the budget, will help more families take care of themselves the way they want, by keeping more of their own hard-earned money; by bringing about the ability to save more for their retirement, their children's education, and other priorities they have; by making it easier to own your own family farm or small business or home; by making it easier to do the kinds of things that Americans like to do, without having to think twice or three times whether they can afford to, or worry whether the Government will take more of their money; by creating, in other words, the economic atmosphere that will allow Americans to invest in creating more and better jobs for themselves, their children, and the future of our country.

The bills we will pass this week mark the triumph of the principle that the Federal budget should be balanced and should stay balanced.

In 1994, when the American people spoke so clearly about changing the political thought in this country and the political attitudes, the Dow Jones was hovering at about 3000. Today, it is at 8000. We have, by these efforts to balance the budget and provide tax relief,

unleashed a dynamic of this economy that is, without question, historic.

We are now seeing the reverse of what happened about 40 years ago, when an elite group of liberal economists sold liberal politicians on the idea that you could promise your voters a free lunch. Their intellectual justification was the so-called enlightened discovery that unlimited borrowing could pay for unlimited social spending without much consequence.

It's easy to understand the political appeal of this proposition. What is incredible is that anyone really believed it, or that they would follow it for nearly 40 years and create a $5 trillion borrowed debt—almost beyond understanding.

But that is where we are today. That is clearly why the American people have spoken, and that is why this Congress and this Senate finally said we have to change the way we do business.

You can't borrow your way to prosperity over the long term. We tried and we saw our economy grow even more sluggish. We saw people become even more dependent on Government largess. Thank goodness, Americans, enlightened as they always are, recognizing that they are the Government, took charge and said, ''No more.''

A huge national debt means our Government has spent the last generation mortgaging the future for the next generation.

That is not a matter of green-eyeshades accounting; it really is an immoral assault on the well-being of our children and their ability to produce for themselves and their prodigies.

Balancing the budget is not about numbers, it is about people. Balancing the budget means more and better jobs, making it more affordable to buy a home, and more families affording a good education for their children without having to come to the Government and say, please help me. They can do more of it for themselves. Balancing the budget means that essential Federal programs like Social Security and Medicare will be there for those who need it and not become a liability and a burden on future generations.

There will be more freedom because of a balanced budget, because people will get no more Government than they are willing to pay for. Balancing the budget means Americans—all Americans—win. And we have the actions of the last 3 years now—an economy responding to spending restraint and real efforts to balance the budget and cut taxes—to demonstrate that what I am talking about tonight has a very strong foundation of truth.

I want to pause for a moment and review one critical reason why we are here this week passing legislation that promises to balance the budget by fiscal year 2002. This die was cast when Congress, by the narrowest of margins, defeated the balanced budget amendment to the Constitution.

Only the threat of the ultimate legal sanction—a constitutional amendment—and the overwhelming public support for that amendment finally convinced Congress, most important, some of my colleagues and some in the administration, that we had to quit talking the talk and start walking the walk.

In other words, I have heard so many on the other side throw up their hands and say, we do not need a constitutional amendment to make us balance the budget; all we have to do is do it; all we have to do is exert fiscal responsibility. But we also have to have this program and we have to have that program, and we have to spend here and there. And 2 years running, by one vote, the people almost began to take control of their Government again. It frightened the Congress.

A President who once said a balanced budget is a bad idea is now out strutting around talking about his balanced budget and all of the wonderful things that will be reaped by it. Well, it is always surprising to me that people like our President think the American public has such a short memory. They don't. His record suggests he doesn't believe it is a good idea. He also knows politically that he has to do it. And there are some in Congress who sometimes choose to do something differently than we otherwise may like to do, but who know what they have to do because the American people expect it. Balancing the budget has always been the right thing to do. We are here tonight because it is now also, at last, the politically correct thing to do, and I suggest that that vote occur.

Mr. LAUTENBERG. Will the Senator yield?

Mr. CRAIG. No, not at this time. I'd like to finish my thoughts. I know that 2 years running, with the House having passed a balanced budget amendment and this Senate missing by just one vote—finally, it is recognized by all in a bipartisan gesture that, the closer the people come to changing their Constitution and exerting that control over Congress, the more motivated Congress becomes in doing it, doing it ourselves, and that is exactly what is occurring here. I believe that, without the constitutional discipline, we will always risk the return to more spending and more borrowing. Ultimately, to safeguard the future, the balanced budget amendment to the Constitution must come into place.

Some may suggest that passage of this year's balanced budget agreement means we no longer need the constitutional amendment. I suggest that is not true. One balanced budget in 30 years hardly means that we have fixed the system or that we have systemically changed the attitude of some who serve here. It will never be easier than it is right now to balance the budget.

In the past, the temptation always was to put off the hard choices; Members have thought, it will be easier in the future than it is now. But in fact, it will never again be as easy as it is right now to begin that long march to arrest the growth of a $5 trillion national debt.

That is what the long-term economic and demographic trends tell us. This year's budget discipline and hard choices are nothing compared to what Congress must wrestle with in just the next few years.

For what we have committed ourselves to tonight and for the balance of this decade will not be easy choices. It was difficult enough to arrive at the agreement that we now have, and I will say, even though I differ sometimes with the President and others, that this is now a bipartisan effort, and I accept that and I honor them in their recognition that, finally, they are willing to offer to the American people what the American people have asked for.

When we finally pass this balanced budget and then the balanced budget amendment and send it out to the States for ratification—and I believe that will occur in my lifetime and probably within the decade—we will show we understand, as the American people clearly understand, that a nation so indebted ultimately cannot survive, and that to clean up our debt, to balance our budget was ultimately the necessary thing to do.

The Balanced Budget Act of 1997 is a mixed bag. I don't support every portion of it. I have reservations about some of it.

It creates new social spending; it locks in, in the form of entitlements, that social spending. It could use stronger enforcement provisions. For example, I continue to support the idea that caps on spending should extend to spending overall and not only to annual appropriations. It does not address the long-term economic and demographic trends that drive entitlement spending and cry out for reform.

The chairmen of our committees and some Senators tried hard to get those reforms. That was bipartisan. Some partisans on my side, too, could not accept that. But, ultimately, we will get there. We have to get there. I don't want my grandchildren turning to me and saying, Grandpa, we love you dearly, but we can't afford you and afford to provide for ourselves. We want to buy our own home, educate our children, and we cannot afford the amount of money that would come from our paycheck to go to the Federal Government because that government promised to provide for everyone's future. I don't want that to happen, and the chairman doesn't want that to happen. The future demands that we address it, that we help people prepare themselves for it, and that we will try to do.

Today, annual discretionary appropriations make up only one-third of the total budget, and that share will continue to shrink. The Kerrey–Danforth entitlement commission of a couple of years ago estimated that in just 14 years, 2011, entitlement spending and interest payments will consume all

available tax revenue. That means we will either have to borrow incredible amounts for deficit spending; or go without defense, highways, law enforcement, parks, forestry, education, science, and medical research; or raise taxes to ruinous levels.

We are not going to do that. We are smarter than that. More important, we wouldn't be here to do it if we tried, because the American people won't tolerate it. They will demand reform before we get to that point, and if we can't give it to them, they will find the candidate willing to do so.

While this bill before us today does establish another commission to address the need for long-term entitlement reforms, we have already had that kind of commission, chaired by Senator KERREY of Nebraska. We already know what the current trends are and have some idea of what needs to be done.

But there is also considerable good in this bill. It does accomplish more in the way of spending control and entitlement reform than many thought possible even a year ago. There are significant repairs to the Medicare System. Medicare will be solvent for at least another decade and will continue to be there for seniors who need it.

Last, we will begin the process of injecting consumer choice into the system. Why should our seniors not have some of that? The Medicare System, based on market principles, means better care and more economic care. I am always amazed when the bureaucracy thinks it can outperform the marketplace. We know it can't, we know it never has, and, in this instance, we finally recognize that by putting some market principles in.

The fundamental reforms in last year's historic welfare reform bill will remain in place. We continue to move toward a system that rewards work and allows the States the freedom to develop new and better approaches.

Enforceable caps on discretionary appropriations spending—virtually the only thing out of the 1990 budget agreement that worked—will continue through the year 2002.

Overall, the growth in spending will slow by $270 billion over the next 5 years and $1 trillion over the next 10 years, a saving that will be locked in by permanent law and not be subject to year-to-year political whims.

New spending will be accomplished with a minimum of bureaucracy and a maximum of State flexibility.

This is far from the ideal balanced budget bill. But it takes the first major step away from demagoguery and toward genuine entitlement reform. It delivers on and locks in the promise of a balanced budget, something I have demanded and worked for my entire time here serving the State of Idaho.

Why do I demand that? Because the citizens of my State know that a government that continually spends beyond its means, a government that mounts a $5 trillion debt, a government that allows interest on debt to rapidly move toward becoming the largest single item in its budget, is a government that cannot sustain itself. That we recognize. The chairman of our Budget Committee and the chairman of our Finance Committee recognize that. We all recognize that. That is what our party has stood for. That is what the majority here in Congress has demanded because the citizens of our country have said it is a requirement of government.

I must say that the Balanced Budget Act of this year and the Taxpayers' Relief Act of this year are responses to demands of the American people. I am proud to have been a part of helping craft them. I look forward to the opportunity to vote for them, to cause them to become law, and to see this economy remain dynamic, create jobs, and provide opportunities for this generation and generations to come.

I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER (Mr. ALLARD). The Senator from New Mexico.

Mr. DOMENICI. Mr. President, let me say to my friend, Senator CRAIG, perhaps if we had adopted what he has been recommending for many years—a constitutional amendment to balance the budget—we wouldn't be here with the kind of circumstances that confront us.

I don't think the Senator from Idaho has to stand up here, or with his people, and talk about where he stands in terms of overspending by our National Government because his record is excellent in that regard. I think his remarks today indicate that, when you have a Democrat President, a Republican Congress, and a strong Democratic minority in both Houses, you can't get everything that you want. As a matter of fact, the Democrats differ from their President, and the President differs from us.

What we have done, I think, is borderline on being a miracle. The only thing that keeps me from saying that is that I don't know whether the product deserves being labeled a miracle. But in terms of getting it put together, coming here today and getting it finished and voted on tomorrow—I am sure we are going to get in excess of 75 votes tomorrow—that is pretty good.

As I said this morning when I opened up, even the Washington Post finally said, ''That Is a Big Deal.'' I think it is.

I am very glad that the Senator from Idaho is going to support it and that he has been helping us as much as he has. I thank him for that.

Mr. CRAIG. Mr. President, I thank the Senator from New Mexico. I recognize the bipartisan nature in which this was created, and I support that. I hope that we can sustain that in years to come to truly get our budget in balance and to do so in a way that remains or creates or participates in a vibrant economy.

There is no question that this effort was accomplished not by us alone but in a bipartisan effort. Certainly the ranking member, who stands here this evening, was a major contributor. And I recognize that.

I am always a bit surprised when for the 17 years that I have been here I have always heard, ''Oh, we don't need to worry about that. We can balance the budget. We have the will to do it.'' Well, we didn't have the will until the American people demanded it of us. Now we do have that will. It will only come by a bipartisan effort. I recognize that this evening. I appreciate it. I think it is a great accomplishment, and the Senator from New Mexico is to be congratulated for it.

I thank both Senators.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I mentioned that this was a ''big deal.'' Every time I say that I want to make sure that I say, ''and a good deal for all Americans'' because that is what is important—not that it is big, not that people think it is a big deal, but that it is good for our people. And that it is.

I yield the floor. Senator LAUTENBERG wants to speak.

Mr. LAUTENBERG. Just for a few minutes, Mr. President.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, in the almost afterglow of feeling pretty good about things, we worked hard, everybody together. There were no fingers pointed.

I chided the chairman of the committee this morning when he excerpted from the headline of the Washington Post. He said that the headline in five words said, ''This is a Big Deal.'' I asked a question. Was the intonation properly affixed, or did it say, ''This is a good deal?'' It is quite a different meaning.

Mr. DOMENICI. We read the story. They were saying it is a ''big deal.''

Mr. LAUTENBERG. It is a big deal; a giant deal. I think, without breaking our arms or patting ourselves on the back, there was a lot of goodwill that was injected into the discussion and into the debate.

My colleague from Idaho, who is a man who has a way with words, kind of laid it on us and included the President in there as someone who did buy into the balanced budget notion but was dragged kicking and screaming.

Mr. President, I wish it was 1 o'clock in the afternoon and we were all energized and we had a chance to talk a little bit. But I will not prolong the process except for a minute or two to say, since it took what I thought was a slight partisan turn—it makes me unhappy when things have gone this well this way to say that I have been here long enough to remember Presidents Reagan and Bush. I like them both. They are nice people. But people on their watch, as we say, who managed to have this deficit of ours skyrocket

right up into the air—turn up the tax cuts and let the deficits run. That is what they did.

When our President and the Democratic Party took over in 1992, 1993, he inherited a deficit that year of $290 billion without a balanced budget amendment but with the interest that was generated. Yes, we were profligates, and we spent too much money, and perhaps we did a few things wrong. But it was an honest try all the way. And the assertion or the insinuation that these guys didn't care or those guys didn't care, it is not a way to do business. I don't care if we never get a balanced budget amendment. I want to tell you right now. As a matter of fact, I hope you don't. I love the Constitution, and the Constitution loves America, and it is the best document ever written. The fact that we have altered it so few times is a testimony to the strength and the wisdom of the Founders and those who have written amendments.

The only time we wrote an amendment that kind of restricted our activity was prohibition, and it was soon canceled. It is a wonderful prescription for how a society should function, preserving individual rights and making sure that the freedoms as much as possible are extended to every citizen in our country.

So I just felt like I had to respond. No one worked harder than the man on my right, the distinguished chairman of the Budget Committee, Senator DOMENICI. I didn't always agree with him, but nobody worked harder, and no one assembled a more honest attempt to do it in a bipartisan fashion. There were things that he wanted that we on my side of the aisle didn't want. But he was willing to explain them and willing to take a deep breath when necessary not to fight them. I have gained great respect for him, as well as personal affection, honestly.

Mr. President, I just want to change the tone for a minute, and let off a little steam and say that I hope we will move on to pass this document into law and make sure that everybody understands there was a good attempt by everybody working in this place to get it done with, to get on with the task that we have a very good start on because of the shape of the deficit that we see now.

So, Mr. President, I yield the floor. I know the Senator from New Mexico has a UC that he would like to propose. I hope that we will have a chance to hear that.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I note the presence on the floor of the junior Senator from Oregon. Might I ask, did he desire to speak on the budget?

Mr. WYDEN. On the budget.

Mr. DOMENICI. I wonder if I could propose a UC regarding the budget. When I am finished I will try to work in an exception for him.

How long does the Senator desire to speak?

Mr. WYDEN. Fifteen or twenty or minutes would be plenty.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate resume the pending conference report at 9:15 a.m., Thursday, and that the remaining hour be equally divided between the chairman and the ranking minority member of the Budget Committee; and that, at 10:15 a.m., the Senate proceed to vote on adoption of the conference report without any intervening action. I further ask consent that this evening Senator WYDEN of the State of Oregon be allowed 15 or 20 minutes on the bill after which we will be finished for the evening.

Is that satisfactory with the Senator?

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, there will be no further votes tonight.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. WYDEN. Thank you, Mr. President.

Mr. President, first, let me say to my good friend, Senator DOMENICI, the chairman of the Budget Committee, I just want him to know how much I have appreciated the chance to be a member of his committee. I think this is a historic occasion and a chance to work very closely with him on a variety of issues. Coming to the Senate has been a special pleasure.

I also want to commend our good friend, Senator LAUTENBERG of New Jersey, who in my view has done yeomen work in terms of keeping this whole effort together and keeping it bipartisan.

Mr. President, the balanced budget agreement that will be passed this week has been a long time in coming. I think our challenge is to now make sure that actually getting a balanced budget takes a shorter period of time.

I do believe that we are finally on the right track because this budget provides an opportunity for the Federal Government to get its fiscal house in order while still making a handful of extremely needed investments in the people of our country and in U.S. productivity.

Most importantly, I am of the view that this is a historic moment because it has been achieved by working together. If ever there was an issue that required bipartisan cooperation, this is it. It seems to me that this is an example of what can happen when you put down for just a few moments the political cudgel and focus on the needs of our country first.

Let me also say that I would like to make a special effort in the days ahead to address the Medicare provision of this legislation. In my view, in the 21st century, Medicare is not just going to be a part of the Federal budget; it is going to be the Federal budget. There is no program in America growing at the rate of Medicare. I think it is well understood that in the 21st century our country will be faced with a demographic tsunami. We are going to have upwards of 50 million baby boomers retiring, and it is quite clear that efforts must be made now to modernize Medicare and get this program ready for the 21st century.

I sought to begin those efforts by introducing S. 386, the Medicare Modernization and Patient Protection Act, in the spring. And the fundamental principle of that legislation was to make sure that Medicare began to introduce the kind of competition and choice and emphasis on quality for older people that is available in private sector health care.

What we are seeing in our country today is that Medicare has essentially been engaging in purchasing practices and management practices that the private sector threw in the attic years and years ago. In much of the United States, Medicare has been rewarding waste and penalizing efficiency, and we all saw that emphasized again this week when the Inspector General of the United States indicated that more than $20 billion is lost each year in the Medicare Program due to fraud and waste.

The issue of inefficiency and the rewards for waste that you see in the Medicare Program are particularly important to those I represent at home in Oregon. We have gone a long way to reinventing the health care system in our State, particularly in the metropolitan areas. We have competition. We have extensive choice for older people. We do not have the gag clauses in the managed care plans where physicians are restricted from telling older people about their options. We have done a lot to come up with a health plan for seniors that will be good for older people and taxpayers in the 21st century.

The reward to Oregon for doing the heavy lifting to reform Medicare over the last few years has been lower reimbursement collection. In effect, what the Federal Government told the people of Oregon over the last 10 years is you would have gotten higher reimbursement, you would have received higher payments, if you had gone about the process of offering wasteful, inefficient health care. And so what happens in much of my State, an older person, say, in the Klamath Valley will call their cousin or their sister in another part of the United States and ask them about their Medicare. And a senior in another part of the country where health care isn't provided so efficiently will say to the Oregonian, you know, my Medicare is great; I get prescription drugs for free; I get eyeglasses at a discount; I get all these extras that are not covered by Medicare.

Seniors in Oregon and other States where health services have been efficient say, I pay the same into Medicare as seniors in those States. Why don't I get the same benefits?

Medicare is a national program. Why shouldn't the senior in Oregon get the

same benefits as the senior in another State, which on top of everything else is offering care that is more costly and inefficient?

The reason for this bizarre situation is a very technical reimbursement system, an eye-glazing concept known as the average adjusted per capita cost. And the long and short of it is that it rewards waste, penalizes efficiency and in parts of the country like mine has meant that many of the health programs have difficulty even providing the basic benefits to older people let alone some of the additional benefits such as prescription drugs.

Under this legislation, because of exceptional bipartisan work—and here I want to particularly commend Senator GRASSLEY of Iowa, the chairman of our Aging Committee, who has worked very closely with me, for his perseverance in correcting this inequity. As a result of the work of our bipartisan coalition, this reimbursement system is going to change. We will see all counties in our country get a minimum payment for these health care plans that are holding costs down while giving good quality, and over a period of time there will be a blending of reimbursement rates to consider both local reimbursement patterns and national patterns.

What this means is that areas like Oregon that have held costs down while giving good quality will get higher reimbursement, and my constituents, older people, are pleased because they will be in a position to get better benefits. But what is especially important is this is the kind of reimbursement change that is essential to save this program in the 21st century.

I would submit that what will happen as a result of the bipartisan work to change the Medicare reimbursement process—Senator GRASSLEY, myself, and others have spent so much time—is we will start seeing competition and choice come to health care programs in parts of the country where there is no competition and there is no choice. So we are talking about a change that, in my view, is going to really pay off for our country and pay off greatly in the years ahead.

Mr. President, I want to turn very briefly to the question of the other changes in Medicare that the Senate has debated and we are going to have to tackle in the days ahead. Particularly now I turn to the question of raising the age of eligibility for the Medicare Program and the question of a means test or some sort of ability-to-pay test being incorporated into Medicare.

I have long felt that Lee Iacocca ought to be paying more for his Medicare than should an older woman who is 75 and has Alzheimer's and has an income of $10,000 a year. So I think it is clear there is going to have to be an ability-to-pay feature added to the Medicare Program. But it is extraordinarily important that this be done right and that this be done carefully. I and other Members of the Senate felt that to try to do this over just a few months with so many questions about how this would be administered was precipitous action. But it must be done. Let us make no mistake about it. That change is going to have to be a part of 21st century Medicare. It has to be done fairly. My constituents were concerned that at a time when already they did not get a fair shake under the Medicare reimbursement formula, they were going to be asked to pay more immediately under Medicare.

So there are some real questions about how to do this and do it fairly. But I want it understood I am of the view that there will have to be an essential change, and I am very hopeful the Senate will not wait for a bipartisan commission to make recommendations but with the completion of this legislation will start on that issue as well.

With respect to the question of the age of eligibility for the program, here, too, there are very important technical questions of how it is done and how it is done fairly. There have been a number of analyses of late that have shown there is a significant increase in the number of uninsured Americans between the age of 55 to 64. So if that group of uninsured individuals is growing, to then add more, those between the ages of 65 and 67, would cause a hardship. So what I and others hope will be done as this effort to examine the age of eligibility is addressed is that there will be a buy-in opportunity, an opportunity for those individuals without insurance in that age group to be able to buy into the Medicare Program on a sliding scale.

Again, I think this is an opportunity the Senate ought to examine carefully, ought to look at in a bipartisan way, and not wait for a commission to make recommendations as to how it ought to be done.

Finally, Mr. President, let me say that as these significant changes in Medicare are made, beginning with the reimbursement formula changes that are being made now, changes that will bring fairness and competition and choice to the program, at every step of the way we have to keep the focus on protecting the rights of the patient. In this body Senators AKAKA, KENNEDY, and myself have led the push to ban gag clauses from managed care health plans. Health care is a complicated issue, we could all agree. But one issue we all should agree on is that patients have a right to know all the information about the kind of medical services and options that would be made available to them.

Under this legislation, that significant protection for patients is in place and I think it is just the beginning of the kind of new focus that should be placed on patients' rights and the protection of quality health care which older people deserve. At a time when the health care system and Medicare specifically are in transition, protection for the rights of the patients is even more important than ever. At a time when there is a focus on more competition and choice, it ought to be met with an equal emphasis of protecting the rights of the patients, and that has begun in this legislation as well.

Mr. President, I come from a part of the country that is proud to have led the Nation in the cause of health care reform and efficiency. Under the leadership of our Governor, Gov. John Kitzhaber, we have reinvented the Medicaid Program with the Oregon Health Plan.

For more than a decade, as a result of work done by Democrats and Republicans and older people and health care professionals, we have reinvented the Medicare Program in much of our State. So there is a new emphasis on choice and quality. What this legislation does is it removes the penalties against those programs that have been creative, those programs that have led the Nation in reforming Medicare and Medicaid. It is high time that those changes are made.

Mr. President, I think those changes lay the foundation for the other critical changes that are going to be needed to strengthen health care services in the days ahead. I look forward to working with our colleagues on a bipartisan basis to achieve those changes.

Mr. President, I yield the floor.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I ask unanimous consent I may speak for 10 minutes.

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

Mr. SANTORUM. I thank the Chair.

Mr. President, I wanted to make a couple of comments also on the budget bill that we have before us here this evening and that we will be voting on, I guess, tomorrow morning.

I come here excited in a sense that we are finally doing something that when I first ran for office back in 1990 I pledged to do, which was to come here and try to balance the Federal budget. Not to put schemes out there that say, well, we will target this and we will adjust to this number when we get there, but actually pass a law that will get us there without Congress having to do one more thing.

I think that is what we have accomplished here in this legislation. We will pass the changes, the needed reforms, in the entitlement programs that will get us to a balanced budget, that will save an estimated $270 billion over the next 5 years, will require no further Federal action other than just passing our appropriations bills under the limits we have set, and we do a pretty good job at that. If there is anything I can say Congress has done in the past few years it is that we have kept to the budget caps. I do not anticipate that being a problem. In fact, I think many of us would advocate trying to come in below those caps. So I think this bill

will accomplish what we set out to do, balance the budget by 2002. And hopefully, if we do not have any kind of major recession, we will be able to balance it sooner than 2002.

So, I am very excited about that. We have been able to face that problem, and we have been able to deal with it in a responsible fashion.

I must admit, though, that I am somewhat disappointed at some of the things we did not accomplish here that we, in fact, passed in the Senate bill. We took, I think, some courageous political stances here in the U.S. Senate in dealing with the issue of Medicare. The Senator from Oregon was talking about that just a few minutes ago, some of the changes that were not made that he believed in. In fact, some of them, even though I notice he didn't support them, need to be made.

Senator GRAMM, during the debate here on the budget last month, talked about the demographic cliff that we are going to fall off in the year 2011. I share that with you again this evening. In the year 1995, in fact for the years pretty much throughout the 1990's, roughly 200,000 people will turn 65 per year—200,000 people. In the year 2011, 1.6 million people will turn 65. That is just a cliff. That is 1.6 million people going into a system, no longer paying into that system, into a system that today cannot absorb 200,000 a year. It is going bankrupt absorbing 200,000. We are asking that same system, that same program, to now absorb eight times the number, and that is not just a blip. It is not 1.6 million in the year 2011 and then back down to 200,000. No; it's 1.6 million and then it levels off to about 1.5 million a year throughout the years of the baby boom generation and their retirement.

It has been estimated that if we don't change Medicare and Social Security in the next few years, the payroll tax will double within a generation. That is from 15 percent of every dollar that is earned in America up to $60,000 for Social Security tax and 1.45—actually 3 percent if you take the employee and employer share for every other dollar, irrespective of income. We are going to have to double that payroll tax. That's an optimistic projection. Pessimistically, we will have to triple the tax if we keep Medicare and Social Security just the way they are.

So, to the people who run around and say, ''We don't need to fix Medicare now, we don't need to fix Social Security now, everything is fine; those people who want to change Medicare and Social Security are just out to get the elderly,'' I would just suggest this: Anybody who is not talking about long-term structural changes to those two programs is out to get the elderly who are yet to be elderly, who are waiting to be elderly, because those are the folks who are going to pay—and big. I think it is only fair that we spread this out a little bit and we begin to make changes now.

The two major things I wanted to see done that were not done were, No. 1, as the Senator from Oregon talked about, means testing part B benefits. This is a chip shot. I mean, this is a layup. I can't think of any other term. This is an easy one. This affected about 4 percent of the population of seniors in this country who were the highest income-earning seniors. What were we going to do? For Medicare, part A, part B—there are two parts to Medicare. Part A is hospitalization, major medical; part B covers some of the other things. It is a voluntary program. It covers some outpatient, labs, doctors, things like that. It's a voluntary insurance program. You don't pay one penny into Medicare part B over the course of your earnings before you turn 65. But when you turn 65 you can opt into this, in a sense, public insurance program. It is voluntary. If you choose to get into part B, you pay a premium. It is about $45 a month.

That $45 only covers 25 percent of the cost of the program. Who picks up the other 75 percent? Mr. and Mrs. Taxpayer. That's fine if you are a senior who needs subsidies from the Federal Government to be able to afford insurance, but in my mind it's not fine to give a subsidy to people who don't need a subsidy. I am not someone who comes to the floor on many occasions and talks about class warfare. I don't believe in that. I don't believe in a lot of the arguments that the rich don't pay their fair share. I think a lot of it is just hooey, and in fact class warfare.

What we are talking about here is we are talking about subsidizing people at a higher income. I am not for that. I am not for taxing them more, but I am not for subsidizing them, either. So, to the extent that we subsidize, we said, ''Look, if you are earning over $70,000 as a couple, you are going to pay a little bit more for your Medicare part B premium.'' It's still a good deal. It's a pretty big group, and you get a nice group rate.

We should have done that in this bill. I can tell you, I have been to senior center after senior center after senior center, and I have gotten up and I talked about this. I have never heard an objection. No one has ever objected to this. They thought that's pretty reasonable. We should not be subsidizing Ross Perot in his Medicare part B premium. It's crazy. He doesn't need it. Most of these people don't need it, and they probably wouldn't want it if they realized what it was costing the Federal Government to do it and what it was costing their children and grandchildren. So that's one of the things we missed, in my opinion. It's unfortunate.

The second—I know this is a tougher issue—and that is raising the eligibility age for Social Security. I know this is not a very popular issue, but I can tell you we got 62 votes here in the U.S. Senate, I will say very proudly, in a bipartisan vote. The eligibility age for Social Security, to be able to qualify for full Social Security benefits, is going up. Most people in this country don't know that, but it is. It is going up. In 1983, when they passed the Social Security reform, they did a couple of things. They raised taxes and they raised the eligibility age from 65 to 67. They didn't start doing it, though, for 20 years. The first people who turn 65 who are going to be affected by this raise in the eligibility age are people who retire in the year 2003, 20 years after the bill passed.

You will hear the people who were here in the Congress who said, ''We waited 20 years to enact this so people could prepare for this time.'' It is funny, because I talked to a lot of people who are planning to retire who are about that age, in their fifties right now, who are going to be retiring, late fifties, retiring in 2003. Most of them don't know the retirement age is being moved back. I talked to most younger people, and they have no idea the retirement age is being moved back. These people, as far as I am concerned, who passed this thing in 1983 and put it off 20 years, put it off 20 years because they will be gone in 20 years, most of them, and so they won't have to take the wrath of the American public, if there is going to be some. I hope there will not be, once they understand the problem of having to deal with the issue. I think we should deal with the issue now.

We should tie the Medicare eligibility age to Social Security, which phases up over a 20-year period. It doesn't hit 67 as a retirement age until the year 2025. We should tie the two together, because most people, most lower and middle income people, are not going to be able to retire prior to being eligible for Social Security, so there should not be much of a problem with tying in Medicare because they are going to retire when they hit the retirement age for Social Security. That will also be the retirement age, in a sense eligibility age, for Medicare.

For those who can afford to retire sooner, they probably are more well off, by and large, or they may have a disability. But in that case they qualify for Government benefits through disability. But, for those who are more well off, then we should create an option for them to buy in at age 65, they can buy into Medicare if they can't continue their private insurance.

There was a way to work this out that I think would have been, again, the right thing to do for the long term for Medicare. If you really care about providing a health safety net for the future, those were two things that were really missed opportunities. It is unfortunate we missed them.

I will say, overall, we have taken a positive step here. I think we missed an opportunity to do something really lasting, really significant. We stood up and made a courageous vote, a vote that, frankly—if Members would go out and take the time to talk to people and explain the demographic problems that we have, the fact that people are living substantially longer and they are substantially healthier, that these kinds

of changes only make sense to make sure that future generations have these retirement security programs like Medicare and Social Security to rely on for the future.

So, I am disappointed that we blinked, the White House was not supportive, and frankly our colleagues in the House were not supportive. I think that is unfortunate for both of those entities. I stand with particular pride at the U.S. Senate, that it had the courage to look ahead, to not make decisions just based on short-term fixes. Frankly, the Medicare provision here is a short-term fix. We had long-term fixes in the Senate bill and we didn't follow through, and I think that is unfortunate.

We did do a lot of other positive things in this bill, and I will support it as a result of that. But I think this piece of legislation, given what the Senate did in their courageous action by going out on Medicare and setting the course, missed a tremendous opportunity.

One final comment. There is an additional concern I have about a provision in the welfare bill. There is welfare reform—or, in my opinion some of it is a backtracking on reform from the last bill. We have some positive things in this bill with respect to work, but we also have a provision in there that is very worrisome for me, as far as the ability for work programs, workfare, to work in the States. This gives the President and the Department of Labor the opportunity to designate people on workfare in an employment setting as workers covered by the Fair Labor Standards Act, the minimum wage laws, and all the other laws that apply to all other employees. The problem with that is that you get into a whole host of complex things that drive up significantly the cost of providing a work slot for someone on welfare.

If you believe, as I do, that the most important thing for most of the people on welfare today is to get them into the workplace, to teach them the value of work, to give them the sense of pride which so many millions of Americans for the first time are feeling now, to get off the welfare rolls and get them into the workplace where they are doing positive works, where they are getting positive reinforcement for the things that they are accomplishing, where they are learning the ability to get up, get their children off to school or to day care or to a relative and get to work, keep those hours, work hard and come back home and manage their life—those are important life skills. If we put the barrier too high for the States, we are going to limit the number of work spots available for, really, millions of people and, I think, destroy a lot of the tremendous progress that we have made in creating an environment under this welfare reform bill that we passed last year for people to rise out of poverty, to get the kind of experience necessary to get the sense of accomplishment and self-pride that is necessary to rise out of poverty.

I am very concerned about that. I hope the administration does not pull the trigger. They are getting immense pressure from the unions to do so because the unions want to protect their piece of the pie when it comes, particularly to the public sector spots that will be filled in some cases by welfare recipients.

So, I hope the President does not bow to the unions at the expense of millions of people who want to get out of welfare and who need these work opportunities to be able to do so.

MORNING BUSINESS

Mr. SANTORUM. Mr. President, I ask unanimous consent there be a period for the transaction of morning business.

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

Mr. LEVIN. Mr. President, I want to discuss today a disinformation campaign being conducted by indicted war criminal Radovan Karadzic and his Bosnian Serb henchmen, a campaign which threatens our forces in Bosnia, and a powerful tool available to the United States to counteract that campaign.

Despite his agreement to remove himself from political life, Radovan Karadzic has continued to play a leading role in Bosnian Serb politics, running the Republika Srpska from behind the scenes. Moreover, he has used the Bosnia Serb controlled radio and television to present a distorted picture to the Bosnian Serb people. Most ominously, since the arrest of one secretly indicted war criminal and the killing of another by NATO forces in Prijedor in northwestern Bosnia on July 10, Karadzic and the state controlled media have been orchestrating attacks on NATO troops.

As the New York Times reported on July 26, ''television and radio broadcasts have been increasingly inflammatory.'' This distorted picture has been used to interfere with the implementation of the civilian aspects of the Dayton peace accords. It has also been used to wage a smear campaign against Bosnian Serb President Biljana Plavsic, who sought to expose Karadzic's criminal activities that have brought him wealth at the expense of the Bosnian Serb people.

Karadzic has shown himself to be a master of the ''no lie is too great'' approach. For example, when the Office of the High Representative, the senior international civilian position created by the Dayton accords, recently announced a significant civil military project that would involve the repair of the Tuzla to Brcko railway line by an Italian Railway Regiment with funding from United States AID, the state controlled Bosnian Serb media claimed that the repair train had been modified to transport Serb civilians to the Hague. A project designed to improve the quality of life for all Bosnians in the region was twisted to frighten the people and to foment ill-feeling towards the Stabilization Force.

Mr. President, the influence of indicted war criminal Karadzic must be checked. I believe that his control of the Bosnian Serb media is a good place to start. The United States military has the capability through the EC–130E Commando Solo aircraft to broadcast television and radio programming directly to the Bosnian people, overriding Karadzic's programming. This capability was put to successful use during Operation Urgent Fury in Grenada to inform the people on Grenada of the United States military action; during Operation Desert Storm to convince Iraqi soldiers to surrender; and during Operation Uphold Democracy in Haiti to broadcast radio and television to the Haitian citizens and leaders. It could be used to get the true word out to the Bosnian Serbs.

I applaud the decision of the recent international donor's conference for Bosnia to channel money only to communities that comply with the Dayton peace accords. Republika Srpska has received only a small percentage of such aid in the past due to Karadzic's behind the scenes refusal to cooperate. He has also mounted a media disinformation campaign, accusing the international community of bias against the Bosnian Serbs when his own policies are to blame. The Bosnian Serb people need to hear the real causes for their isolation and lack of international aid.

Mr. President, paragraph 5 of article VI of the Agreement on the Military Aspects of the Dayton Peace Settlement gives the SFOR Commander the authority to do all that he judges necessary and proper to protect the SFOR and to carry out its responsibilities. I believe that it would be appropriate for the SFOR Commander to determine that the presentation of distorted reports about SFOR, the inflaming of emotions against SFOR, and the encouragement of reprisal action by the Bosnian Serb media controlled by Karadzic and the ruling Serb Democratic Party, are impeding the SFOR Commander's ability to protect SFOR and to carry out SFOR's responsibilities. Once the SFOR commander makes that determination, the Air National Guard EC–130E Commando Solo aircraft could be used to counteract Karadzic's disinformation campaign which so endangers our forces and hampers the implementation of the Dayton accords.

Mr. President, I wrote last week to National Security Adviser Sandy Berger and Secretary of Defense Bill Cohen proposing the use of the Commando Solo aircraft under the circumstances we confront in Bosnia. I ask unanimous consent that these letters be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. LEVIN. I believe that, until the Bosnian people, particularly the

Bosnian Serbs, are able to receive television and radio broadcasts that depict the true reasons for their isolation and poor standing in the international community, it is less likely that meaningful progress will be made in the implementation of the civilian aspects of the Dayton accords.

Mr. President, the European Stars and Stripes reported last week that many Bosnian Serbs have refused to accept copies of a free publication called the Herald of Peace that is handed out throughout Bosnia by SFOR. I am sure that they are reluctant to be seen accepting this publication for fear that they will be reported to Karadzic and his henchmen. The beauty of Commando Solo is that its radio and television broadcasts will go into the homes of the Bosnian Serbs where they can receive it away from prying eyes. Karadzic can't stop the broadcasts—they override his transmissions. It is time to put this valuable tool to work for peace in Bosnia and for the security of our forces.

EXHIBIT 1

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, July 24, 1997.

Mr. SAMUEL R. BERGER,
Assistant to the President for National Security Affairs, National Security Council, Washington, DC.

DEAR. MR. BERGER: I am writing in connection with the lack of progress in implementing the civilian aspects of the Dayton peace accords, particularly the problem of war criminals. I am deeply disturbed about the failure of the Bosnian parties, particularly the Republika Srpska, to cooperate in the investigation and prosecution of war crimes and other violations of international humanitarian law as required by Article IX of the General Framework Agreement for Peace in Bosnia and Herzegovina.

Recent press reports regarding the influence of former Bosnian Serb president and indicted war criminal Radovan Karadzic, establish that his and his party's control of all Bosnian Serb media, particularly Bosnian television, consistently presents a distorted picture as to the cause of the Republic's isolation and poverty.

Until the Bosnian people, particularly the Bosnian Serbs, are able to receive television broadcasts that depict the true reasons for their isolation and poor standing in the international community, it is doubtful that any meaningful progress will be made in the implementation of the civilian aspects of the Dayton accords.

I am concerned that the local media's distorted reporting is inflaming the situation in Republika Srpska and encouraging the Bosnian Serbs to take reprisal action against personnel of the Stabilization Force (SFOR), the International Police Task Force (IPTF), and the Organization for Security and Cooperation in Europe (OSCE). It seems to me that those actions and other less dramatic, but improper, actions by the Bosnian Serbs and their political leadership are impeding the ability of the SFOR Commander to protect the SFOR and to carry out its responsibilities under the accords.

Paragraph 5 of Article VI of the Agreement on the Military Aspects of the Peace Settlement gives the SFOR Commander the authority to do all that he judges necessary and proper to protect the SFOR and to carry out its responsibilities. I believe that it would be appropriate for the SFOR Commander to determine that the presentation of distorted reports about SFOR, the inflaming of emotions, and the encouragement of reprisal action by the Bosnian Serb media controlled by Karadzic and the ruling Serb Democratic Party, are impeding his ability to protect SFOR and to carry out SFOR's responsibilities.

The U.S. military has the capability through the EC–130E Commando Solo aircraft to broadcast television and radio messages to the Bosnian people. I strongly recommend that, once the SFOR Commander makes the above determination, he be authorized to utilize Commando Solo to conduct television and radio broadcasts in Republika Srpska to inform the Bosnian Serbs of the true facts.

It may also be necessary to take similar action with respect to the other Bosnian parties. I fear that without such action war criminals will not be brought to justice, reconciliation will not take place, and the human and material investment of the United States and its allies will have been in vain.

I am sending a similar letter to the Secretary of Defense.

Sincerely,

CARL LEVIN,
Ranking Minority Member.

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, July 24, 1997.

Hon. WILLIAM S. COHEN,
Secretary of Defense,
The Pentagon, Washington, DC.

DEAR MR. SECRETARY: I am writing in connection with the lack of progress in implementing the civilian aspects of the Dayton peace accords, particularly the problem of war criminals. I am deeply disturbed about the failure of the Bosnian parties, particularly the Republika Srpska, to cooperate in the investigation and prosecution of war crimes and other violations of international humanitarian law as required buy Article IX of the General Framework Agreement for Peace in Bosnia and Herzegovina.

Recent press reports regarding the influence of former Bosnian Serb president and indicted war criminal Radovan Karadzic, establish that his and his party's control of all Bosnian Serb media, particularly Bosnian television, consistently presents a distorted picture as to the cause of the Republic's isolation and poverty.

Until the Bosnian people, particularly the Bosnian Serbs, are able to receive television broadcasts that depict the true reasons for their isolation and poor standing in the international community, it is doubtful that any meaningful progress will be made in the implementation of the civilian aspects of the Dayton accords.

I am concerned that the local media's distorted reporting is inflaming the situation in Republika Srpska and encouraging the Bosnian Serbs to take reprisal action against personnel of the Stabilization Force (SFOR), the International Police Task Force (IPTF), and the Organization for Security and Cooperation in Europe (OSCE). It seems to me that those actions and other less dramatic, but improper, actions by the Bosnian Serbs and their political leadership are impeding the ability of the SFOR Commander to protect the SFOR and to carry out its responsibilities under the accords.

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The U.S. military has the capability through the EC–130E Commando Solo aircraft to broadcast television and radio messages to the Bosnian people. I strongly recommend that, once the SFOR Commander makes the above determination, he be authorized to utilize Commando solo to conduct television and radio broadcasts in Republika Srpska to inform the Bosnian Serbs of the true facts.

It may also be necessary to take similar action with respect to the other Bosnian parties. I fear that without such action war criminals will not be brought to justice, reconciliation will not take place, and the human and material investment of the United States and its allies will have been in vain.

I am sending a similar letter to the National Security Adviser.

Sincerely,

CARL LEVIN,
Ranking Minority Member.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Tuesday, July 29, 1997, the Federal debt stood at $5,373,127,138,499.91. (Five trillion, three hundred seventy-three billion, one hundred twenty-seven million, one hundred thirty-eight thousand, four hundred ninety-nine dollars and ninety-one cents)

One year ago, July 29, 1996, the Federal debt stood at $5,182,455,000,000. (Five trillion, one hundred eighty-two billion, four hundred fifty-five million)

Five years ago, July 29, 1992, the Federal debt stood at $3,995,312,000,000. (Three trillion, nine hundred ninety-five billion, three hundred twelve million)

Ten years ago, July 29, 1987, the Federal debt stood at $2,298,353,000,000. (Two trillion, two hundred ninety-eight billion, three hundred fifty-three million)

Fifteen years ago, July 29, 1982, the Federal debt stood at $1,089,771,000,000 (One trillion, eighty-nine billion, seven hundred seventy-one million) which reflects a debt increase of more than $4 trillion—$4,283,356,138,499.91 (Four trillion, two hundred eighty-three billion, three hundred fifty-six million, one hundred thirty-eight thousand, four hundred ninety-nine dollars and ninety-one cents) during the past 15 years.

U.S. FOREIGN OIL CONSUMPTION FOR WEEK ENDING JULY 25

Mr. HELMS. Mr. President, the American Petroleum Institute reports that for the week ending July 25, the U.S. imported 8,138,000 barrels of oil each day, 585,000 barrels more than the 7,553,000 imported each day during the same week 1 year ago.

Americans relied on foreign oil for 56.3 percent of their needs last week, and there are no signs that the upward

spiral will abate. Before the Persian Gulf War, the United States obtained approximately 45 percent of its oil supply from foreign countries. During the Arab oil embargo in the 1970's, foreign oil accounted for only 35 percent of America's oil supply.

Anybody else interested in restoring domestic production of oil? By U.S. producers using American workers?

Politicians had better ponder the economic calamity sure to occur in America if and when foreign producers shut off our supply—or double the already enormous cost of imported oil flowing into the U.S.—now 8,138,000 barrels a day.

TRIBUTE TO CHRIS YODER

Mr. CRAIG. Mr. President, I would like to take a few moments to recognize Mr. Chris Yoder, a fellow Idahoan, who will be leaving his professional staff position at the Senate Committee on Veterans Affairs to accept a new challenge with the Commission on Service Members and Veterans Transition Assistance.

A veteran, himself, of the Vietnam War in Army Intelligence, he continued his dedication to the colleagues by serving 13 years with the Veterans Administration in Boise, ID. There he worked in various capacities as a benefits councilor, claims examiner and education specialist.

Except for the 102d Congress when he worked for the Veterans Affairs, in Washington DC as a staff assistant to the Deputy Secretary, Mr. Yoder has been with the committee for 12½ years. During that time he served with distinction, helping to fashion policies that serve America's veterans.

He has always accepted challenges, faced them head on and worked diligently in providing the critical answers that have shaped the positive direction the Veterans Committee has taken.

Mr. Yoder's efforts have always represented his personal commitment to constituents, the veterans service organizations and members of the committee. His timely initiatives and extraordinary abilities will have lasting results for years to come.

I have high praise for Chris's leadership, dedication, professionalism and accomplishments. On behalf of myself and the veterans of Idaho, we wish him well in his new endeavor, and wholeheartedly thank him for his outstanding service.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting treaties and sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 1:31 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

S. 430. An act of June 20, 1910, to protect the permanent trust funds of the State of New Mexico from erosion due to inflation and modify the basis on which distributions are made from those funds.

S. 670. An act to amend the Immigration and Nationality Technical Corrections Act of 1994 to eliminate the special transition rule for issuance of a certificate of citizenship for certain children born outside the United States.

At 5 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2015) to provide for reconciliation pursuant to subsections (b)(1) and (c) of section 105 of the concurrent resolution on the budget for fiscal year 1998.

MEASURE PLACED ON THE CALENDAR

The following measure was read the second time and placed on the calendar:

S. 1085. A bill to improve the management of the Boundary Waters Canoe Area Wilderness, and for other purposes.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on July 30, 1997, he had presented to the President of the United States, the following enrolled bills:

S. 430. An act to amend the Act of June 20, 1910, to protect the permanent trust funds of the State of New Mexico from erosion due to inflation and modify the basis on which distributions are made from those funds.

S. 670. An act to amend the Immigration and Nationality Technical Corrections Act of 1994 to eliminate the special transition rule for issuance of a certificate of citizenship for certain children born outside the United States.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–2639. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, five rules received on July 24, 1997; to the Committee on Commerce, Science, and Transportation.

EC–2640. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, one rule received on July 17, 1997; to the Committee on Commerce, Science, and Transportation.

EC–2641. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, six rules received on July 21, 1997; to the Committee on Commerce, Science, and Transportation.

EC–2642. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, twelve rules received on July 21, 1997; to the Committee on Commerce, Science, and Transportation.

EC–2643. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, one rule received on July 29, 1997; to the Committee on Commerce, Science, and Transportation.

EC–2644. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, twenty-eight rules received on July 29, 1997; to the Committee on Commerce, Science, and Transportation.

EC–2645. A communication from the Performance Evaluation and Records Management, Federal Communications Commission, transmitting, pursuant to law, seven rules received on July 22, 1997; to the Committee on Commerce, Science, and Transportation.

EC–2646. A communication from the Performance Evaluation and Records Management, Federal Communications Commission, transmitting, pursuant to law, one rule received on July 28, 1997; to the Committee on Commerce, Science, and Transportation.

EC–2647. A communication from the Performance Evaluation and Records Management, Federal Communications Commission, transmitting, pursuant to law, one rule received on July 29, 1997; to the Committee on Commerce, Science, and Transportation.

EC–2648. A communication from the Director, National Oceanic and Atmospheric Administration, National Marine Fisheries Service, U.S. Department of Commerce, transmitting, pursuant to law, a rule relative to the threatened Southern Oregon/Northern California coast (RIN0648–AG56), received on July 21, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2649. A communication from the Administrator, Agricultural Marketing Service, U.S. Department of Agriculture, transmitting, pursuant to law, a report of a rule relative to fresh cut flowers and greens, received on July 29, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2650. A communication from the Chairman and Chief Executive Officer, Farm Credit Administration, transmitting, pursuant to law, a rule relative to releasing information (RIN3052–AB77), received on July 29, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2651. A communication from the Acting Administrator, Agricultural Research Service, U.S. Department of Agriculture, transmitting, pursuant to law, a report of a rule relative to a schedule of fees to be charged, received on July 29, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2652. A communication from the Administrator, Farm Service Agency, U.S. Department of Agriculture, transmitting, pursuant to law, a report of a rule relative to Disaster Set-Aside Program (RIN0560–AE98), received on July 25, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2653. A communication from the Secretary of Defense, transmitting, a notice regarding the ''Balanced Budget Act of 1997''; which was ordered to lie on the table.

EC–2654. A communication from the Director of the Office of Sustainable Fisheries,

National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, eight rules; to the Committee on Commerce, Science, and Transportation.

EC–2655. A communication from the Deputy Assistant Administrator for Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, three rules; to the Committee on Commerce, Science, and Transportation.

EC–2656. A communication from the Acting Director of the Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, three rules; to the Committee on Commerce, Science, and Transportation.

EC–2657. A communication from the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–97 adopted by the Council on June 3, 1997; to the Commitee on Governmental Affairs.

EC–2658. A communication from the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–98 adopted by the Council on June 3, 1997; to the Commitee on Governmental Affairs.

EC–2659. A communication from the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–99 adopted by the Council on June 3, 1997; to the Commitee on Governmental Affairs.

EC–2660. A communication from the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–100 adopted by the Council on June 3, 1997; to the Commitee on Governmental Affairs.

EC–2661. A communication from the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–107 adopted by the Council on June 17, 1997; to the Commitee on Governmental Affairs.

EC–2662. A communication from the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–108 adopted by the Council on June 17, 1997; to the Commitee on Governmental Affairs.

EC–2663. A communication from the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–109 adopted by the Council on June 17, 1997; to the Commitee on Governmental Affairs.

EC–2664. A communication from the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–113 adopted by the Council on June 17, 1997; to the Commitee on Governmental Affairs.

EC–2665. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled ''Fiscal Year Annual Report on Advisory Neighborhood Commissions''; to the Committee on Governmental Affairs.

EC–2666. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled ''Certification of the Fiscal Year 1997 Revised General Fund Revenue Estimates in Support of the District of Columbia General Obligation Bonds (Series 1997A)''; to the Committee on Governmental Affairs.

EC–2667. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled ''District of Columbia General Hospital's Sole Source Contract Award to Medical Services Group, Inc. Violated D.C. Laws and Regulations''; to the Committee on Governmental Affairs.

EC–2668. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled ''Certification of the Water and Sewer Authority's Fiscal Year 1997 Revenue Estimate in Support of a $25,000,000 Revolving Line of Credit''; to the Committee on Governmental Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCAIN, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 910. A bill to authorize appropriations for carrying out the Earthquake Hazards Reduction Act of 1977 for fiscal years 1998 and 1999, and for other purposes (Rept. No. 105–59).

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, without amendment:

H.R. 1198. A bill to direct the Secretary of the Interior to convey certain land to the City of Grants Pass, Oregon.

H.R. 1944. A bill to provide for a land exchange involving the Warner Canyon Ski Area and other land in the State of Oregon.

S. 871. A bill to establish the Oklahoma City National Memorial as a unit of the National Park System; to designate the Oklahoma City Memorial Trust, and for other purposes.

By Mr. HELMS, from the Committee on Foreign Relations, without amendment:

S. 1082. A bill to authorize appropriations to pay for United States contributions to certain international financial institutions.

By Mr. HELMS, from the Committee on Foreign Relations, without amendment and with a preamble:

S. Con. Res. 39. A concurrent resolution expressing the sense of the Congress that the German Government should expand and simplify its reparations system, provide reparations to Holocaust survivors in Eastern and Central Europe, and set up a fund to help cover the medical expenses of Holocaust survivors.

S. Con. Res. 45. A concurrent resolution commending Dr. Hans Blix for his distinguished service as Director General of the International Atomic Energy Agency on the occasion of his retirement.

By Mr. HELMS, from the Committee on Foreign Relations, without amendment and with a preamble:

S. Con. Res. 46. An original concurrent resolution expressing the sense of the Senate regarding the terrorist bombing in the Jerusalem market on July 30, 1997.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on Armed Services:

The following-named officer for appointment in the U.S. Marine Corps to the grade indicated while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Michael J. Byron, 0000.

The following-named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Robert H. Foglesong, 0000.

The following-named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. John M. Pickler, 0000.

(The above nominations were reported with the recommendation that they be confirmed.)

By Mr. LUGAR, from the Committee on Agriculture, Nutrition, and Forestry:

Shirley Robinson Watkins, of Arkansas, to be a Member of the Board of Directors of the Commodity Credit Corporation.

Shirley Robinson Watkins, of Arkansas, to be Under Secretary of Agriculture for Food, Nutrition, and Consumer Services.

I. Miley Gonzalez, of New Mexico, to be Under Secretary of Agriculture for Research, Education, and Economics.

Catherine E. Woteki, of the District of Columbia, to be Under Secretary of Agriculture for Food Safety. (New Position)

August Schumacher, Jr., of Massachusetts, to be Under Secretary of Agriculture for Farm and Foreign Agricultural Services.

August Schumacher, Jr., of Massachusetts, to be a Member of the Board of Directors of the Commodity Credit Corporation.

(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. HELMS, from the Committee on Foreign Relations:

Stanley O. Roth, of Virginia, to be an Assistant Secretary of State.

Marc Grossman, of Virginia, a Career Member of the Senior Foreign Service, Class of Counselor, to be an Assistant Secretary of State.

James P. Rubin, of New York, to be an Assistant Secretary of State.

Edward William Gnehm, Jr., of Georgia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Director General of the Foreign Service.

Bonnie R. Cohen, of District of Columbia, to be an Under Secretary of State.

David Andrews, of California, to be Legal Adviser of the Department of State.

James W. Pardew, Jr., of Virginia, for the Rank of Ambassador during his tenure of service as U.S. Special Representative for Military Stabilization in the Balkans.

Wendy Ruth Sherman, of Maryland, to be Counselor of the Department of State, and to have the rank of Ambassador during her tenure of service.

Stephen R. Sestanovich, of the District of Columbia, as Ambassador at Large and Special Adviser to the Secretary of State for the New Independent States.

FEDERAL CAMPAIGN CONTRIBUTION REPORT

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, Amount, Date, and Donee

1. Self, None.
2. Spouse, None.
3. Children and spouses: Benjamin Sestanovich, None. Clare Sestanovich, None.
4. Parents: Molly B. and Stephen N. Sestanovich, $100,000, 1994, Ellen Schwartz (Dem. candidate, 10th dist., CA).
5. Grandparents: Deceased.
6. Brothers and spouses: Kathryn L. and R. Benjamin Sestanovich, None.
7. Sisters and spouses: Mary Sestanovich and William Sillavo, None.

Maura Harty, of Florida, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Paraguay.

FEDERAL CAMPAIGN CONTRIBUTION REPORT

The following is a list of all members of my immediate family and their spouses. I

have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, Amount, Date, and Donee

1. Self, None.
2. Spouse: James Larner, None.
3. Children and spouses: No children.
4. Parents: Louise Harty, None. Edward W. Harty (deceased 11/94), No information available.
5. Grandparents: Ana and Luis Torreblanca (deceased 2/71 and 6/70), None. Frank Harty (deceased 1/73), None. Nora Harty, None.
6. Brothers and spouses: Mark Harty (single), None.
7. Sisters and spouses: Nancy and Fred Sanguiliano, None.

John Christian Kornblum, of Michigan, a Career Member of the Senior Foreign Service, Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Federal Republic of Germany.

FEDERAL CAMPAIGN CONTRIBUTION REPORT

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, Amount, Date, and Donee

1. Self: John C. Kornblum, None.
2. Spouse: Helen Kornblum, None.
3. Children and spouses: Alexander Kornblum, None. Stephen Kornblum, None.
4. Parents: Samuel C. Kornblum, deceased. Ethelyn E. Kornblum, deceased.
5. Grandparents: Herbert Tonkin, deceased. May Tonkin, deceased. Christian Kornblum (father), deceased. Luisa Kornblum (mother), deceased.
6. Brothers and spouses: Stephen Kornblum (brother), None. Nancy Kornblum (sister-in-law), None.
7. Sisters and spouses: No sisters.

James Franklin Collins, of Illinois, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Russian Federation.

FEDERAL CAMPAIGN CONTRIBUTION REPORT

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, Amount, Date, and Donee

1. Self, None.
2. Spouse, see attachment No. 1.
3. Children and spouses: Robert S. Collins, None. Deborah Chew (spouse), None.
4. parents: Jonathan C. Collins, None. Caroline C. Collins, None. Harrison F. Collins, $50.00, 02/92, John Crawford (Candidate for Illinois Rep.). (See attachment No. 2.)
5. Grandparents: Deceased.
6. Brothers and spouses: Jefferson C. Collins, None.
7. Sisters and spouses: No sisters.

ATTACHMENT NO. 1: DR. NAOMI F. COLLINS CONTRIBUTIONS

Date, Amount, and Donee

01/93, $25.00, Democratic National Committee.
03/93, $15.00, Dollars for Democrats.
05/93, $15.00, DCCC (Democratic Congressional Campaign Committee).
06/93, $25.00, Bruce Adams for County Council.
10/93, $15.00, Maryland Democrats.
11/93, $25.00, Nancy Kopp (candidate for State Legislature).
01/94, $18.00, Women's Higher Education Fund.
01/94, $25.00, Democratic National Committee.
03/94, $30.00, Emily's List.
03/94, $25.00, Bruce Adams for County Council.
03/94, $20.00, Democratic National Committee.
04/94, $25.00, Elanor Carey for Attorney Gen 1994.
05/94, $30.00, Pat Williams.
09/94, $25.00, Nancy Kopp.
09/94, $25.00, Dollars for Democrats.
12/94, $50.00, Emily's List.
4/95, $125.00, Emily's List.
9/95, $25.00, Maryland Democratic Party.
12/95, $25.00, Democratic National Committee.
12/95, $25.00, Mikulski for Senate.
1/96, $25.00, Clinton-Gore '96.
9/96, $20.00, Marilyn Goldwater.
9/96, $40.00, Emily's List.

ATTACHMENT NO. 2: HARRISON F. COLLINS CONTRIBUTIONS

Date, Amount, and Donee

1994, $10.00, Democratic National Committee (Precise date and amount unknown).
2/95, $25.00, Democratic Congressional Campaign Committee.
10/95, $25.00, Democratic National Committee.
2/95, $30.00, Democratic National Committee.
5/95, $50.00, Democratic National Committee.
7/95, $80.00, Democratic Socialists.
10/95, $100.00, Democratic Socialists.
1/96, $35.00, NRDC.
1/96, $50.00, Democratic National Committee.
1/96, $20.00, Democratic National Committee.
7/95, $35.00, Democrats 2000.
3/96, $20.00, Democratic National Committee.
4/96, $20.00, Democratic National Committee.
5/96, $20.00, Democratic National Committee.
6/96, $20.00, Democratic National Committee.
7/96, $50.00, Democratic National Committee.
8/96, $30.00, Democratic National Committee.
9/96, $50.00, Democratic National Committee.
11/96, $20.00, Democratic National Committee.
12/96, $20.00, Democratic National Committee.
1/97, $20.00, Democratic National Committee.
2/97, $20.00, Democratic National Committee.

Philip Lader, of South Carolina, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Kingdom of Great Britain and Northern Ireland.

FEDERAL CAMPAIGN CONTRIBUTION REPORT

The following is a list of all member of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, Amount, Date, and Donee

1. Self, $1,000, 1994, Theodore-for-SC Governor.
2. Spouse: Linda LeSourd Lader, $1,000, 1996, Clinton/Gore Campaign.
3. Children and spouses: Mary-Catherine Lader, None. Linda Whitaker Lader, None.
4. Parents: Phil Lader (deceased), None. Mary Lader (deceased), None.
5. Grandparents: Cosmo Tripoli (deceased), None. Josephine Tripoli (deceased), None.
6. Brothers and spouses: Isadore Lader (deceased), None. Retta Lader (deceased), None.
7. Sisters and spouses None.

Felix George Rohatyn, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to France.

FEDERAL CAMPAIGN CONTRIBUTION REPORT

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, Amount, Date, and Donee

1. Self: Felix G. Rohatyn—See attached for list of contributions.
2. Spouse: Elizabeth Fly Rohatyn—See attached for list of contributions.
3. Children and spouses—Three sons: Pierre Rohatyn—No contributions. Nicolas Rohatyn—See attached for list of contributions. Michael Rohatyn—No contributions.
4. Parents: Edith Knoll Plessner (mother)—Deceased. Henry Plessner (stepfather)—Deceased. Alexander Rohatyn (father)—Deceased. Patricia Rohatyn (stepmother)—No contributions.
5. Grandparents: Deceased.
6. Brothers and spouses: None.
7. Sisters and spouses: None.

FEDERAL CAMPAIGN CONTRIBUTION REPORT—ELIZABETH ROHATYN

Amount, Date, and Donee

$500, Mary Boyle for U.S. Senator/Emily's List.
$1,000, 3/6/93, Moynihan Committee Inc.
$1,000, 4/13/93, Bob Krueger Campaign.
$1,000, 6/9/93, Emily's List.
$500, 3/24/94, Delahanty for Congress Committee/Emily's List.
$500, 3/24/94, Delahanty for Congress Committee/Emily's List.
$500, 3/24/94, Friends for McGuire/Emily's List.
$500, 3/24/94, Friends for McGuire/Emily's List.
$1,000, 5/16/94, Robb for the Senate.
$1,000, 5/19/94, Emily's List.
$1,000, 7/23/94, Friends of Dave McCurdy.
$250, 9/12/94, Karen Shepherd for Congress.
$1,500, 9/21/94, Women's Campaign Fund Inc.
$750, 9/20/94, Karen Shepherd for Congress.
$500, 10/18/94, Louise Slaughter Re-election Committee.
$1,000, 3/24/95, Emily's List.
$500, 1995, Friends of Dave McCurdy.
$1,000, 6/20/95, Friends of John Warner 1996 Committee.
$1,000, 8/2/95, Friends of Schumer.
$500, 8/14/95, Emily's List.
$1,000, 10/9/95, Clinton/Gore '96 Primary Committee Inc.
$25,000, 10/11/95, DNC—Non-Federal Individual.
$5,000, 12/18/95, DSCC Non-Federal Individuals.
$1,000, 3/12/96, Emily's List.
$250, 3/22/96, Louise Slaughter Re-Election Committee.
$12,500, 4/19/96, Democratic Congressional Campaign Committee.
$12,500, 9/12/96, DSCC Non-Federal Individuals.
$1,000, 10/21/96, Karpan for Wyoming.
$1,000, 1997, Moynihan Committee Inc.

FEDERAL CAMPAIGN CONTRIBUTION REPORT—FELIX ROHATYN

$5,000, 1/21/93, Committee for Effective Government.
$1,000, 3/12/93, Moynihan Committee Inc.
$1,000, 4/13/93, Bob Krueger Campaign.
$5,000, 4/28/93, Committee for Effective Government.
$1,000, 5/5/93, Mitchell for Senate.
$1,000, 5/6/93, Lieberman '94 Committee.
$35,000, 5/17/93, DNC—Non-Federal Individual.
$1,000, 11/9/93, Friends of John Glenn.
$500, 11/9/93, Friends of Jane Harman.
$−2,193, 11/22/93, Committee for Effective Government.
$2,500, 3/28/94, Democratic Congressional Campaign Committee.
$1,000, 3/31/94, Lieberman '94 Committee.
$2,500, 3/31/94, Committee for Effective Government.
$1,000, 4/1/94, Leahy for U.S. Senator.
$500, 5/18/94, Oberly Senate Committee.
$1,000, 6/8/94, Moynihan Committee Inc.
$100,000, 6/9/94, DNC—Non-Federal Individual.
$500, 7/14/94, Voters for Choice/Friends of Family Planning.
$500, 7/23/94, Friends of Dave McCurdy.
$1,000, 8/26/94, Kerrey for U.S. Senate Committee.
$1,000, 9/30/94, Friends of Bob Carr.
$500, 10/9/94, Linda Kushner for U.S. Senate.
$1,000, 10/13/94, Citizens for Sarbanes.
$500, 10/17/94, Citizens for Senator Wofford.
$1,000, 10/19/94, Maloney for Congress.
$1,000, 10/21/94, Launtenberg Committee.
$10,000, 12/13/94, DNC Services Corporation/Democratic National Committee.
$500, 3/20/95, Friends of Dave McCurdy.
$500, 3/21/95, Voters for Choice/Friends of Family Planning.
$1,000, 5/22/95, Friends of Max Baucus.
$500, 6/9/95, Voters for Choice/Friends of Family Planning.
$1,000, 6/20/95, Friends of John Warner 1996 Committee.
$1,000, 6/30/95, Kennedy for Senate (1994).
$20,000, 7/19/95, DNC—Non-Federal Individual.
$80,000, 7/19/95, DNC—Non-Federal Individual.
$20,000, 7/28/95, Democratic Senatorial Campaign Committee.
$1,000, 8/2/95, Friends of Schumer.
$1,000, 8/7/95, Friends of Senator Rockefeller.
$1,000, 8/16/95, Friends of Senator Carl Levin.
$1,000, 8/24/95, Kerry Committee.
$25,000, 10/11/95, DNC—Non-Federal Individual.
$1,000, 10/23/95, People for Pete Domenici.
$500, 2/15/96, Voters for Choice/Friends of Family Planning.
$12,500, 4/19/96, Democratic Congressional Campaign Committee.
$500, 5/8/96, Friends of Bob Graham Committee.
$500, 6/6/96, Friends of Jane Harman.
$500, 6/10/96, Crawford for Congress Committee.
$2,500, 7/23/96, Democratic Senatorial Campaign Committee.
$12,500, 9/12/96, DSCC Non-Federal Individuals.
$50,000, 9/25/96, DNC—Non-Federal Individual.
$25,000, 10/11/96, DCCC Non-Federal Account #5.
$25,000, 10/11/96, DCCC Non-Federal Account #5.
$125,000, 10/18/96, DNC Non-Federal Unincorporated Association Account.
$1,000, 1997, Moynihan Committee Inc.

FEDERAL CAMPAIGN CONTRIBUTION REPORT—NICOLAS ROHATYN

$5,000, 4/6/93, Morgan Companies Political Action Committee (Morganpac).
$5,000, 4/20/94, Morgan Companies Political Action Committee (Morganpac).
$5,000, 4/19/95, Morgan Companies Political Action Committee (Morganpac).
$500, 5/8/96, Friends of Bob Graham Committee.
$5,000, 5/16/96, Morgan Companies Political Action Committee (Morganpac).

Richard Dale Kauzlarich, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Bosnia and Herzegovina.

FEDERAL CAMPAIGN CONTRIBUTION REPORT

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, Amount, Date, and Donee

1. Self, None.
2. Spouse, None.
3. Children and spouses: Terri L. Skender, None. Derek Skender, None. Son, Richard Kauzlarich (deceased), None.
4. Parents: Victor Kauzlarich and Eva Kauzlarich, $15, Spring '96 Mike Grchan, Treasurer, Rock Island County Democratic Committee.
5. Grandparents: George Kauzlarich (deceased), None. Emma Kronfeld (deceased), None.
6. Brothers and spouses: Stanley Kauzlarich, None.
7. Sisters and spouses: Victoria Kauzlarich, None. James Thane, None.

Daniel V. Speckhard, of Wisconsin, a Career Member of the Senior Executive Service, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Belarus.

FEDERAL CAMPAIGN CONTRIBUTION REPORT

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, Amount, Date, and Donee

1. Self, None.
2. Spouse, None.
3. Children and spouses: None.
4. Parents: Carol Speckhard, None. Thomas Speckhard, $30.00, 1996, Representative David Obey.
5. Grandparents: Deceased.
6. Brothers and spouses: James Speckhard, None. Thomas J. Speckhard, None.
7. Sisters and spouses: Kathleen White, None.

Keith C. Smith, of California, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Lithuania.

FEDERAL CAMPAIGN CONTRIBUTION REPORT

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, Amount, Date, and Donee

1. Self: Keith C. Smith, None.
2. Spouse: Nina Smith, None.
3. Children and spouses: Brian Smith, son. Tanya Batdorff, daughter. Craig Smith, son. John McKeever, stepson. Peter McKeever, stepson. Michael McKeever, stepson. None.
4. Parents: Harold L. Smith, deceased. Lydia D. Smith, deceased.
5. Grandparents: Robert Daines, deceased. Chloe Daines, deceased. Alexander Smith, deceased. Angela Smith, deceased.
6. Brothers and spouses: Harold D. Smith, None. Kent D. Smith, None.
7. Sisters and spouses: Bonnie Smith, None. Carolyn Buhman, $25, 1990, Cong. Howard McKeon.

Anne Marie Sigmund, of the District of Columbia, a Career Member of the Senior foreign Service, Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kyrgyz Republic.

FEDERAL CAMPAIGN CONTRIBUTION REPORT

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, Amount, Date, and Donee

1. Self, none.
2. Spouse: no spouse.
3. Children and spouses: no children.
4. Parents: Lawrence and Mary Sigmund, $100, 1996, Concord Coalition.
5. Grandparents: deceased.
6. Brothers and spouses: Michael and Cynthia Sigmund, none.
7. Sisters and spouses: None.

James F. Mack, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Co-operative Republic of Guyana.

FEDERAL CAMPAIGN CONTRIBUTION REPORT

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, Amount, Date, and Donee

1. Self, none.
2. Spouse: $25.00, 8/18/96, $25.00, 6/24/96, Republican National Committee.
3. Children and spouses: Robert, Sally, David & Frances Mack, none.
4. Parents: Frederick & Dorothy Mack, deceased.
5. Grandparents: Frank & Ann Mack, deceased. Nehamiah & Ann Candee, deceased.
6. Brothers and spouses: none.
7. Sisters and spouses: Caroline Mack Westdorp, (sister), None. Wolfgang Westdorp (brother-in-law), None.

(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.)

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. JEFFORDS (for himself, Ms. SNOWE, and Mr. LEAHY):

S. 1087. A bill to provide for the modernization of port and rail access in northern New England, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. ROTH:

S. 1088. A bill to suspend temporarily the duty on ACM; to the Committee on Finance.

By Mr. SPECTER (for himself, Mr. FORD, Mr. SANTORUM, Mr. HARKIN, Mr. INOUYE, Mr. INHOFE, Ms. MIKULSKI, Mrs. BOXER, Mr. ROCKEFELLER, Mr. BRYAN, and Mr. DURBIN):

S. 1089. A bill to terminate the effectiveness of certain amendments to the foreign repair station rules of the Federal Aviation Administration, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BURNS (for himself, Mr. JOHNSON, Mr. MCCONNELL, Mr. GRASSLEY, Mr. BROWNBACK, Mr. THURMOND, Mr. HELMS, Mr. DASCHLE, Mr. COCHRAN, Mr. HATCH, Mr. INHOFE, and Mr. CONRAD):

S. 1090. A bill to specify that States may waive requirements relating to commercial drivers' licenses under chapter 313 of title 49, United States Code, with respect to certain farm vehicles, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BINGAMAN (for himself and Mr. DOMENICI):

S. 1091. A bill to amend title 23, United States Code, to provide for maintenance of public roads used by school buses serving certain Indian reservations; to the Committee on Environment and Public Works.

By Mr. MURKOWSKI:

S. 1092. A bill to provide for a transfer of land interests in order to facilitate surface transportation between the cities of Cold Bay, Alaska, and King Cove, Alaska, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. KERRY (for himself and Mr. MCCAIN):

S. 1093. A bill to extend nondiscriminatory treatment (most-favored-nation treatment) to the products of the Lao People's Democratic Republic, and for other purposes; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. WYDEN (for himself and Mr. WARNER):

S. Res. 110. A bill to permit an individual with a disability with access to the Senate floor to bring necessary supporting aids and services; to the Committee on Rules and Administration.

By Mr. HELMS:

S. Con. Res. 46. An original concurrent resolution expressing the sense of the Senate regarding the terrorist bombing in the Jerusalem market on July 30, 1997; from the Committee on Foreign Relations; placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JEFFORDS (for himself, Ms. SNOWE and Mr. LEAHY):

S. 1087. A bill to provide for the modernization of port and rail access in northern New England, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE OLDER INDUSTRIAL REGION RAIL/PORT ACCESS AND MODERNIZATION ACT

Mr. JEFFORDS. Mr. President, I rise today with Senator SNOWE to introduce legislation to aid the growth of commerce throughout New England. The Older Industrial Region Rail and Port Access and Modernization Act aims to improve northern New England's aging rail infrastructure and ocean ports to speed delivery of goods and people throughout the region.

New England was built by the railroads. But in our modern economy, highways have captured a majority of the commerce, supplanting rail. As we reach the end of this century, our region has begun to recognize the importance of railroads, and their vital role in our expanding economy. Efficient highways run north to south in northern New England, but we have no east to west roads sufficient to handle growing trade and commerce. As Vermont, New Hampshire, and Maine work together to compete in this global economy, our success is dependent on our mutual efforts to improve access to markets. We will succeed only if modern freight railroads can serve the entire region and through our ports bring goods to market across the Nation and around the world.

Rail lines throughout northern New England have been neglected for many years. Crumbling rail beds and constricted passage has limited the movement of freight and passenger trains and restricted rail access to deep water ports. Older bridges, deteriorated tracks, inadequate tunnels all contribute to a rail system that fails to fulfill the needs of the three-State area. As a result, commerce throughout the region suffers.

A recent report by Cambridge Systematics, entitled ''New England Transportation Initiative,'' indicates that northern New England's economy cannot fully expand without a carefully planned and implemented intermodal strategy. The study predicts that Maine's ports will gradually lose business to southern ports, primarily in New Jersey and New York, because of inadequate rail transportation and port access. In addition, the study predicts that business and jobs in New Hampshire and Vermont will not keep pace with other regions without a better strategy to efficiently move goods and people.

An exhaustive analysis by the Eastern Border Transportation Coalition regarding the trade and traffic flows across the eastern United States-Canada border projected a trade increase of close to 200 percent by the year 2015. The report also outlines that this increase could be hampered by a lack of adequate transportation options and overcrowded roads and highway border stations. To avoid this setback, rail options must be available. Without proper infrastructure development, New England's chance to take advantage of such economic growth will diminish.

The legislation we introduce today will authorize Federal spending to rehabilitate rail beds in Vermont, Maine, and New Hampshire, enabling them to improve their freight rail traffic and better handle the movement of goods and people with their borders. States will be able to apply separately to the U.S. Secretary of Transportation for individual grants. Grant funding is provided for a variety of categories: Port development and access; bridge and tunnel obstruction repair and replacement; repair of railroad beds; and development of intermodal facilities, including intermodal truck-train transfer facilities. Revitalization of these resources will allow freight and passenger trains to move freely throughout the region, reconnecting railroad towns long separated by the hazards of unpassable tracks.

The bill also establishes a loan assistant program. Railroad companies in Vermont, Maine, and New Hampshire will be able to access low interest loans to improve their rail lines in the region. The loans can be used for purchase of rolling stock, development of maintenance facilities, and many other capital improvements.

Without this legislation, Vermont, New Hampshire, and Maine may fail to benefit from future growth opportunities. Even though international shipping trade is expected to increase by 20 percent in the next 5 years, New England is less likely to benefit from the influx of business and jobs because of its decaying rail and port infrastructure. Improving rail lines will bring new life to our region, strengthening our industries and thereby our economies.

Mr. President, I would urge action on this legislation, because, as we are learning, ports and railroads are the life lines that will help to ensure the well-being of all of northern New England.

Ms. SNOWE. Mr. President, I rise today with my colleague and good friend, Senator JEFFORDS of Vermont, to introduce the Older Industrial Region Rail/Port Access and Modernization Act.

There is an old Yankee saying ''you can't get there from here''. If we do not take steps to upgrade our aging transportation infrastructure in order to allow us to be a vigorous competitor for the movement of goods, that saying may become a sad reality. That is why the bill we introduce today is so important to northern New England's future, because its purpose is to revitalize our aging rail infrastructure. As much as rail is a part of our Nation's history, it is also the pathway to a bright economic future.

The bill, which covers Vermont, New Hampshire, and Maine, will provide funding for improving and modernizing our freight rail system—removing obstacles like low bridges that constrict the use of double-stack trains, and intermodal facilities construction and maintenance. It would also provide funding to assist Maine's ports in updating and modernizing their facilities

and rail transport access. This upgrading is particularly important as studies have shown that Maine's ports are losing business to southern ports because of inadequate rail transport and access.

Under the bill, an 80/20 Federal/State share grant program would be created. The States could use this money for first, connecting all railroads to ports; second, removing, repairing or replacing bridges or other obstructions that inhibit the use of double-stack rail cars; third, repairing, upgrading and purchasing railbeds and tracks and fourth, constructing, operating and maintaining intermodal truck-train transfer facilities and train maintenance facilities.

Intermodalism is the future, as we have seen from the success of ISTEA. I have seen it at the intermodal facility in my hometown of Auburn, ME. Secretary of Transportation Rodney Slater visited the facility earlier this year with me and other members of the Maine delegation. After the visit, he told me that Auburn was a model facility that he would use in his travels as an example of how well the concept works when done correctly. Our bill will provide States with the flexibility to encourage new facilities and to upgrade current ones. It will provide our businesses with better, faster, more cost effective access to out of State markets and it will increase the viability of our three ports—Portland, Eastport, and Mack Point—by making them more attractive options for shipping and receiving goods.

More important is the basic fact that a modern transportation system is vital to any economic development. Our bill will allow the northern New England States to upgrade their aging infrastructure to ensure that we do not allow future economic development and growth to slip away because we cannot meet the transportation needs of business and industry in the coming years.

By Mr. ROTH:

S. 1088. A bill to suspend temporarily the duty on ACM; to the Committee on Finance.

LEGISLATION TO SUSPEND TEMPORARILY THE DUTY ON ACM

Mr. ROTH. Mr. President, I rise to introduce a bill to suspend the duty through December 31, 1999, on a product commonly known as ACM or [3-(Acetoxy)-3-cyanopropyl] methyl-phosphinic acid butylester, which falls under subheading 2931.00.90 of the Harmonized Tariff Schedule of the United States. ACM is an essential ingredient in the production of glufosinate ammonium, a patented nonselective, broad-spectrum herbicide, manufactured by AgrEvo USA under the brand name Liberty and used primarily in corn and soybean cultivation.

The cost to import ACM currently comprises roughly 90 percent of the total cost of manufacturing glufosinate ammonium. Suspension of this duty will substantially lower AgrEvo's cost of production and thereby improve the company's competitiveness.

By Mr. SPECTER (for himself, Mr. FORD, Mr. SANTORUM, Mr. HARKIN, Mr. INOUYE, Mr. INHOFE, Ms. MIKULSKI, Mrs. BOXER, Mr. ROCKEFELLER, Mr. BRYAN and Mr. DURBIN):

S. 1089. A bill to terminate the effectiveness of certain amendments to the foreign repair station rules of the Federal Aviation Administration, and for other purposes; to the Committee on Commerce, Science, and Transportation.

AIRCRAFT REPAIR STATION SAFETY ACT OF 1997

Mr. SPECTER. Mr. President, I have sought recognition today to introduce legislation designed to address aviation safety concerns which arise out of the proliferation of aircraft repair facilities outside the United States which are used by airplanes that fly within our Nation every day. This legislation would change current regulations so that U.S. aircraft are repaired to the maximum extent possible by professional U.S. mechanics, properly trained and supervised, using certified parts. This bill also addresses the critical issue of substandard or uncertified airplane parts, known as bogus parts.

I am pleased to be joined by 10 of my Republican and Democratic colleagues in introducing the Aircraft Repair Station Safety Act of 1997, which is similar to a bill introduced by my colleague from Pennsylvania, Congressman BORSKI (H.R. 145) which currently has 135 cosponsors.

A key focus for many of us in the 105th Congress is aviation safety. As a member of the Transportation Appropriations Subcommittee, I have worked with my colleagues to ensure that we spend the maximum amount possible on improving our aviation infrastructure for safety purposes, including altogether new runways, runway extension projects, and new generations of radar and landing systems. Air travel is an essential element of our lives, as millions of Americans use airplanes for personal and business trips. Our economy is deeply rooted in the success of our aviation system, which makes it even more critical that we take all necessary steps to enhance aviation safety.

This legislation is intended to address a regulatory loophole created in November, 1988, when the Federal Aviation Administration promulgated new rules which weakened the restrictions on certification for foreign aircraft repair stations. The 1988 changes have resulted in a situation where FAA certification—the highest seal of approval in the world—is much too easy to obtain. Prior to those changes, a foreign repair facility had to demonstrate that there was a need to service aircraft engaged in international travel before they could get certified. But now, a station can receive FAA certification for the simple goal of attracting U.S. business. I am advised that repair stations in Tijuana, Mexico and Costa Rica applied for and received FAA certification even though few expect these locations to become new hubs for international travel. Instead, these facilities are becoming new hubs for stealing U.S. jobs and could potentially jeopardize aviation safety because of inadequacies in U.S. regulatory oversight.

One example of where work performed on an aircraft at a foreign facility had significant repercussions within the United States was the 1994 engine explosion and fire on a Valujet plane on the runway at Atlanta's Hartsfield International Airport, which necessitated the evacuation of the 57 passengers. According to media reports, the work was done at a Turkish repair station that lacked FAA approval, and whose shabby business practices included plating over a cracked and corroded compressor disk. Had the explosion occurred in midflight, the results could have been catastrophic.

When the 1988 regulations were adopted, the FAA expected that the number of foreign repair stations it certified would rise from the level of 200 to possibly 300 or 400. I understand that there are now nearly 500 such foreign aircraft repair stations with FAA certification. This comes at a time, however, when the FAA is having enough trouble inspecting domestic repair stations and enforcing aviation safety rules within facilities in the 50 States. I find it hard to believe that the FAA has sufficient resources to adequately investigate problems at the 480 foreign aircraft repair facilities in addition to its U.S. responsibilities.

I am advised that one recent phenomenon is that foreign repair facilities are being used by some U.S. carriers on a contract basis as a means of holding down costs, and some have become what have been termed virtual airlines because so little maintenance and repair work is done in-house. Instead of aircraft repair work being done at relatively few sites, countless contractors and subcontractors domestically and abroad are now filling that function.

I would note that the Gore Commission on Aviation Safety and Security stated in its Final Report of February 12, 1997 that:

> Considerable attention has been given to the issue of outsourcing of maintenance and other work, particularly in the wake of the Valujet crash. The Commission does not believe that outsourcing, in and of itself, presents a problem—if it is performed by qualified companies and individuals. *The proper focus of concern should be on the FAA's certification and oversight of any and all companies performing aviation safety functions, including repair stations certificated by the FAA but located outside of the United States.* (Emphasis added.)

A problem is that under the current regulatory framework, foreign aircraft repair stations have not had to demonstrate legitimate need or to meet all the standards and procedures imposed on U.S. stations. For example, I am advised that domestic facilities and their employees must meet rigorous worker

surveillance standards including broad drug and alcohol testing requirements. Many other nations seeking to compete do not have these same requirements in place or the same level of enforcement. There is also a discrepancy between the requirement that certain mechanics at a U.S. facility are certified airmen and the absence of such a mandate on certified foreign repair stations. One would think that this requirement is important enough to be imposed wherever a plane which flies within our borders is repaired and maintained. Accordingly, this legislation provides that all standards imposed on domestic repair stations and their employees must be imposed on foreign facilities and their employees.

In sponsoring this legislation, I am not attempting to deprive U.S. carriers of access to foreign repair facilities when necessary. Strategically based foreign repair stations have been part of our aviation network since 1949, when it was recognized that such stations were needed for the repair of U.S. aircraft operating outside our airspace. In addition, foreign manufacturers producing FAA-approved air frames or components have traditionally been allowed to support their products. Further, it is my intention that this legislation would not hinder the repair of U.S. aircraft abroad which do not operate within the United States.

This legislation would not change these accepted practices, but would give the FAA the opportunity to revisit this issue by returning the regulations governing the certification of repair stations to what they were before November, 1988. This legislation is aimed at the proliferation of foreign FAA-certified repair facilities which exist to service aircraft that, except for the cheap labor and lower regulatory oversight, would never leave the United States.

This legislation would also clamp down on the possibility that aircraft repair stations would knowingly use bogus parts instead of properly certified parts. The bogus airplane parts trade has become lucrative and gives real cause for concern. The FAA and law enforcement agencies have cracked down in recent years, resulting in 130 indictments across the country as of May, 1997 of people suspected of being dealers of bogus airplane parts. In one troubling media account, when an American Airlines plane crashed in Colombia in 1995, salvagers extracted valuable components from the plane before even all the bodies were collected and the parts were offered for sale in Miami shortly thereafter. Under this bill, if a facility is found to have knowingly used bogus parts, the FAA will revoke its certification.

In closing, I want to reiterate that the Aircraft Repair Station Safety Act of 1997 is a sensible approach to increased aviation safety. This is more than just a jobs issue; peoples lives and our economy are at stake. At a time when the FAA's resources are stretched thin, I do not believe it is in the public interest to continue to certify foreign aircraft repair facilities which we cannot observe or regulate adequately.

I look forward to working with the members of the Senate Commerce, Science, and Transportation Committee on this issue, as well as the carriers, both passenger and cargo, which operate under current regulations and whom I hope will support this legislation.

By Mr. BURNS (for himself, Mr. JOHNSON, Mr. MCCONNELL, MR. GRASSLEY, Mr. BROWNBACK, Mr. THURMOND, Mr. HELMS, Mr. DASCHLE, Mr. COCHRAN, Mr. HATCH, Mr. INHOFE, and Mr. CONRAD):

S. 1090. A bill to specify that States may waive requirements relating to commercial drivers' licenses under chapter 313 of title 49, United States Code, with respect to certain farm vehicles, and for other purposes; to the Committee on Commerce, Science, and Transportation.

WAIVER LEGISLATION

Mr. BURNS. Mr. President, today I rise to correct an unintentional Federal burden that has been placed on a sector of our Nation's agricultural community.

The Commercial Motor Vehicle Safety Act of 1986 subjected operators of large trucks and buses to new regulations including the requirement that States devise a commercial driver's license [CDL] program by April 1, 1992.

The intent of this act was to improve highway safety by requiring a higher level of qualification and knowledge for those engaged in commercial trucking activities and was primarily aimed at addressing the safety issue of over-the-road, long-haul truckers.

In 1988, the Federal Highway Administration [FHwA] granted States the authority to waive the CDL requirements for farmers and others who operate large vehicles incidental to their occupations. States retained the right to impose restrictions and conditions on those for whom the waiver was applied.

Unfortunately, the CDL requirement continues to apply to many vehicle operators who are neither a highway safety hazard or engaged in commercial trucking enterprises. Such is the case of those engaged in the unique, seasonal business of harvesting the Nation's crops.

Custom harvesting is a service industry which, for a fee, provides farmers the personnel and equipment necessary to harvest their crops; relieving them of the need to invest, operate and maintain the costly, specialized equipment which can only be utilized on a limited seasonal basis.

Incidental to this service is providing the transportation equipment and drivers necessary to deliver those crops to on-farm or local storage or processing facilities.

This service harvests nearly 60 percent of the Nation's entire wheat crop from my State of Montana to Texas and many wheat growing States in between.

The vast majority of miles driven in providing this service are off-road or on low traffic density rural roads and highways. Because of the unique nature of this business and the substantial investment in equipment, the owner-operator of these predominantly small, family-owned businesses devote a significant amount of time and resources to employee training and safety education which is relevant to the service they provide, rather than simply accepting the generally inappropriate standards based on the urban-suburban driving needs requires for a CDL.

In addition, close supervision of the harvesting and transport activities is provided both during the actual harvesting operations and the movement of equipment from site to site.

Given the failure of the FHwA to acknowledge the unique characteristics of the custom harvesting business and to provide a reasonable waiver to States to determine an appropriate level of regulation for this industry, we are introducing legislation to provide States the authority to grant an exemption from the CDL requirements.

This legislation does not mandate that those engaged in activities such as custom harvesting will be unregulated. It does provide those States, who wish to do so, the opportunity to provide regulatory relief to an industry which is critical to the production of food and fiber in this country.

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

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

JUNE 26, 1997.

Hon. CONRAD BURNS,
U.S. Senate, Washington, DC.

DEAR SENATOR BURNS: Recently you received a letter from Senator Conrad Burns and Tim Johnson requesting your co-sponsorship of legislation to modify the Commercial Driver's License (CDL) requirements for those engaged in custom harvesting and processing of our nation's crops. The membership of the undersigned organizations urge you to join in supporting the legislative relief provided in their bill.

The Commercial Motor Vehicle Safety Act of 1996, required that states develop and implement a CDL program by April 1, 1992 and a drug and alcohol testing program in 1996. It was intended to improve the safety performance of commercial, over-the-road trucking enterprises. In recognition of the unique nature of some trucking activities, the Federal Highway Administration provided States the authority to waive the CDL requirements for farmers, firefighters and others who operate large vehicles as part of their day-to-day business, but who were not engaged in commercial trucking. Individual states retained the ability to develop conditions and restrictions as part of the waiver process. Unfortunately, the CDL requirements still apply to that sector of agriculture which provides an important seasonal service by harvesting this nation's food and fiber crops and delivering the harvest to storage or processing for

individual farmers. These businesses pose little safety hazard, and are not engaged in hauling crops on a commercial basis. Their operations predominantly require skills associated with driving off-road or in low traffic density areas. Unlike commercial trucking operations, the drivers involved in the harvest are closely supervised both during the harvest activities and those limited times when they must utilize the nation's highway system to move from farm to farm.

Harvesters and agriculture processors currently provide education, training and experience for drivers that is directly applicable to the conditions those drivers will face throughout their employment. The CDL requirements force the employer to also train their drivers so they can obtain a license which is of little practical use in their workplace. This dual burden is costly, time consuming and has reduced the ability of the industry to find competent employees.

The legislation proposed by Senator Burns and Johnson does not eliminate the CDL requirement for all drivers in all states. It does, however, provide States the opportunity to determine the appropriate level of regulation which should be applied to this important segment of the agriculture industry.

We urge you contact Senator Conrad Burns (Randall Popelka 224–2644) or Senator Tim Johnson (Sarah Dahlin 224–5842) and join them in ensuring that custom harvesters and agriculture processors are able to continue providing this safe, professional, efficient and competitive service which benefits all Americans.

Sincerely,

American Farm Bureau Federation; National Barley Growers Association, National Cotton Ginners Association; U.S. Custom Harvesters, Inc.; National Association of Wheat Growers; National Cotton Council, and the National Grain Sorghum Producers Association.

By Mr. BINGAMAN (for himself and Mr. DOMENICI):

S. 1091. A bill to amend title 23, United States Code, to provide for maintenance of public roads used by schoolbuses serving certain Indian reservations; to the Committee on Environment and Public Works.

THE INDIAN RESERVATION SCHOOL ROADS MAINTENANCE ACT OF 1997

Mr. BINGAMAN. Mr. President, I rise today to introduce the Indian Reservation School Roads Maintenance Act of 1997. This bill, which is being cosponsored by my colleague from New Mexico, Senator DOMENICI, addresses a unique situation with respect to roads in and around Indian reservations and nearby counties that is actually preventing children from getting to and from school safely. Because of the unique nature of this situation, it can only be addressed at the Federal level.

I would like to start with an example of this unique problem and why I believe a Federal solution is necessary. As you can see, Mr. President, this first chart is a map of the Navajo Reservation in New Mexico, Arizona, and Utah. The Navajo Nation is by far the Nation's largest Indian reservation, covering 25,000 square miles. To give you an idea of its size, there are 10 States that are smaller than this reservation. For instance, it is the same size as the State of West Virginia.

According to the Bureau of Indian Affairs, there are 9,000 miles of roads that serve the Navajo Nation. Only one-fifth of these roads are paved—the rest, over 7,000 miles, are dirt roads. The schoolbuses have to use nearly all of the 9,000 miles of roads each and every day to get the kids to and from school.

About 6,400 miles of these roads on the reservation are BIA roads and over 2,500 miles are State and county roads. All public roads within, adjacent to, or leading to the reservation, including BIA, State, and county roads, are considered part of the Indian reservation road system. However, only BIA roads are eligible for Federal maintenance funding from BIA, and generally, construction and improvement funding from the Federal Lands Highways Program in ISTEA is applied to BIA roads. On the other hand, States and counties are responsible for maintenance and improvement of their roads.

Mr. President, the Federal Government is asking the States and counties to bear too large a burden for road maintenance in this unique situation, given the resources most of these counties have. For example, counties around the Navajo Reservation are predominantly comprised of Federal or tribal lands. Three-quarters of McKinley County in my State of New Mexico is either tribal or Federal land, including BLM, Forest Service, and military. This next map is of McKinley County, and as you can see, Mr. President, everything shown on this map that is either orange, yellow, green, or red, is tribal or Federal land. The Indian land area alone comprises 61 percent of the county. As you can see, everything else is county land, which is a very small fraction of total land area. Therefore, there is a very small tax base on which the county can rely as a source of revenue for maintenance purposes. The picture for San Juan County in the northwest corner of New Mexico is very much the same.

Mr. President, families living in and around the reservation are no different from families anywhere else; their children are entitled to the same opportunity to get to school safely and get a good education. However, the miles and miles of unpaved, deficient roads in this vast area are frequently impassable. If the schoolbuses don't get through, the kids simply cannot get to school.

Of the 600 miles of county-maintained roads in McKinley County, 550 miles serve Indian land. Because of the vastness of the reservation, this is a cost that the counties in New Mexico, Arizona, and Utah simply cannot and should not have to bear without Federal assistance. Indeed, because of the large tribal and Federal presence in these counties, it is encumbent upon the Federal Government to provide this assistance.

What my bill does is set aside $10 million from the highway trust fund that counties such as these can apply for to help maintain the roads used by schoolbuses to carry children to school or to a Headstart program. Let me be very clear: these Federal funds can be used only on roads that are located within, or that lead to the reservation, that are on the State or county maintenance system, and that are used by schoolbuses.

Let me just state again, Mr. President, that maintaining schoolbus routes in this vast area is a unique problem that only the Federal Government can effectively deal with.

I don't believe any child wanting to get to and from school safely should have to risk or tolerate unsafe roads. Kids today, particularly in rural areas, already face enough barriers to getting a good education. I ask all Senators to join with me in assuring that all schoolchildren at least have a chance to get to school safely and have an opportunity for an education. I urge all of my colleagues to support this bill.

Mr. President, I ask unanimous consent that the full text of the bill, a summary, a McKinley County Commission resolution, a letter from the McKinley County road superintendent, David Acosta, and a letter from the Northwest New Mexico Council of Governments be included in the RECORD.

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

S. 1091

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

SECTION 1. INDIAN RESERVATION SCHOOL ROADS.

(a) FUNDING.—Section 1003(a)(6) of the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240; 105 Stat. 1919) is amended by adding at the end the following:

''(D) INDIAN RESERVATION SCHOOL ROADS.—For maintenance of Indian reservation school roads $10,000,000 for each of fiscal years 1998 through 2003.''.

(b) DEFINITION OF INDIAN RESERVATION SCHOOL ROAD.—Section 101 of title 23, United States Code, is amended by inserting after the undesignated paragraph defining ''Indian reservation roads'' the following:

''The term 'Indian reservation school road'' means a public road that—

''(A) is within, is adjacent to, or provides access to an Indian reservation (including associated trust land and restricted Indian land) having a land area of 10,000,000 acres or more; and

''(B) is used by a school bus to transport children to or from a school or Headstart program.''.

(c) MAINTENANCE UNDER THE FEDERAL LANDS HIGHWAYS PROGRAM.—Section 204 of title 23, United States Code, is amended—

(1) in the first sentence of subsection (a) by striking ''and Indian reservation roads'' and inserting ''Indian reservation roads, and Indian reservation school roads'';

(2) in subsection (b), by inserting after the second sentence the following: ''Funds available for Indian reservation school roads shall be used by the Secretary to pay for the cost of maintenance of Indian reservation school roads in accordance with subsection (k).'';

(3) in the last sentence of subsection (c), by striking ''The Bureau'' and inserting ''Subject to subsection (k), the Bureau''; and

(4) by adding at the end the following:

''(k) INDIAN RESERVATION SCHOOL ROADS.—

''(1) FUNDING.—A State or county with an Indian reservation school road on its maintenance system may apply for funding from the Secretary for maintenance of the Indian reservation school road, which the Secretary may grant if the Secretary determines that funding for maintenance of the road from other sources is not sufficient to provide maintenance that ensures the safety and welfare of children being transported in a school bus to and from a school or Headstart program.

''(2) METHOD OF CONTRACTING.—All maintenance work funded under this subsection shall be performed—

''(A) by contract awarded by competitive bidding; or

''(B) by a State or county that the Secretary has determined has the ability to administer efficiently funds granted for the maintenance of Indian reservation school roads.

''(3) SUPPLEMENTARY FUNDING.—The Secretary shall ensure that funding made available under this subsection for maintenance of Indian reservation school roads for each fiscal year is supplementary to and not in lieu of any obligation of funds by the Bureau of Indian Affairs for road maintenance programs on Indian reservations.''.

BILL SUMMARY—INDIAN RESERVATION SCHOOL ROADS MAINTENANCE ACT OF 1997

The bill creates a new category of funding called ''Indian reservation school roads'' in the existing Federal Lands Highways Program (ISTEA, section 204 of title 23). This new category is in addition to the existing Indian reservation roads category. The authorized level of funding is $10 million per year for six years from the Highway Trust Fund, other than the mass transit account.

Indian reservation school roads are defined to be public roads that are within, adjacent to, or provide access to an Indian reservation (including associated Indian trust lands and restricted Indian lands) with a land area of at least 10 million acres and are used by school buses to transport children to or from school or Headstart programs.

A state or county with an Indian reservation school road on its maintenance system may apply to the Secretary of Transportation for funding for maintenance of a school bus road. The Secretary may grant funding if the Secretary determines the roads are not being maintained adequately to ensure the safety and welfare of children being transported to and from school or headstart program.

Maintenance work shall be performed by contract awarded by competitive bidding or by a state or county that the Secretary has determined has the ability to administer funds granted for the maintenance of Indian reservation school roads.

Funds provided for maintenance of Indian reservation school roads is supplemental to any funding for maintenance of Indian reservation roads provided by the Bureau of Indian Affairs.

STATE OF NEW MEXICO, COUNTY OF MCKINLEY, RESOLUTION NO. SEP–96–078

Whereas, the McKinley County Board of Commissioners has entered into a intergovernmental agreement with the Navajo Nation and the Bureau of Indian Affairs (BIA) to provide road maintenance on school bus routes within the McKinley County portion of the Navajo Nation; and

Whereas, McKinley County, the Navajo Nation and the BIA are aware of the many additional miles of roads on the reservation that are used for school bus routes but are not maintained due to a shortfall in maintenance funds; and

Whereas, the maintenance of school bus routes is necessary and a benefit to Navajo students and will provide continued access to the public education system in McKinley County; Now, therefore be it

Resolved, That McKinley County requests that in the reauthorization of the ISTEA program in 1997 that the United States Congress allow twenty-five percent (25%) of those funds allocated to the Navajo Nation for new road construction, be set aside for maintenance of existing school bus routes.

Passed, approved and adopted by the governing body at its meeting of September 30, 1996.

COUNTY OF MCKINLEY,
Gallup, NM, August 29, 1996.

Hon. JEFF BINGAMAN,
Senator, New Mexico,
Senate Office Building, Washington, DC.
Attention: Mr. Steve Clemens

DEAR STEVE: McKinley County is responsible for the maintenance of approximately 591.343 miles of roadway. Approximately 450 miles consist of unimproved dirt roads. The majority of roads serve as school bus routes for the Gallup-McKinley County Schools, BIA Schools, and several private and parochial schools. McKinley County is comprised of approximately 5,454 total square miles, with approximately 61% of the land base classified as Native American and BIA lands. McKinley County has approximately 540 miles of maintained roads which provide access to and within the Indian Reservation, Indian Trusts Lands, and Restricted Indian Lands.

Our request is that the upcoming Intermodal Service Transportation Efficiency Act (ISTEA) legislation be modified to provide greater flexibility in the use of ISTEA funds on local roadways, or modify the upcoming reauthorized version of ISTEA to establish a ''Rural Area Set Aside for Local Roads''. McKinley County would benefit greatly if County Government could become eligible under the Indian Reservation Roads (IRR) set aside funding. Currently the funding consists of $191 million dollars per fiscal year which is allocated directly to Indian Tribes and BIA.

The current legislation prohibits the use of ISTEA Surface Transportation Funds for any roads that are functionally classified as local or rural minor collectors. Since virtually all County roads fall under this category, counties throughout the nation do not currently qualify for ISTEA funding.

On behalf of all counties within New Mexico, we are requesting that the reauthorization of ISTEA funding have the specific language which will provide funding for County Government.

If you have any questions or need further clarification, please do not hesitate to notify me at (505) 722–7171. Thank you for your assistance and support to McKinley County.

Sincerely,

DAVID J. ACOSTA,
Road Superintendent.

NORTHWEST NEW MEXICO
COUNCIL OF GOVERNMENTS,
Gallup, NM, July 25, 1997.

Hon. JEFF BINGAMAN,
U.S. Senate, Hart Building,
Washington, DC.

DEAR SENATOR BINGAMAN: I am writing to express my support and endorsement of your proposed bill pertaining to school bus route roads on the Navajo Nation Reservation. (An amendment to Section 1000 (a)(6) of the Intermodal Surface Transportation Efficiency Act of 1991) The school bus routes in northwest New Mexico, like much of the road network in the region, are not well maintained. McKinley and San Juan Counties public school systems, the BIA, and private schools all provide educational opportunities to children on the Navajo Reservation. The counties' school system, and school bus route system is extensive, yet there are not adequate funds to maintain school bus routes at the county level. Other routes and counties in and around the Navajo Reservation have these same problems.

This additional funding would allow the county school systems to provide safe, adequate transportation of children on the reservation to and from school.

Please contact me if you have any questions.

Sincerely,

PATRICIA LUNDSTROM,
Executive Director.

By Mr. MURKOWSKI:

S. 1092. A bill to provide for a transfer of land interests in order to facilitate surface transportation between the cities of Cold Bay, AK, and King Cove, AK, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. MURKOWSKI. Mr. President, today I rise to introduce legislation to benefit one of Alaska's most isolated regions, the Alaska Peninsula. This bill, The Izembek Refuge Land Exchange Act, provides a balanced approach to a difficult problem. In this remote area, there is a small Aleut Native village, King Cove, which is completely isolated from other Alaska cities and towns, and the rest of the world. The only way you can get to King Cove is by air or sea. And in this part of Alaska, the weather is so bad that neither sea or air is very reliable.

My bill will permit King Cove to be connected to the rest of the world through a road link to Cold Bay, a regional center, and the location of a good, all weather airport which can provide year round and emergency medical evacuation for the residents of King Cove. Currently, when somebody is injured or gravely ill, treatment is at the mercy of weather and sea conditions.

Mr. President, King Cove is a tough place to live and the residents are tough and independent people. Their ancestors migrated to this part of the State thousands of years ago and have made a life out of this area with its rich bounty of fish. But people get sick there just like any place in the country, emergencies happen there more than most other places in America because the lifestyle is so close to the edge.

We have had long debates in this body this year about access to health care. Nowhere does this take on a more dramatic meaning than in King Cove. When I say access, I mean access. That means the actual physical ability to get to a hospital in Anchorage or Seattle to get the specialized health care needed in the event of a serious emergency or sickness. Right now, the residents of King Cove do not have this access. Since 1981, 11 air crash fatalities have occurred flying residentS from King Cove to Cold Bay. Numerous other crashes have also occurred, luckily without fatalities.

Many of these crashes involved flying injured or sick people out of King Cove in an attempt to get emergency care. Often the trip to care is as dangerous as the infliction itself. For example, in 1981, a medivac plane was forced to leave King Cove for an emergency/life and death rescue mission. There was no alternative to this flight and the plane crashed. Four people died including the pilot and the medivac victim. Six years ago another fatal crash occurred with six people killed. The list goes on.

This is a terrible place to have to fly out of if you cannot afford to wait. On medical emergencies, nobody can afford to wait. These residents are predominantly Alaska Natives, Aleuts for the most part. They have a good Alaska Native hospital available to them in Anchorage. In fact, thanks to this body, it is a new hospital with great facilities. But it might as well be on the dark side of the Moon for the residents of King Cove. When they need it, they can't be sure they will be able to get to it.

This legislation provides the solution by allowing ground access to an all-weather runway only 30 miles from King Cove in Cold Bay. In fact, thanks to World War II, Cold Bay has the third longest runway in the State. The runway has modern all weather equipment such as instrument landing systems and many other modern landing system improvements. In the past 4 years, the Cold Bay airport has seen only one instance in which air traffic from Anchorage could not land. It is safe to say that air operations can occur here in virtually all weather and can accommodate the King Cove emergency needs at all times. With no road between King Cove and Cold Bay there will be no hope for those seeking help. My bill would provide a land exchange that will permit the road to be built between King Cove and Cold Bay. This is the reasonable solution.

Mr. President, there is a need for this road, but there will be concerns raised because most of that road will be sited through the Izembek National Wildlife Refuge. This is unavoidable. The refuge is located completely astride the route between King Cove and Cold Bay. This is nobody's fault, and I know that the Fish and Wildlife Service has concerns. I also have concerns and my constituents and I are prepared to do what it takes to minimize the impact of this road on the surrounding area and resources.

The King Cove Corp. has proposed an exchange for valuable wetlands it owns near the refuge for the road right of way. The bulk of the right of way is already owned by King Cove as an inholding in the refuge. Only 7 miles is not owned by King Cove and this is the Federal land which would be exchanged under my bill. That portion is in the wilderness portion of the refuge, but there is no alternative to this except further danger to my constituents and the inevitable death and destruction to future victims of the next air crash.

Mr. President, I stand ready to work with the Fish and Wildlife Service to make this as constructive process as possible, but make no mistake, it is absolutely critical that this road be built. My constituents deserve a way to save their lives in times of emergency. They cannot be hostage to fear for life and limb.

By Mr. KERRY (for himself and Mr. McCAIN):

S. 1093. A bill to extend nondiscriminatory treatment (most-favored-nation treatment) to the products of the Lao People's Democratic Republic, and for other purposes; to the Committee on finance.

LAO PEOPLE'S DEMOCRATIC REPUBLIC MOST-FAVORED-NATION LEGISLATION

Mr. KERRY. Mr. President, today I am introducing legislation, along with Senator McCAIN, to extend nondiscriminatory treatment most-favored-nation treatment to the products of the Lao People's Democratic Republic. To avoid confusion, let me say at the outset that this bill, if enacted into law, would not give Laos special tariff treatment but rather put it on a par with the vast majority of our trading partners. This bill is identical to H.R. 2132, introduced in the House of Representatives by Congressman CRANE. The administration strongly supports this bill.

Recognizing the importance of a free market economy to economic growth and development, Laotian political leaders, in the late 1980's, made a fundamental decision to abandon Laos' centrally planned economic system and adopt free market reforms. Since taking this decision, the Laotian Government has embarked upon a constant process of reform. Over 90 percent of the 600 state-owned enterprises have been privatized. The foreign investment code, first adopted in 1989, was further liberalized in 1994 to make it consistent with World Trade Organization [WTO] standards. Laotian tariffs have been consistently reduced. An import-export regime consistent with WTO standards has been legislated. In 1995 an intellectual property, patent and trademark protection law was enacted. Laos has complied with International Monetary Fund guidelines on fiscal policy, instituted making reforms, and is following stringent fiscal management to reduce inflation.

In recognition of these developments, the Association of Southeast Asian Nations [ASEAN] admitted Laos as a member this month. The Laotian Government is now revising its laws and regulations, as necessary, to be consistent with ASEAN and ASEAN free trade agreement requirements.

The United States and Laos have also taken steps to improve bilateral economic relations. Last year, an OPIC agreement was successfully negotiated. The U.S. Trade Representative's Office and Laotian officials are currently negotiating a bilateral trade agreement, which will also meet WTO standards.

Reform in the economic area has been accompanied by major political changes as well in Laos. All but three political prisoners from the Southeast Asian war era have been released. In 1990 the Laotian Government adopted a constitution and bill of rights based on principles enshrined in the U.S. Constitution. In fact, American lawyers, serving as consultants, played a major role in writing these documents. Nationwide elections by secret ballot in 1992 led to the creation of a new National Assembly. Although still a one-party state, it is worth noting that individual candidates did not have to be Communist Party members to run in the elections, and in fact, several members of the assembly are not Communist Party members. The Laotian Government is also making a concerted effort to enhance the independence of the judiciary.

The United States and Laos have established good working relations, particularly on two issues of great importance to us—POW/MIA and counter narcotics. Extending MFN to Laos makes sense economically, in terms of the Laotian commitment to economic reform, and in terms of our overall bilateral relationship.

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

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

S. 1093

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

SECTION I. CONGRESSIONAL FINDINGS.

The Congress finds that—

(1) the Lao People's Democratic Republic is striving to shed centralized government control of its economy in favor of market-oriented reforms;

(2) extension of unconditional most-favored-nation treatment would assist the Lao People's Democratic Republic in developing its economy based on free market principles and becoming competitive in the global marketplace;

(3) establishing normal commercial relations on a reciprocal basis with the Lao People's Democratic Republic will promote United States exports to the rapidly growing Southeast Asian region and expand opportunities for United States business and investment in the Lao People's Democratic Republic economy;

(4) United States and Laotian commercial interests would benefit from a commercial agreement between the United States and the Lao People's Democratic Republic providing for market access and the protection of intellectual property rights;

(5) economic reform in the Lao People's Democratic Republic is increasingly important as that country integrates into the ASEAN free-trade area and accedes to the World Trade Organization; and

(6) expanding bilateral trade relations that include a commercial agreement may promote further progress by the Lao People's Democratic Republic on human rights and democratic rule and assist that country in adopting regional and world trading rules and principles.

SEC. 2. EXTENSION OF NONDISCRIMINATORY TREATMENT TO THE PRODUCTS OF THE LAO PEOPLES DEMOCRATIC REPUBLIC.

(a) HARMONIZED TARIFF SCHEDULE AMENDMENT.—General note 3(b) of the Harmonized Tariff Schedule of the United States is amended by striking ''Laos''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the effective date of a notice published in the Federal Register by the United States Trade Representative that a trade agreement obligating reciprocal most-favored-nation treatment between the Lao People's Democratic Republic and the United States has entered into force.

SEC. 3. REPORT TO CONGRESS.

The President shall submit to the Congress, not later than 18 months after the date of the enactment of this Act, a report on the trade relations between the United States and the Lao People's Democratic Republic pursuant to the trade agreement described in section 2(b).

ADDITIONAL COSPONSORS

S. 39

At the request of Mr. MCCAIN, his name was added as a cosponsor of S. 39, a bill to amend the Marine Mammal Protection Act of 1972 to support the International Dolphin Conservation Program in the eastern tropical Pacific Ocean, and for other purposes.

S. 322

At the request of Mr. GRAMS, the names of the Senator from Ohio [Mr. DEWINE], the Senator from Indiana [Mr. COATS], the Senator from Oregon [Mr. WYDEN], and the Senator from Colorado [Mr. ALLARD] were added as cosponsors of S. 322, a bill to amend the Agricultural Market Transition Act to repeal the Northeast Interstate Dairy Compact provision.

S. 539

At the request of Mr. BYRD, his name was added as a cosponsor of S. 539, a bill to exempt agreements relating to voluntary guidelines governing telecast material from the applicability of the antitrust laws.

S. 727

At the request of Mrs. FEINSTEIN, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 727, A bil to amend the Public Health Service Act and Employee Retirement Income Security Act of 1974 to require that group and individual health insurance coverage and group health plans provide coverage for annual screening mammography for women 40 years of age or older if the coverage or plans include coverage for diagnostic mammography.

S. 766

At the request of Ms. SNOWE, the name of the Senator from Connecticut [Mr. DODD] 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. 859

At the request of Mr. KYL, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 859, a bill to repeal the increase in tax on social security benefits.

S. 1009

At the request of Mr. KENNEDY, the names of the Senator from Minnesota [Mr. WELLSTONE] and the Senator from Illinois [Ms. MOSELEY-BRAUN] were added as cosponsors of S. 1009, a bill to amend the Fair Labor Standards Act of 1938 to increase the Federal minimum wage.

S. 1054

At the request of Mr. COCHRAN, the name of the Senator from Michigan [Mr. ABRAHAM] was added as a cosponsor of 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.

S. 1083

At the request of Mr. MACK, the name of the Senator from Georgia [Mr. COVERDELL] was added as a cosponsor of S. 1083, a bill to provide structure for and introduce balance into a policy of meaningful engagement with the People's Republic of China.

SENATE CONCURRENT RESOLUTION 30

At the request of Mr. HELMS, the name of the Senator from Kentucky [Mr. FORD] 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 CONCURRENT RESOLUTION 32

At the request of Mr. HUTCHINSON, the name of the Senator from Kansas [Mr. BROWNBACK] was added as a cosponsor of Senate Concurrent Resolution 32, a concurrent resolution recognizing and commending American airmen held as political prisoners at the Buchenwald concentration camp during World War II for their service, bravery, and, fortitude.

SENATE CONCURRENT RESOLUTION 45

At the request of Mr. GLENN, the names of the Senator from Delaware [Mr. BIDEN], and the Senator from North Carolina [Mr. HELMS] were added as cosponsors of Senate Concurrent Resolution 45, a concurrent resolution commending Dr. Hans Blix for his distinguished service as Director General of the International Atomic Energy Agency on the occasion of his retirement.

SENATE RESOLUTION 102

At the request of Mr. SPECTER, the names of the Senator from California [Mrs. FEINSTEIN], the Senator from South Dakota [Mr. JOHNSON], the Senator from Utah [Mr. HATCH], the Senator from Florida [Mr. MACK], the Senator from Massachusetts [Mr. KERRY], and the Senator from Michigan [Mr. ABRAHAM] were added as cosponsors of Senate Resolution 102, a resolution designating August 15, 1997, as ''Indian Independence Day: A National Day of Celebration of Indian and American Democracy.''

AMENDMENT NO. 1027

At the request of Mr. KENNEDY his name was added as a cosponsor of amendment No. 1027 proposed to S. 1022, an original bill making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1998, and for other purposes.

SENATE CONCURRENT RESOLUTION 46—ORIGINAL RESOLUTION REPORTED BY THE COMMITTEE ON FOREIGN RELATIONS

Mr. HELMS, from the Committee on Foreign Relations, reported the following original resolution; which was placed on the calendar:

S. CON. RES. 46

Whereas on July 30, 1997, two terrorist bombs exploded almost simultaneously in an open air Jerusalem market, killing at least 18 people, and wounding more than 100, and

Whereas this attack is a violent and vicious attack against the peace process and against the people of Israel: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress—

(1) Expresses the deep condolences of the Congress and the American people to the people of Israel for the loss of life and the serious injuries that have been suffered in the terrorist bombing in the Jerusalem market and expresses the solidarity of the American people with the people of Israel in the wake of this tragic and senseless act;

(2) Expresses the determination of the Congress to join with the government of Israel in fighting against terrorism;

(3) Urges Yasser Arafat and officials of the Palestinian Authority to do more to combat terrorism and to eliminate terrorist networks in areas under their control;

(4) Calls on Yasser Arafat and officials of the Palestinian Authority to cooperate more intensively with the Israeli government in fighting terrorism; and

(5) Reaffirms the commitment of the United States Congress to peace in the Middle East and urges all parties to work together to bring an end to terrorism and to promote lasting peace and security in the region.

THE REPREHENSIBLE BOMBING IN JERUSALEM

Mr. HELMS. Mr. President, this morning, the Foreign Relations Committee approved and sent to the Senate an original resolution—Senate Concurrent Resolution 46—condemning the terrorist attack in Israel at 1:15 p.m. Wednesday afternoon, Israel time, when two terrorists entered a market in the center of Jerusalem and blew themselves up, killing at least 12 Israelis, and leaving 120 wounded, at least 20 of whom are described in critical condition.

Mr. President, the reason for this attack was probably yesterday's announcement that the peace talks between Israel and the Palestinians were about to resume. Clearly, the terrorists decided to try to derail the peace process by murdering innocent people.

They perhaps have succeeded, because the peace process, Mr. President, is meaningless if there is no security for the people of Israel.

It is reported that Yasser Arafat telephoned Prime Minister Netanyahu to apologize for the bombing. He has had ample practice in issuing apologies and regrets for Palestinian attacks on Jews. But rhetoric is cheap. The question all of us must ask is: ''Has Yasser Arafat done what it takes to rid the territories under his control of terrorists?'' The answer to that is obvious: no.

The United States has done a great deal, too much, some contend, to support the Palestinian Authority. What has the Authority done to crack down on terror? Not nearly enough. Palestinian police officials are implicated in murders; terrorists are operating freely in areas under the Palestinian Authority's control.

Now dozens of innocent people lie dead and wounded. Not soldiers. Not military or police personnel. Just innocent people—mothers, fathers, children. There is no peace in this process.

SENATE RESOLUTION 110—RELATIVE TO THE SENATE FLOOR

Mr. WYDEN (for himself and Mr. WARNER) submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 110

Resolved, That an individual with a disability who has or is granted the privilege of the Senate floor under rule XXIII of the Standing Rules of the Senate may bring necessary supporting aids and services (including service dogs, wheelchairs, and interpreters) on the Senate floor, unless the Senate Sergeant at Arms determines that the use of such supporting aids and services would place a significant difficulty or expense on the operations of the Senate in accordance with paragraph 2 of rule 4 of the Rules for Regulation of the Senate Wing of the United States Capitol.

AMENDMENTS SUBMITTED

THE INTERNATIONAL DOLPHIN CONSERVATION PROGRAM ACT

SNOWE (AND OTHERS) AMENDMENT NO. 1045

Ms. SNOWE (for herself, Mr. BREAUX, Mr. STEVENS, and Mr. MCCAIN) proposed an amendment to the bill (S. 39) to amend the Marine Mammal Protection Act of 1972 to support the International Dolphin Conservation Program in the eastern tropical Pacific Ocean, and for other purposes; as follows:

In lieu of the matter proposed to be inserted by the committee amendment, insert the following:

SECTION 1. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This Act may be cited as the ''International Dolphin Conservation Program Act''.

(b) REFERENCES TO MARINE MAMMAL PROTECTION ACT.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1361 et seq.).

SEC. 2. PURPOSES AND FINDINGS.

(a) PURPOSES.—The purposes of this Act are—

(1) to give effect to the Declaration of Panama, signed October 4, 1995, by the Governments of Belize, Colombia, Costa Rica, Ecuador, France, Honduras, Mexico, Panama, Spain, the United States of America, Vanuatu, and Venezuela, including the establishment of the International Dolphin Conservation Program, relating to the protection of dolphins and other species, and the conservation and management of tuna in the eastern tropical Pacific Ocean;

(2) to recognize that nations fishing for tuna in the eastern tropical Pacific Ocean have achieved significant reductions in dolphin mortality associated with that fishery; and

(3) to eliminate the ban on imports of tuna from those nations that are in compliance with the International Dolphin Conservation Program.

(b) FINDINGS.—The Congress finds that—

(1) the nations that fish for tuna in the eastern tropical Pacific Ocean have achieved significant reductions in dolphin mortality associated with the purse seine fishery from hundreds of thousands annually to fewer than 5,000 annually;

(2) the provisions of the Marine Mammal Protection Act of 1972 that impose a ban on imports from nations that fish for tuna in the eastern tropical Pacific Ocean have served as an incentive to reduce dolphin mortalities;

(3) tuna canners and processors of the United States have led the canning and processing industry in promoting a dolphin-safe tuna market; and

(4) 12 signatory nations to the Declaration of Panama, including the United States, agreed under that Declaration to require that the total annual dolphin mortality in the purse seine fishery for yellowfin tuna in the eastern tropical Pacific Ocean not exceed 5,000 animals, with the objective of progressively reducing dolphin mortality to a level approaching zero through the setting of annual limits and with the goal of eliminating dolphin mortality.

SEC. 3. DEFINITIONS.

Section 3 (16 U.S.C. 1362) is amended by adding at the end the following new paragraphs:

''(28) The term 'International Dolphin Conservation Program' means the international program established by the agreement signed in LaJolla, California, in June, 1992, as formalized, modified, and enhanced in accordance with the Declaration of Panama.

''(29) The term 'Declaration of Panama' means the declaration signed in Panama City, Republic of Panama, on October 4, 1995.''.

SEC. 4. AMENDMENTS TO TITLE I.

(a) EXCEPTIONS TO MORATORIUM.—Section 101(a)(2) (16 U.S.C. 1371(a)(2)) is amended—

(1) by inserting after the first sentence ''Such authorizations may be granted under title III with respect to purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean, subject to regulations prescribed under that title by the Secretary without regard to section 103.''; and

(2) by striking the semicolon in the second sentence and all that follows through ''practicable''.

(b) DOCUMENTATION REQUIRED.—Section 101(a)(2) (16 U.S.C. 1371(a)(2)) is further amended—

(1) by striking subparagraph (B) and inserting the following:

''(B) in the case of yellowfin tuna harvested with purse seine nets in the eastern tropical Pacific Ocean, and products therefrom, to be exported to the United States, shall require that the government of the exporting nation provide documentary evidence that—

''(i)(I) the tuna or products therefrom were not banned from importation under this paragraph before the effective date of section 4 of the International Dolphin Conservation Program Act; or

''(II) the tuna or products therefrom were harvested after the effective date of section 4 of the International Dolphin Conservation Program Act by vessels of a nation which participates in the International Dolphin Conservation Program, and such harvesting nation is either a member of the Inter-American Tropical Tuna Commission or has initiated (and within 6 months thereafter completed) all steps required of applicant nations, in accordance with article V, paragraph 3 of the Convention establishing the Inter-American Tropical Tuna Commission, to become a member of that organization;

''(ii) such nation is meeting the obligations of the International Dolphin Conservation Program and the obligations of membership in the Inter-American Tropical Tuna Commission, including all financial obligations; and

''(iii) the total dolphin mortality limits, and per-stock per-year dolphin mortality limits permitted for that nation's vessels under the International Dolphin Conservation Program do not exceed the limits determined for 1997, or for any year thereafter, consistent with the objective of progressively reducing dolphin mortality to a level approaching zero through the setting of annual limits and the goal of eliminating dolphin mortality, and requirements of the International Dolphin Conservation program;'';

(2) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F), respectively;

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

''(C) shall not accept such documentary evidence if—

''(i) the government of the harvesting nation does not provide directly or authorize the Inter-American Tropical Tuna commission to release complete and accurate information to the Secretary in a timely manner—

''(I) to allow determination of compliance with the International Dolphin Conservation Program; and

''(II) for the purposes of tracking and verifying compliance with the minimum requirements established by the Secretary in regulations promulgated under subsection (f) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(f)); or

''(ii) after taking into consideration such information, funding of the Inter-American Tropical Tuna Commission, and any other relevant information, including information that a nation is consistently failing to take enforcement actions on violations which diminish the effectiveness of the International Dolphin Conservation Program, the Secretary, in consultation with the Secretary of State, finds that the harvesting nation is not in compliance with the International Dolphin Conservation Program.''; and

(4) by striking ''subparagraph (E)'' in the matter after subparagraph (F), as redesignated by paragraph (2) of this subsection, and inserting ''subparagraph (F)''.

(c) CERTAIN INCIDENTAL TAKINGS.—Section 101 (16 U.S.C. 1371) is further amended by adding at the end the following new subsection:

''(e) ACT NOT TO APPLY TO INCIDENTAL TAKINGS BY UNITED STATES CITIZENS EMPLOYED ON FOREIGN VESSELS OUTSIDE THE UNITED STATES EEZ.—The provisions of this Act shall not apply to a citizen of the United States who incidentally takes any marine mammal during fishing operations outside the United States exclusive economic zone (as defined in section 3 of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802) when employed on a foreign fishing vessel of a harvesting nation which is in compliance with the International Dolphin Conservation Program.''.

(d) PERMITS.—Section 104(h) (16 U.S.C. 1374(h)) is amended to read as follows:

''(h) GENERAL PERMITS.—

''(1) Consistent with the regulations prescribed pursuant to section 103 of this title and the requirements of section 101 of this title, the Secretary may issue an annual permit to a United States purse seine fishing vessel for the taking of such marine mammals, and shall issue regulations to cover the use of any such annual permits.

''(2) Such annual permits for the incidental taking of marine mammals in the course of commercial purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean shall be governed by section 306 of this Act, subject to the regulations issued pursuant to section 303 of this Act.''

(e) INTERNATIONAL NEGOTIATIONS.—Section 108(a)(2) (16 U.S.C. 1378(a)(2)) is amended—

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

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

''(C) negotiations to revise the Convention for the Establishment of an Inter-American Tropical Tuna Commission (1 U.S.T. 230; TIAS 2044) which will incorporate—

''(i) the conservation and management provisions agreed to by the nations which have signed the Declaration of Panama and in the Straddling Fish Stocks and Highly Migratory Fish Stocks Agreement, as opened for signature on December 4, 1995; and

''(ii) a revised schedule of annual contributions to the expenses of the Inter-American Tropical Tuna Commission that is equitable to participating nations; and

''(D) discussions with those countries participating, or likely to participate, in the International Dolphin Conservation Program, for the purpose of identifying sources of funds needed for research and other measures promoting effective protection of dolphins, other marine species, and the marine ecosystem;''.

(f) RESEARCH GRANTS.—Section 110(a) (16 U.S.C. 1380(a)) is amended—

(1) by striking ''(1)'' in paragraph (1); and

(2) by striking paragraph (2).

SEC. 5. AMENDMENTS TO DOLPHIN PROTECTION CONSUMER INFORMATION ACT.

(a) LABELING STANDARD.—Subsection (d) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(d)) is amended to read as follows:

''(d) LABELING STANDARD.—

''(1) It is a violation of section 5 of the Federal Trade Commission Act (15 U.S.C. 45) for any producer, importer, exporter, distributor, or seller of any tuna product that is exported from or offered for sale in the United States to include on the label of that product the term 'dolphin safe' or any other term or symbol that falsely claims or suggests that the tuna contained in the product were harvested using a method of fishing that is not harmful to dolphins if the product contains tuna harvested—

''(A) on the high seas by a vessel engaged in driftnet fishing;

''(B) outside the eastern tropical Pacific Ocean by a vessel using purse seine nets—

''(i) in a fishery in which the Secretary has determined that a regular and significant association occurs between dolphins and tuna (similar to the association between dolphins and tuna in the eastern tropical Pacific Ocean), unless such product is accompanied by a written statement, executed by the captain of the vessel and an observer participating in a national or international program acceptable to the Secretary, certifying that no purse seine net was intentionally deployed on or used to encircle dolphins during the particular voyage on which the tuna were caught and no dolphins were killed or seriously injured in the sets in which the tuna were caught; or

''(ii) in any other fishery (other than a fishery described in subparagraph (D)) unless the product is accompanied by a written statement executed by the captain of the vessel certifying that no purse seine net was intentionally deployed on or used to encircle dolphins during the particular voyage on which the tuna was harvested;

''(C) in the eastern tropical Pacific Ocean by a vessel using a purse seine net unless the tuna meet the requirements for being considered dolphin safe under paragraph (2); or

''(D) by a vessel in a fishery other than one described in subparagraph (A), (B), or (C) that is identified by the Secretary as having a regular and significant mortality or serious injury of dolphins, unless such product is accompanied by a written statement executed by the captain of the vessel and an observer participating in a national or international program acceptable to the Secretary that no dolphins were killed or seriously injured in the sets or other gear deployments in which the tuna were caught, provided that the Secretary determines that such an observer statement is necessary.

''(2) For purposes of paragraph (1)(C), a tuna product that contains tuna harvested in the eastern tropical Pacific Ocean by a vessel using purse seine nets is dolphin safe if—

''(A) the vessel is of a type and size that the Secretary has determined, consistent with the International Dolphin Conservation Program, is not capable of deploying its purse seine nets on or to encircle dolphins; or

''(B)(i) the product is accompanied by a written statement executed by the captain providing the certification required under subsection (h);

''(ii) the product is accompanied by a written statement executed by—

''(I) the Secretary or the Secretary's designee;

''(II) a representative of the Inter-American Tropical Tuna Commission; or

''(III) an authorized representative of a participating nation whose national program meets the requirements of the International Dolphin Conservation Program,

which states that there was an observer approved by the International Dolphin Conservation Program on board the vessel during the entire trip and that such observer provided the certification required under subsection (h); and

''(iii) the statements referred to in clauses (i) and (ii) are endorsed in writing by each exporter, importer, and processor of the product; and

''(C) the written statements and endorsements referred to in subparagraph (B) comply with regulations promulgated by the Secretary which provide for the verification of tuna products as dolphin safe.

''(3)(A) The Secretary of Commerce shall develop an official mark that may be used to label tuna products as dolphin safe in accordance with this Act.

''(B) A tuna product that bears the dolphin safe mark developed under subparagraph (A) shall not bear any other label or mark that refers to dolphins, porpoises, or marine mammals.

''(C) It is a violation of section 5 of the Federal Trade Commission Act (15 U.S.C. 45) to label a tuna product with any label or mark that refers to dolphins, porpoises, or marine mammals other than the mark developed under subparagraph (A) unless—

''(i) no dolphins were killed or seriously injured in the sets or other gear deployments in which the tuna were caught;

''(ii) the label is supported by a tracking and verification program which is comparable in effectiveness to the program established under subsection (f); and

''(iii) the label complies with all applicable labeling, marketing, and advertising laws and regulations of the Federal Trade Commission, including any guidelines for environmental labeling.

''(D) If the Secretary determines that the use of a label referred to in subparagraph (C) is substantially undermining the conservation goals of the International Dolphin Conservation Program, the Secretary shall report that determination to the United States Senate Committee on Commerce, Science, and Transportation and the United States House of Representatives Committees on Resources and on Commerce, along with recommendations to correct such problems.

''(E) It is a violation of section 5 of the Federal Trade Commission Act (15 U.S.C. 45) willingly and knowingly to use a label referred to in subparagraph (C) in a campaign or effort to mislead or deceive consumers about the level of protection afforded dolphins under the International Dolphin Conservation Program.''.

(b) TRACKING REGULATIONS.—Subsection (f) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(f)) is amended to read as follows:

''(f) REGULATIONS.—The Secretary, in consultation with the Secretary of the Treasury, shall issue regulations to implement this Act, including regulations to establish a domestic tracking and verification program that provides for the effective tracking of tuna labeled under subsection (d). In the development of these regulations, the Secretary shall establish appropriate procedures for ensuring the confidentiality of proprietary information the submission of which is voluntary or mandatory. The regulations shall address each of the following items:

''(1) The use of weight calculation for purposes of tracking tuna caught, landed, processed, and exported.

''(2) Additional measures to enhance current observer coverage, including the establishment of criteria for training, and for improving monitoring and reporting capabilities and procedures.

''(3) The designation of well location, procedures for sealing holds, procedures for monitoring and certifying both above and below deck, or through equally effective methods, the tracking and verification of tuna labeled under subsection (d).

''(4) The reporting, receipt, and database storage of radio and facsimile transmittals from fishing vessels containing information related to the tracking and verification of tuna, and the definition of set.

''(5) The shore-based verification and tracking throughout the fishing, transshipment, and canning process by means of Inter-American Tropical Tuna Commission trip records or otherwise.

''(6) The use of periodic audits and spot checks for caught, landed, and processed tuna products labeled in accordance with subsection (d).

''(7) The provision of timely access to data required under this subsection by the Secretary from harvesting nations to undertake

the actions required in paragraph (6) of this paragraph.

The Secretary may make such adjustments as may be appropriate to the regulations promulgated under this subsection to implement an international tracking and verification program that meets or exceeds the minimum requirements established by the Secretary under this subsection.''.

(c) FINDINGS CONCERNING IMPACT ON DEPLETED STOCKS.—The Dolphin Protection Consumer Information Act (16 U.S.C. 1385) is amended by striking subsections (g), (h), and (i) and inserting the following:

''(g) SECRETARIAL FINDINGS.—(1) Between March 1, 1999, and March 31, 1999, the Secretary shall, on the basis of the research conducted before March 1, 1999, under section 304(a) of the Marine Mammal Protection Act of 1972, information obtained under the International Dolphin Conservation Program, and any other relevant information, make an initial finding regarding whether the intentional deployment on or encirclement of dolphins with purse seine nets is having a significant adverse impact on any depleted dolphin stock in the eastern tropical Pacific Ocean. The initial finding shall be published immediately in the Federal Register and shall become effective upon a subsequent date determined by the Secretary.

''(2) Between July 1, 2001, and December 31, 2002, the Secretary shall, on the basis of the completed study conducted under section 304(a) of the Marine Mammal Protection Act of 1972, information obtained under the International Dolphin Conservation Program, and any other relevant information, make a finding regarding whether the intentional deployment on or encirclement of dolphins with purse seine nets is having a significant adverse impact on any depleted dolphin stock in the eastern tropical Pacific Ocean. The finding shall be published immediately in the Federal Register and shall become effective upon a subsequent date determined by the Secretary.

''(h) CERTIFICATION BY CAPTAIN BY OBSERVER.—

''(1) Unless otherwise required by paragraph (2), the certification by the captain under subsection (d)(2)(B)(i) and the certification provided by the observer as specified in subsection (d)(2)(B)(ii) shall be that no dolphins were killed or seriously injured during the sets in which the tuna were caught.

''(2) The certification by the captain under subsection (d)(2)(B)(i) and the certification provided by the observer as specified under subsection (d)(2)(B)(ii) shall be that no tuna were caught on the trip in which such tuna were harvested using a purse seine net intentionally deployed on or to encircle dolphins, and that no dolphins were killed or seriously injured during the sets in which the tuna were caught, if the tuna were caught on a trip commencing—

''(A) before the effective date of the initial finding by the Secretary under subsection (g)(1);

''(B) after the effective date of such initial finding and before the effective date of the finding of the Secretary under subsection (g)(2), where the initial finding is that the intentional deployment on or encirclement of dolphins is having a significant adverse impact on any depleted dolphin stock; or

''(C) after the effective date of the finding under subsection (g)(2), where such finding is that the intentional deployment of or encirclement of dolphins is having a significant adverse impact on any such depleted stock.''.

SEC. 6. AMENDMENTS TO TITLE III.

(a) CHANGE OF TITLE HEADING.—The heading of title III is amended to read as follows:

''TITLE III—INTERNATIONAL DOLPHIN CONSERVATION PROGRAM''.

(b) ADDITIONAL FINDINGS.—Section 301 (16 U.S.C. 1411) is amended—

(1) by striking paragraph (4) of subsection (a) and inserting the following:

''(4) Nations harvesting yellowfin tuna in the eastern tropical Pacific Ocean have demonstrated their willingness to participate in appropriate multilateral agreements to reduce dolphin mortality progressively to a level approaching zero through the setting of annual limits, with the goal of eliminating dolphin mortality in that fishery. Recognition of the International Dolphin Conservation Program will assure that the existing trend of reduced dolphin mortality continues, that individual stocks of dolphins are adequately protected; and that the goal of eliminating all dolphin mortality continues to be a priority.''; and

(2) by striking paragraphs (2) and (3) of subsection (b) and inserting the following:

''(2) support the International Dolphin Conservation Program and efforts within the Program to reduce, with the goal of eliminating, the mortality referred to in paragraph (1);

''(3) ensure that the market of the United States does not act as an incentive to the harvest of tuna caught with driftnets or caught by purse seine vessels in the eastern tropical Pacific Ocean not operating in compliance with the International Dolphin Conservation Program;''.

(c) Title III (16 U.S.C. 1411 et seq.) is amended by striking sections 302 through 306 (16 U.S.C. 1412 through 1416) and inserting the following:

''SEC. 302. INTERNATIONAL DOLPHIN CONSERVATION PROGRAM.

''The Secretary of State, in consultation with the Secretary, shall seek to secure a binding international people to establish an International Dolphin Conservation Program that requires—

''(1) that the total annual dolphin mortality in the purse seine fishery for yellowfin tuna in the eastern tropical Pacific Ocean shall not exceed 5,000 animals with a commitment and objective to progressively reduce dolphin mortality to a level approaching zero through the setting of annual limits;

''(2) the establishment of a per-stock per-year dolphin mortality limit, to be in effect through calendar year 2000, at a level between 0.2 percent and 0.1 percent of the minimum population estimate, as calculated, revised, or approved by the Secretary;

''(3) the establishment of a per-stock per-year dolphin mortality limit, beginning with the calendar year 2001, at a level less than or equal to 0.1 percent of the minimum population estimate as calculated, revised, or approved by the Secretary;

''(4) that if a dolphin mortality limit is exceeded under—

''(A) paragraph (1), all sets on dolphins shall cease for the applicable fishing year; and

''(B) paragraph (2) or (3), all sets on the stocks covered under paragraph (2) or (3) and any mixed schools that contain any of those stocks shall cease for the applicable fishing year;

''(5) a scientific review and assessment to be conducted in calendar year 1998 to—

''(A) assess progress in meeting the objectives set for calendar year 2000 under paragraph (2); and

''(B) as appropriate, consider recommendations for meeting these objectives;

''(6) a scientific review and assessment to be conducted in calendar year 2000—

''(A) to review the stocks covered under paragraph (3); and

''(B) as appropriate to consider recommendations to further the objectives set under that paragraph;

''(7) the establishment of a per vessel maximum annual dolphin mortality limit consistent with the established per-year mortality limits, as determined under paragraphs (1) through (3); and

''(8) the provision of a system of incentives to vessel captains to continue to reduce dolphin mortality, with the goal of eliminating dolphin mortality.

''SEC. 303. REGULATORY AUTHORITY OF THE SECRETARY.

''(a) REGULATIONS.—

''(1) The Secretary shall issue regulations, and revise those regulations as may be appropriate, to implement the International Dolphin Conservation Program.

''(2)(A) The Secretary shall issue regulations to authorize and govern the taking of marine mammals in the eastern tropical Pacific Ocean, including any species of marine mammal designated as depleted under this Act but not listed as endangered or threatened under the Endangered Species Act (16 U.S.C. 1531 et seq.), by vessels of the United States participating in the International Dolphin Conservation Program.

''(B) Regulations issued under this section shall include provisions—

''(i) requiring observers on each vessel;

''(ii) requiring use of the backdown procedure or other procedures equally or more effective in avoiding mortality of, or serious injury to, marine mammals in fishing operations;

''(iii) prohibiting intentional sets on stocks and schools in accordance with the International Dolphin Conservation Program;

''(iv) requiring the use of special equipment, including dolphin safety panels in nets, monitoring devices as identified by the International Dolphin Conservation Program to detect unsafe fishing conditions that may cause high incidental dolphin mortality before nets are deployed by a tuna vessel, operable rafts, speedboats with towing bridles, floodlights in operable condition, and diving masks and snorkels;

''(v) ensuring that the backdown procedure during sets of purse seine net on marine mammals is completed and rolling of the net to sack up has begun no later than 30 minutes before sundown;

''(vi) banning the use of explosive devices in all purse seine operations;

''(vii) establishing per vessel maximum annual dolphin mortality limits, total dolphin morality limits and per-stock per-year mortality limits in accordance with the International Dolphin Conservation Program;

''(viii) preventing the making of intentional sets on dolphins after reaching either the vessel maximum annual dolphin mortality limits, total dolphin mortality limits, or per-stock per-year mortality limits;

''(ix) preventing the fishing on dolphins by a vessel without an assigned vessel dolphin mortality limit;

''(x) allowing for the authorization and conduct of experimental fishing operations, under such terms and conditions as the Secretary may prescribe, for the purpose of testing proposed improvements in fishing techniques and equipment that may reduce or eliminate dolphin mortality or serious injury do not require the encirclement of dolphins in the course of commercial yellowfin tuna fishing;

''(xi) authorizing fishing within the area covered by the International Dolphin Conservation Program by vessels of the United States without the use of special equipment or nets if the vessel takes an observer and does not internationally deploy nets on, or encircle, dolphins, under such terms and conditions as the Secretary may prescribe; and

''(xii) containing such other restrictions and requirements as the Secretary determines are necessary to implement the International Dolphin Conservation Program with respect to vessels of the United States.

''(C) ADJUSTMENTS TO REQUIREMENTS.—The Secretary may make such adjustments as may be appropriate to requirements of subparagraph (B) that pertain to fishing gear, vessel equipment, and fishing practices to the extent the adjustments are consistent with the International Dolphin Conservation Program.

''(b) CONSULTATION.—In developing any regulation under this section, the Secretary shall consult with the Secretary of State, the Marine Mammal Commission, and the United States Commissioners to the Inter-American Tropical Tuna Commission appointed under section 3 of the Tuna Conventions Act of 1950 (16 U.S.C. 952).

''(c) EMERGENCY REGULATIONS.—

''(1) If the Secretary determine, on the basis of the best scientific information available (including research conducted under section 304 and information obtained under the International Dolphin Conservation Program) that the incidental mortality and serious injury of marine mammals authorized under this title is having, or is likely to have, a significant adverse impact on a marine mammal stock or species, the Secretary shall—

''(A) notify the Inter-American Tropical Tuna Commission of his or her determination, along with recommendations to the Commission as to actions necessary to reduce incidental mortality and serious injury and mitigate such adverse impact; and

''(B) prescribe emergency regulations to reduce incidental mortality and serious injury and mitigate such adverse impact.

''(2) Before taking action under subparagraph (A) or (B) of paragraph (1), the Secretary shall consult with the Secretary of State, the Marine Mammal Commission, and the United States Commissioners to the Inter-American Tropical Tuna Commission.

''(3) Emergency regulations prescribed under this subsection—

''(A) shall be published in the Federal Register, together with an explanation thereof;

''(B) shall remain in effect for the duration of the applicable fishing year; and

''(C) may be terminated by the Secretary at an earlier date by publication in the Federal Register of a notice of termination if the Secretary determines that the reasons for the emergency no longer exist.

''(4) If the Secretary finds that the incidental mortality and serious injury of marine mammals in the yellowfin tuna fishery in the eastern tropical Pacific Ocean is continuing to have a significant adverse impact on a stock or species, the Secretary may extend the emergency regulations for such additional periods as may be necessary.

''(5) Within 120 days after the Secretary notifies the United States Commissioners to the Inter-American Tropical Tuna Commission of the Secretary's determination under paragraph (1)(A), the United States Commissioners shall call for a special meeting of the Commission to address the actions necessary to reduce incidental mortality and serious injury and mitigate the adverse impact which resulted in the determination. The Commissioners shall report the results of the special meeting in writing to the Secretary and to the Secretary of State. In their report, the Commissioners shall—

''(A) include a description of the actions taken by the harvesting nations or under the International Dolphin Conservation Program to reduce the incidental mortality and serious injury and measures to mitigate the adverse impact on the marine mammal species or stock;

''(B) indicate whether, in their judgment, the actions taken address the problem adequately; and

''(C) if they indicate that the actions taken do not address the problem adequately, include recommendations of such additional action to be taken as may be necessary.

''SEC. 304. RESEARCH.

''(a) REQUIRED RESEARCH.—

''(1) IN GENERAL.—The Secretary shall, in consultation with the Marine Mammal Commission and the Inter-American Tropical Tuna Commission, conduct a study of the effect of intentional encirclement (including chase) on dolphins and dolphin stocks incidentally taken in the course of purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean. The study, which shall commence on October 1, 1997, shall consist of abundance surveys as described in paragraph (2) and stress studies as described in paragraph (3), and shall address the question of whether such encirclement is having a significant adverse impact on any depleted dolphin stock in the eastern tropical Pacific Ocean.

''(2) POPULATION ABUNDANCE SURVEYS.—The abundance surveys under this subsection shall survey the abundance of such depleted stocks and shall be conducted during each of the calendar years 1998, 1999, and 2000.

''(3) STRESS STUDIES.—The stress studies under this subsection shall include—

''(A) a review of relevant stress-related research and a 3-year series of necropsy samples from dolphins obtained by commercial vessels;

''(B) a 1-year review of relevant historical demographic and biological data related to dolphins and dolphin stocks referred to in paragraph (1); and

''(C) an experiment involving the repeated chasing and capturing of dolphins by means of intentional encirclement.

''(4) REPORT.—No later than 90 days after publishing the finding under subsection (g)(2) of the Dolphin Protection Consumer Information Act, the Secretary shall complete and submit a report containing the results of the research described in this subsection to the United States Senate Committee on Commerce, Science, and Transportation and the United States House of Representative Committees on Resources and on Commerce, and to the Inter-American Tropical Tuna Commission.

''(b) OTHER RESEARCH.—

''(1) IN GENERAL.—In addition to conducting the research described in subsection (a), the Secretary shall, in consultation with the Marine Mammal Commission and in cooperation with the nations participating in the International Dolphin Conservation Program and the Inter-American Tropical Tuna Commission, undertake or support appropriate scientific research to further the goals of the International Dolphin Conservation Program.

''(2) SPECIFIC AREAS OF RESEARCH.—Research carried out under paragraph (1) may include—

''(A) projects to devise cost-effective fishing methods and gear so as to reduce, with the goal of eliminating, the incidental mortality and serious injury of marine mammals in connection with commercial purse seine fishing in the eastern tropical Pacific Ocean;

''(B) projects to develop cost-effective methods of fishing for mature yellowfin tuna without setting nets on dolphins or other marine mammals;

''(C) projects to carry out stock assessments for those marine mammal species and marine mammal stocks taken in the purse seine fishery for yellowfin tuna in the eastern tropical Pacific Ocean, including species or stocks not within waters under the jurisdiction of the United States; and

''(D) projects to determine the extent to which the incidental take of nontarget species, including juvenile tuna, occurs in the course of purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean, the geographic location of the incidental take, and the impact of that incidental take on tuna stocks and nontarget species.

''(c) AUTHORIZATION OF APPROPRIATIONS.—

''(1) There are authorized to be appropriated to the Secretary the following amounts, to be used by the Secretary to carry out the research described in subsection (a):

''(A) $4,000,000 for fiscal year 1998.

''(B) $3,000,000 for fiscal year 1999.

''(C) $4,000,000 for fiscal year 2000.

''(D) $1,000,000 for fiscal year 2001.

''(2) In addition to the amount authorized to be appropriated under paragraph (1), there are authorized to be appropriated to the Secretary for carrying out this section $3,000,000 for each of the fiscal years 1998, 1999, 2000, and 2001.

''SEC. 305. REPORTS BY THE SECRETARY.

''Notwithstanding section 103(f), the Secretary shall submit annual reports to the Congress which include—

''(1) results of research conducted pursuant to section 304;

''(2) a description of the status and trends of stocks of tuna;

''(3) a description of the efforts to assess, avoid, reduce, and minimize the bycatch of juvenile yellowfin tuna and bycatch of nontarget species;

''(4) a description of the activities of the International Dolphin Conservation Program and of the efforts of the United States in support of the program's goals and objectives, including the protection of dolphin stocks in the eastern tropical Pacific Ocean, and an assessment of the effectiveness of the program;

''(5) actions taken by the Secretary under section 101(a)(2)(B) and section 101(d);

''(6) copies of any relevant resolutions and decisions of the Inter-American Tropical Tuna Commission, and any regulations promulgated by the Secretary under this title; and

''(7) any other information deemed relevant by the Secretary.

SEC. 306. PERMITS.

''(a) IN GENERAL.—

''(1) Consistent with the regulations issued pursuant to section 303, the Secretary shall issue a permit to a vessel of the United States authorizing participation in the International Dolphin Conservation Program and may require a permit for the person actually in charge of and controlling the fishing operation of the vessel. The Secretary shall prescribe such procedures as are necessary to carry out this subsection, including requiring the submission of—

''(A) the name and official number or other identification of each fishing vessel for which a permit is sought, together with the name and address of the owner thereof; and

''(B) the tonnage, hold capacity, speed, processing equipment, and type and quantity of gear, including an inventory of special equipment required under section 303, with respect to each vessel.

''(2) The Secretary is authorized to charge a fee for granting an authorization and issuing a permit under this section. The level of fees charged under this paragraph may not exceed the administrative cost incurred in granting an authorization and issuing a permit. Fees collected under this paragraph shall be available to the Under Secretary of Commerce for Oceans and Atmosphere for expenses incurred in granting authorization and issuing permits under this section.

''(3) After the effective date of the International Dolphin Conservation Program Act, no vessel of the United States shall operate in the yellowfin tuna fishery in the eastern tropical Pacific Ocean without a valid permit issued under this section.

''(b) PERMIT SANCTIONS.—

''(1) In any case in which—

''(A) a vessel for which a permit has been issued under this section has been used in the commission of an act prohibited under section 307;

''(B) the owner or operator of any such vessel or any other person who has applied for or been issued a permit under this section has acted in violation of section 307; or

''(C) any civil penalty or criminal fine imposed on a vessel, owner or operator of a vessel, or other person who has applied for or been issued a permit under this section has not been paid or is overdue,

the Secretary may—

''(i) revoke any permit with respect to such vessel, with or without prejudice to the issuance of subsequent permits;

''(ii) suspend such permit for a period of time considered by the Secretary to be appropriate;

''(iii) deny such permit; or

''(iv) impose additional conditions or restrictions on any permit issued to, or applied for by, any such vessel or person under this section.

''(2) In imposing a sanction under this subsection, the Secretary shall take into account—

''(A) the nature, circumstances, extent, and gravity of the prohibited acts for which the sanction is imposed; and

''(B) with respect to the violator, the degree of culpability, any history of prior offenses, and other such matters as justice requires.

''(3) Transfer of ownership of a vessel, by sale or otherwise, shall not extinguish any permit sanction that is in effect or is pending at the time of transfer of ownership. Before executing the transfer of ownership of a vessel, by sale or otherwise, the owner shall disclose in writing to the prospective transferee the existence of any permit sanction that will be in effect or pending with respect to the vessel at the time of transfer.

''(4) In the case of any permit that is suspended for the failure to pay a civil penalty or criminal fine, the Secretary shall reinstate the permit upon payment of the penalty or fine and interest thereon at the prevailing rate.

''(5) No sanctions shall be imposed under this section unless there has been a prior opportunity for a hearing on the facts underlying the violation for which the sanction is imposed, either in conjunction with a civil penalty proceeding under this title or otherwise.''.

(d) Section 307 (16 U.S.C. 1417) is amended—

(1) by striking paragraphs (1), (2), and (3) of subsection (a) and inserting the following:

''(1) for any person to sell, purchase, offer for sale, transport, or ship, in the United States, any tuna or tuna product unless the tuna or tuna product is either dolphin safe or has been harvested in compliance with the International Dolphin Conservation Program by a country that is a member of the Inter-American Tropical Tuna Commission or has initiated and within 6 months thereafter completed all steps required of applicant nations in accordance with Article V, paragraph 3 of the Convention establishing the Inter-American Tropical Tuna Commission, to become a member of that organization;

''(2) except as provided for in subsection 101(d), for any person or vessel subject to the jurisdiction of the United States intentionally to set a purse seine net on or to encircle any marine mammal in the course of tuna fishing operations in the eastern tropical Pacific Ocean except in accordance with this title and regulations issued under pursuant to this title; and

''(3) for any person to import any yellowfin tuna or yellowfin tuna product or any other fish or fish product in violation of a ban on importation imposed under section 101(a)(2);'';

(2) by inserting ''(a)(5) or'' before ''(a)(6)'' in subsection (b)(2); and

(3) by striking subsection (d).

(e) Section 308 (16 U.S.C. 1418) is repealed.

(f) CLERICAL AMENDMENTS.—The table of contents in the first section of the Marine Mammal Protection Act of 1972 is amended by striking the items relating to title III and inserting in lieu thereof the following:

''TITLE III—INTERNATIONAL DOLPHIN CONSERVATION PROGRAM

''Sec. 301. Findings and policy.
''Sec. 302. International Dolphin Conservation Program.
''Sec. 303. Regulatory authority of the Secretary.
''Sec. 304. Research.
''Sec. 305. Reports by the Secretary.
''Sec. 306. Permits.
''Sec. 307. Prohibitions.''.

SEC. 7. AMENDMENTS TO THE TUNA CONVENTIONS ACT.

(a) Section 3(c) of the Tuna Conventions Act (16 U.S.C. 952(c)) is amended to read as follows:

''(c) at least one shall be either the Administrator, or an appropriate officer, of the National Marine Fisheries Service; and''.

(b) Section 4 of the Tuna Conventions Act (16 U.S.C. 953) is amended to read as follows:

SEC. 4. GENERAL ADVISORY COMMITTEE AND SCIENTIFIC ADVISORY SUBCOMMITTEE.

''(a) APPOINTMENTS; PUBLIC PARTICIPATION; COMPENSATION.—The Secretary, in consultation with the United States Commissioners, shall—

''(1) appoint a General Advisory Committee which shall be composed of not less than 5 nor more than 15 persons with balanced representation from the various groups participating in the fisheries included under the conventions, and from nongovernmental conservation organizations;

''(2) appoint a Scientific Advisory Subcommittee which shall be composed of not less than 5 nor more than 15 qualified scientists with balanced representation from the public and private sectors, including nongovernmental conservation organizations;

''(3) establish procedures to provide for appropriate public participation and public meetings and to provide for the confidentiality of confidential business data; and

''(4) fix the terms of office of the members of the General Advisory Committee and Scientific Advisory Subcommittee, who shall receive no compensation for their services as such members.

''(b) FUNCTIONS.—

''(1) GENERAL ADVISORY COMMITTEE.—The General Advisory Committee shall be invited to have representatives attend all nonexecutive meetings of the United States sections and shall be given full opportunity to examine and to be heard on all proposed programs of investigations, reports, recommendations, and regulations of the Commission. The General Advisory Committee may attend all meetings of the international commissions to which they are invited by such commissions.

''(2) SCIENTIFIC ADVISORY SUBCOMMITTEE.—

''(A) ADVICE.—The Scientific Advisory Subcommittee shall advise the General Advisory Committee and the Commissioners on matters including—

''(i) the conservation of ecosystems;

''(ii) the sustainable uses of living marine resources related to the tuna fishery in the eastern Pacific Ocean; and

''(iii) the long-term conservation and management of stocks of living marine resources in the eastern tropical Pacific Ocean.

''(B) OTHER FUNCTIONS AND ASSISTANCE.—The Scientific Advisory Subcommittee shall, as requested by the General Advisory Committee, the United States Commissioners, or the Secretary, perform functions and provide assistance required by formal agreements entered into by the United States for this fishery, including the International Dolphin Conservation Program. These functions may include—

''(i) the review of data from the Program, including data received from the Inter-American Tropical Tuna Commission;

''(ii) recommendations on research needs, including ecosystems, fishing practices, and gear technology research, including the development and use of selective, environmentally safe and cost-effective fishing gear, and on the coordination and facilitation of such research;

''(iii) recommendations concerning scientific reviews and assessments required under the Program and engaging, as appropriate, in such reviews and assessments;

''(iv) consulting with other experts as needed; and

''(v) recommending measures to assure the regular and timely full exchange of data among the parties to the Program and each nation's National Scientific Advisory Committee (or its equivalent).

''(3) ATTENDANCE AT MEETINGS.—The Scientific Advisory Subcommittee shall be invited to have representatives attend all nonexecutive meetings of the United States sections and the General Advisory Subcommittee and shall be given full opportunity to examine and to be heard on all proposed programs of scientific investigation, scientific reports, and scientific recommendations of the commission. Representatives of the Scientific Advisory Subcommittee may attend meetings of the Inter-American Tropical Tuna Commission in accordance with the rules of such Commission.''.

(c) BYCATCH REDUCTION.—The Tuna Conventions Act (16 U.S.C. 951 et seq.) is amended by adding at the end thereof the following:

''SEC. 15. REDUCTION OF BYCATCH IN THE EASTERN TROPICAL PACIFIC OCEAN.

''The Secretary of State, in consultation with the Secretary of Commerce and acting through the United States Commissioners, shall seek, in cooperation with other nations whose vessel fish for tuna in the eastern tropical Pacific Ocean, to establish standards and measures for a bycatch reduction program for vessels fishing for yellowfin tuna in the eastern tropical Pacific Ocean. The bycatch reduction program shall include measures—

''(1) to require, to the maximum extent practicable, that sea turtles and other threatened species and endangered species are released alive;

''(2) to reduce, to the maximum extent practicable, the harvest of nontarget species;

''(3) to reduce, to the maximum extent practicable, the mortality of nontarget species; and

''(4) to reduce, to the maximum extent practicable, the mortality of juveniles of the target species.''.

SEC. 8. EFFECTIVE DATES.

(a) AMENDMENTS TO TAKE EFFECT WHEN IDCP IN FORCE.—Sections 3 through 7 of this Act (except for section 304 of the Marine Mammal Protection Act of 1972 as added by section 6 of this Act) shall become effective upon—

(1) certification by the Secretary of Commerce that—

(A) sufficient funding is available to complete the first year of the study required under section 304(a) of the Marine Mammal Protection Act of 1972, as so added; and

(B) the study has commenced; and

(2) certification by the Secretary of State to Congress that a binding resolution of the Inter-American Tropical Tuna Commission or other legally binding instrument establishing the International Dolphin Conservation Program has been adopted and is in force.

(b) SPECIAL EFFECTIVE DATE.—Notwithstanding subsection (a), the Secretary of Commerce may issue regulations under—

(1) subsection (f)(2) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(f)(2)), as added by section 5(b) of this Act'

(2) section 303(a) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1413(a)), as added by section 6(c) of this Act,

at any time after the date of enactment of this Act.

THE NEED-BASED EDUCATIONAL AID ANTITRUST PROTECTION ACT OF 1997

DEWINE (AND KOHL) AMENDMENT NO. 1046

Mr. SANTORUM (for Mr. DEWINE, for himself and Mr. KOHL) proposed an amendment to the bill (H.R. 1866) to continue favorable treatment for need-based educational aid under the antitrust laws; as follows:

Strike section 2 and insert the following:

SEC. 2. CONTINUATION OF FAVORABLE TREATMENT FOR NEED-BASED EDUCATIONAL AND UNDER THE ANTITRUST LAWS.

(a) AMENDMENTS.—Section 568 of the Improving America's Schools Act of 1994 (15 U.S.C. 1 note) is amended—

(1) in subsection (a)—

(A) in the heading, by striking ''TEMPORARY''; and

(B) by striking paragraph (4) and inserting the following:

''(4) to exchange through an independent third party, before awarding need-based financial aid to any of such students who is commonly admitted to the institutions of higher education involved, data submitted by the student so admitted, the student's family, or a financial institution on behalf of the student or the student's family relating to assets, liabilities, income, expenses, the number of family members, and the number of the student's siblings in college, if each of such institutions of higher education is permitted to retrieve such data only once with respect to the student.''; and

(2) in subsection (d), by striking ''September 30, 1997'' and inserting ''September 30, 2001''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect immediately before September 30, 1997.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Ms. SNOWE. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Wednesday, July 30, for purposes of conducting a full committee business meeting which is scheduled to begin at 9:30 a.m. The purpose of this business meeting is to consider pending calendar business.

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

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Ms. SNOWE. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be granted permission to conduct a hearing on Wednesday, July 30, 9:30 a.m., Hearing Room (SD–406) on S. 1059, the National Wildlife Refuge System Improvement Act of 1997.

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

COMMITTEE ON FOREIGN RELATIONS

Ms. SNOWE. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, July 30, 1997, at 10:00 a.m. to hold a business meeting.

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

COMMITTEE ON FOREIGN RELATIONS

Ms. SNOWE. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, July 30, 1997, at 11:00 a.m. to hold a House/Senate conference.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Ms. SNOWE. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee Special Investigation to meet on Wednesday, July 30, at 10:00 a.m. for a hearing on campaign financing issues.

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

COMMITTEE ON INDIAN AFFAIRS

Ms. SNOWE. Mr. President, I ask unanimous consent that the Senate Committee on Indian Affairs be authorized to meet during the session of the Senate on Wednesday, July 30, 1997 at 9:30 a.m. in room 106 of the Dirksen Senate Building to mark up S. 569, a bill to amend the Indian Child Welfare Act of 1978; to be followed immediately by an Oversight Hearing on the Special Trustee's 'Strategic Plan' to reform the management of Indian trust funds.

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

COMMITTEE ON THE JUDICIARY

Ms. SNOWE. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, July 30, 1997 at 10:00 a.m. in room 226 of the Senate Dirksen Office Building to hold a hearing on: ''Review of the Global Tobacco Settlement.''

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

COMMITTEE ON RULES AND ADMINISTRATION

Ms. SNOWE. Mr. President, I ask unanimous consent that the Committee on Rules and Administration hold a business meeting at 2:30 p.m. on Wednesday, July 30, 1997 on the status of the investigation into the contested Senate election in Louisiana at which the committee could consider and vote upon a resolution, or resolutions, prescribing the future course of action to be taken by the committee.

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

SELECT COMMITTEE ON INTELLIGENCE

Ms. SNOWE. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, July 30, 1997 at 2:00 p.m. to hold a closed hearing on intelligence matters.

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

SUBCOMMITTEE ON COMMUNICATIONS

Ms. SNOWE. Mr. President, I ask unanimous consent that the Communications Subcommittee of the Committee on Commerce, Science, and Transportation be authorized to meet on Wednesday, July 30, 1997, at 9:30 a.m. on international satellite reform.

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

SUBCOMMITTEE ON FINANCIAL SERVICES AND TECHNOLOGY

Ms. SNOWE. Mr. President, I ask unanimous consent that the Subcommittee on Financial Services and Technology of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, July 30, 1997, to conduct a hearing on the financial institution regulators' management of the year 2000 problem.

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

SUBCOMMITTEE ON NATIONAL PARKS, HISTORIC PRESERVATION, AND RECREATION

Ms. SNOWE. Mr. President, I ask unanimous consent that the Subcommittee on National Parks, Historic Preservation, and Recreation of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Wednesday, July 30, for purposes of conducting a subcommittee hearing which is scheduled to begin at 2:00 p.m. The purpose of this hearing is to review the management and operations of concession programs within the National Park System.

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

ADDITIONAL STATEMENTS

THE MICHIGAN LEGISLATURE'S POSITION ON EPA REGULATIONS

• Mr. ABRAHAM. Mr. President, I rise today to submit for the RECORD a concurrent resolution passed by the Michigan Legislature earlier this year. Recognizing the impact of ozone transport on the west side of the State, and understanding the potentially devastating effects of ill-considered regulations, the Michigan House of Representatives and the Michigan Senate adopted a resolution which urges the EPA to reaffirm the previous standards of ozone and particulate levels.

Specifically, this resolution strongly urges the EPA to maintain the .12 parts per million standard for ozone and conduct all necessary research to reach conclusive findings on questions concerning particulate matter measuring 2.5 microns in diameter and larger. In addition, this resolution asks the EPA to identify any unfunded mandates or other administrative and economic burdens for State and local governments or agencies that would result from the proposed changes to the National Ambient Air Quality Standards.

Unfortunately, this bipartisan request has been ignored. The EPA has gone forward with new regulations. After making only minor modifications to the EPA proposal, the administration announced the final standard 2 weeks ago. I am disappointed, because I was hopeful the President would recommend a policy that recognized the importance of clean air, and the importance of jobs and economic growth. However, since he did not, I will continue to work hard to highlight the importance of these very real, very serious issues.

This resolution makes clear that the people of Michigan understand what is at stake in this debate. I wish the same could be said of the administration.

The resolution follows:

HOUSE CONCURRENT RESOLUTION NO. 11

Whereas, the United States Environmental Protection Agency (EPA) has a responsibility to review periodically the National Ambient Air Quality Standards (NAAQS) for ozone and particulate matter (PM); and

Whereas, The EPA is considering establishing a more stringent ozone standard and a new, more stringent standard for particulate matter at or below 2.5 microns (PM2.5); and

Whereas, Michigan, through its local jurisdictions, businesses, and citizens, has supported health-based National Ambient Air Quality Standards (NAAQS) that are premised on sound science; and

Whereas, Michigan has made significant progress in meeting current NAAQS for both ozone and particulate matter (PM) under the Clean Air Act Amendments of 1990, although there are some areas that have not yet come into compliance with the current standard(s); and

Whereas, Michigan, through its local jusidictions, businesses, consumers, and taxpayers, has become considerable cost to come into compliance with the current NAAQS for ozone and participate matter; and

Whereas, The proposed new standards will significantly expand the number of nonattainment areas for both ozone particulate matter. This may result in additional emission controls in all areas, thus imposing significant economic administrative, and regulatory burdens on Michigan, its citizens, businesses, and local governments; and

Whereas, EPA's own Clean Air Science Advisory Committee (CASAC) was unable to find any ''brighline'' that would distinguish any public health benefit among any of the proposed new standards for ozone, including the current standard; and

Whereas, There is very little existing PM2.5 monitoring data; and

Whereas, There are many unanswered questions and scientific uncertainties regarding the health effects of particulate matter, in particular PM2.5, including:

Divergent opinions among scientists who have investigated the issue;

Exposure misclassification;

Measurement errors;

Lack of supporting toxicological data;

Lack of a plausible toxicological mechanism;

Lack of correlation between recorded PM levels and public health effects;

Influence of other variables; and

The existence of possible alternative explanations; and

Whereas, No scientific proof exists that establishing a more stringent ozone standard or a new, more stringent PM2.5 standard would avoid alleged adverse health, but it would assuredly impose significantly higher costs; and

Whereas, The issue of transported volatile organic compounds is not adequately addressed; now therefore, be it

Resolved by the House of Representatives (the Senate concurring). That we advise and strongly urge the EPA to reaffirm the existing NAAQS for ozone; and be it further

Resolved, That we advise and strongly urge the EPA to reaffirm the existing NAAQS for PM10; and be it further

Resolved, That we advise and strongly urge the EPA to refrain from establishing a new NAAQS for PM2.5 at this time and to gather the necessary PM2.5 monitoring data and conduct all necessary research needed to address the issue of causality and other critical and important unanswered scientific questions concerning PM2.5; and be it further

Resolved, That we advise and strongly urge the EPA to identify any unfunded mandates or other administrative and economic burdens for state or local governments or agencies that would result from the proposed changes to the NAAQS for ozone and particulate matter, and be it further

Resolved, That copies of this resolution be transmitted to the President of the Untied States, the President of the United States Senate, the Speaker of the United States House of Representatives, the members of the Michigan congressional delegation, the administrator of the United States Environmental Protection Agency, and other appropriate administration officials.

Adopted by the House of Representatives, March 11, 1997.

Adopted by the Senate, March 12, 1997.●

VFW INITIATIVE TO PROVIDE LONG-DISTANCE PHONE SERVICE TO HOSPITALIZED VETERANS

● Mr. ROCKEFELLER. Mr. President, I rise today to congratulate the members of the Veterans of Foreign Wars of the United States for their program called Operation Uplink. Through private donations, the VFW has been able to distribute more than 11,000 hours worth of free long-distance calling time to hospitalized veterans and active duty troops overseas who might not otherwise be able to talk with their loved ones back home. Since I represent a State which especially honors national service and has the most combat veterans per capita, you can be sure that this is an issue I care about deeply.

Shortly after I joined the Senate Committee on Veterans' Affairs, I learned that none of our country's veterans' hospitals had bedside phones. Patients had to collect change to use at a pay phone, or wait for a nurse to wheel a portable phone into their room. Not only did this inconvenience patients greatly, it added to the burdens of an already overworked nursing staff.

We all realize that a phone is more than a modern convenience; it is a lifeline to the outside world for a sick veteran. That is why I fought for, and won, $1.5 million in 1993 to support the work of the bedside phone project, P.T. Phone Home, in West Virginia and elsewhere.

A couple of years ago when I was in West Virginia visiting the Clarksburg VA Medical Center, I spoke with a World War II combat veteran, Kenneth Getz. Mr. Getz had been experiencing serious medical problems, but he was much more concerned about his blind wife than his own health. He told me, ''We start the day with a phone call and end it with a phone call. Phones should have been in here years ago.'' And he is exactly right—we have an obligation to make certain that every veteran receives the same quality care you or I would want for ourselves.

Unfortunately, too many poor veterans are not able to take advantage of the bedside phone service, since for many, home is not a local call from the hospital. The thought of a sick or wounded veteran, lying in a distant veterans' hospital, cut off from family, children and friends, is very troubling to me. It is plain wrong.

I highly commend the VFW for recognizing this problem and taking action. We know that in the long run, veterans who can talk to their spouse or children are not only happier, but also have higher morale, and that can go far in improving their health. I can just envision the comforting effect on a patient like Mr. Getz in having the opportunity to talk to his son in Houston or wife in Charleston—all of this made possible by the VFW initiative.

Mr. President, I ask my colleagues to join me in extending a warm thank-you to the VFW and its members all across America. I am especially pleased to note that this service is being provided by private donations, thus protecting the already beleaguered Federal budget. This project is a tribute to the many veterans who believed in the principles of freedom and democracy strongly enough to risk their lives in the name of freedom. By providing prepaid phone cards to sick vets and overseas troops, the VFW truly ''Honors the dead by helping the living.''●

CONGRATULATIONS TO YOUSIF GHAFARI

MR. ABRAHAM. Mr. President, I rise today to offer my warm congratulations to Mr. Yousif B. Ghafari who is celebrating the 15th anniversary of Ghafari Associates.

The economic success in Michigan is due in no small part to the invigoration of small businesses like Ghafari Associates. Over the past 15 years Ghafari Associates has risen to be the third largest architectural and engineering firm in the State. This incredible achievement is largely due to

the outstanding leadership capability and business savvy of its founder, Yousif Ghafari.

I have the pleasure of personally knowing Yousif and appreciate his dedication, not only to the business world but to his family and community as well. Yousif's exemplary duty and service to the community at large has earned him the great respect of his colleagues, friends, and family. I would like to join them in commending him for his dedication to seeing Ghafari Associates grow into one of Michigan's most distinguished and respected engineering firms.

The State of Michigan is very fortunate to have Mr. Yousif Ghafari amongst its citizens, and should be very proud of his accomplishments. I would like to conclude by extending to him my best wishes for much success in all of his future endeavors.

NATIONAL WOMEN'S BUSINESS COUNCIL AND WOMEN-OWNED BUSINESSES

• Mr. CLELAND. Mr. President, I want to speak today about the work the National Women's Business Council [NWBC] is doing in my State and the work they do for the country in the interest of women-owned businesses. I want to make special note of the efforts of one of Georgia's shining examples of entrepreneurship. Mr. President, Carolyn Stradley started out filling in potholes with asphalt and from that has grown a small business that is now responsible for work done in both the Olympic Stadium and the Georgia Dome. In addition to successfully competing in a male dominated business world, she is literally paving the way for other women to find opportunities into the work force through the creation of small businesses.

Yesterday morning Carolyn moderated a workshop that provided a forum to discuss, develop, and find consensus on policy recommendations which enhance women business owners access to capital and credit at every stage of business growth. This forum was part of 10 workshops being held at Federal Reserve Banks and branches across the nation. The top 10 recommendations from each of the 10 workshops will be compiled into a report and presented to Congress and the President by the NWBC. The participants of these workshops include women business owners, bankers and other lenders, government representatives and other experts who work daily to develop financial strategies that are so essential in getting small businesses off the ground.

Mr. President, I want to commend the NWBC for their work and their continued efforts as an independent source of advice and counsel to the Congress, the President and the Small Business Administration. Their mission is to promote bold initiatives, policies and programs designed to foster women's business enterprise as well as an economic environment conducive to business growth and development for women-owned businesses. The council has focused on four key areas: (1) expanding public and private market opportunities for women-owned businesses; (2) promoting the development of a research agenda and data collection on the women's business sector and public awareness of its contributions; (3) strengthening the networking capabilities of women entrepreneurs and the technical assistance and training infrastructure; and (4) expanding the financial resources available to women business owners and ensuring their access to them.

I believe that it is particularly fitting that the NWBC does have this focus and I would point to a few important figures, just in Georgia alone, that would support this. Mr. President, as of 1996 there are nearly 204,000 women-owned businesses in Georgia employing over 622,000 people and generating over $87 billion in sales. During the period of time from 1987 and 1992, the National Foundation for Women Business Owners estimates that the number of women-owned firms in Georgia has increased by 112 percent, employment has grown by 334 percent and sales have risen 508 percent. In 1996, women-owned firms accounted for 36 percent of all Georgia firms, and provided employment for 34 percent of Georgia workers, and generated 24 percent of the State's business sales. Finally, I am proud to point out that Georgia ranks fifth in growth in the number of minority women-owned firms as of 1996—a 227 percent increase between 1987 and 1996.

Mr. President, I encourage my colleagues to support and fund organizations like the National Women's Business Council. Small Businesses are the foundation of our Nation's economic engine and small businesses are the future continued economic growth and success.•

OECD SHIPBUILDING AGREEMENT

• Mr. ROTH. Mr. President, as the Senate moves toward concluding its business before the August recess, I would like to take this opportunity to clarify the circumstances surrounding the Finance Committee's consideration of legislation to implement the OECD Shipbuilding Agreement.

This vital agreement has already been the subject of a hearing in the Finance Committee in December 1995, and, in May 1996, the Committee voted unanimously in favor of the legislation to implement the Agreement.

I understand my Finance Committee colleagues, Senators LOTT and BREAUX, have made substantial progress in resolving the controversial issues surrounding some parts of the legislation originally reported by the Finance Committee. I expect that their work on the implementing legislation and the resolution of certain procedural issues will be concluded shortly so that we can complete committee consideration and congressional passage of this bill as soon as possible after we return in September.

I trust the other signatory countries to the Shipbuilding Agreement will understand that the recent delay in the Finance Committee's consideration of the implementing legislation was unavoidable—that it was simply a result of the committee's need to complete its work on the hallmark legislation to balance the U.S. budget and need to resolve certain parliamentary questions. This delay should in no way be interpreted as a lack of resolve to bring the OECD Shipbuilding Agreement implementing legislation to closure.

I strongly urge other signatory countries not to take any action that might forever compromise our long-held goal of achieving free and fair trade in the global shipbuilding sector. It is my view that the United States is very close—closer than it has ever been—to enacting the legislation necessary for completion of U.S. ratification of the agreement. It would be terribly counterproductive and inappropriate for other signatory countries to abandon this important agreement at this juncture in reaction to this relatively minor and unavoidable delay.

With that clarification, I look forward to working with my colleagues on the Finance Committee and in the Senate as a whole in moving this critical legislation forward to ultimate passage by Congress as quickly as possible.•

CHINA TRIP REPORT

• Mr. BAUCUS. Mr. President, over the last Memorial Day recess, I visited South Korea, Japan, North Korea, China, and Hong Kong, on an official Finance Committee trip.

Today I am entering into the RECORD the first half of a trip report I recently filed with the Committee, and tomorrow I will include the second half, dealing with China and Hong Kong. I hope the Senate will find it of use.

The material follows:

ASIA TRIP REPORT—COVERING VISITS TO SOUTH KOREA, JAPAN, NORTH KOREA, BEIJING, AND HONG KONG, MAY 24–31, 1997

I. INTRODUCTION AND SUMMARY

A. Itinerary—Over the 1997 Memorial Day recess, between May 24th and May 31st, I made a week-long trip to East Asia to host a three-day conference in Beijing entitled ''Working With America: Food Security and International Trade,'' put on by the Mike and Maureen Mansfield Center for Pacific Affairs and the Chinese People's Association for Friendship with Foreign Countries.

With the authorization of the Senate Committee on Finance, I visited South Korea, Japan, North Korea and Hong Kong as well as Beijing to discuss trade, security, agricultural and humanitarian problems in Asia. This report will inform the Senate on the substance of my discussions, particularly on food and security in Korea; China's application to enter the World Trade Organization; and Hong Kong's transition to China's sovereignty.

B. Goals—As I see it, our country has three long-term interests in Asia. First, preserving the peace which is critical to our national

security and is also the foundation of Asia's current prosperity. Second, opening markets and creating more reciprocity in trade relations with Asian countries. And third, raising the quality of life and promoting long-term political stability by advancing human rights, fighting crime and protecting the environment. My goal on this trip was to understand more fully the immediate issues we must address in order to secure these long-term interests, and to advance if possible our policy goals on these issues.

In 1997 and 1998, the issues I believe most critical to securing these interests will be: (1) the security and humanitarian problems on the Korean peninsula posed by hunger and economic decline in North Korea; (2) China's application to enter the World Trade Organization; and (3) Hong Kong's transition to Chinese sovereignty. Thus, while I discussed issues ranging from food security to human rights, US-China security relations, environmental protection and agricultural trade with Korea, I concentrated on the first three issues.

C. Conclusions—I finished the trip feeling that current American policy on these issues is well conceived and well implemented. While I have differences with some of our specific positions and will mention them further on in the report, I believe that in general, we are on the right track.

In Korea, we are deterring conflict, preventing nuclear proliferation and providing humanitarian assistance as appropriate.

On China's WTO application, we rightly support China's WTO membership on a commercially appropriate basis, and are working with the other WTO members to make sure that while China understands we are not trying to block membership on political grounds, we also expect them to live up to the fundamental obligations of all WTO members.

And on Hong Kong's transition, we seem to have secured the direct US interests; we are in close contact with all the political actors and economic interests involved in the transition; and we are appropriately active without being confrontational on political and human rights issues.

All of these questions are highly complex. The Korean situation, in particular, is dangerous and becoming more so as North Korea's economy declines. All of them will demand a great deal of informed attention from Congress and the American public, as well as from the Executive branch and our diplomats and military leaders in the region. But on the basis of my visits, I am generally pleased with our policies and impressed with the people implementing them.

II. KOREAN PENINSULA

A. Visit—The Korean peninsula was the first stop on my trip. I arrived in Seoul on Sunday, May 25th, spent the next day in discussion with South Korean national security and agricultural officials, representatives of the US business community, and with American diplomats and military personnel. On the morning of May 27th I departed for Pyongyang, where I met with Foreign Ministry and Agriculture Commission officials, departing for Beijing the morning of the 28th. I also had the opportunity to discuss Korea later in the trip with Chinese political and military leaders, and with two senior officers of the Japan Self-Defense Forces during a refueling stop at Misawa Air Force before arrival in Pyongyang.

My purpose, in addition to discussing bilateral agricultural trade issues with South Korean leaders, was to look into the security and food questions we face on the Korean peninsula. I concluded that American policy with respect to these issues is well-conceived. We have a highly capable military force on the peninsula, which works together with South Korea in the Joint Command. Our political policies are carried out in tandem with South Korea, with the apparent endorsement of the neighboring countries. And we are providing food aid as the World Food Programme identifies the areas of need.

There is, no doubt, room for improvement. In particular, we could be speeding up our provision of missile defense for Seoul. North Korea's need for food aid may well increase this summer and require a higher-level effort. And while we seem to be in full agreement with neighboring countries on the contingencies we hope to avoid (i.e. war, nuclear proliferation, or sudden collapse into anarchy in the North), we do not appear to have grappled with our long-term positive goals for the Peninsula. But on the whole, I believe that we are confronting a very dangerous situation and doing it well.

The following sections will evaluate the food situation in North Korea; review the opinions offered by South Korean, Japanese and Chinese officials on policy toward the Korean peninsula; evaluate U.S. policy; and provide a first-hand, if brief and incomplete, look at life today in Pyongyang.

B. Food Crisis—I discussed reports of food shortages in North Korea with U.S. diplomats and agricultural specialists; South Korean Agriculture Ministry officials; North Korean Foreign Ministry and Agriculture Ministry officials; and Chinese leaders. I had also asked to meet World Food Programme experts in Pyongyang, but was unable to do so.

My conclusion is that we can think of the food issue as a three-part problem. First, over the next few weeks North Korea will need humanitarian assistance. Second, this need is likely to reach crisis proportions over the summer of 1997. Third, North Korea needs to make some fundamental changes in its agricultural and military if it is to feed itself in the long term. I see little evidence that the government is prepared to do so.

1. US and South Korean Assessment—Most U.S. and South Korean experts believed the majority of North Koreans continue to receive basic subsistence rations, feeling the North Korean government continued to distribute some basic rations and some more food was available in small farmer markets. In more remote rural areas, however, hunger is probably very severe. This situation is likely to worsen soon, however.

Over the year as a whole, the U.S. Department of Agriculture forecast a shortfall of about 1.2 million metric tons of rice. To put the figure in context, USDA's estimate of a year's consumption of food in North Korea is 5.4 million metric tons. South Korean estimates were similar.

US and South Korean experts also agreed on the cause of the food shortages. While floods may be an immediate cause, long-term factors—loss of aid from Russia and China at the end of the Cold War, failure to make rural reforms, and spending of 25%–30% of GDP on the military—are much more important. A South Korean agricultural official noted very simply that North Korea uses its oil for military exercises rather than to make fertilizer or run tractors, and thus the agricultural sector has been short of energy throughout this decade. Chinese officials from Manchuria tell him, he said, that since 1991 North Korea has conducted a propaganda campaign calling for ''two meals a day for the glorious unification of the peninsula.''

2. North Korean Views—The North Korean officials appeared to realize they face an emergency. Foreign Ministry Officials spoke in general terms about food problems and North Korea's appreciation of foreign assistance. Agriculture Commission officials, led by Vice Chair Madame Kim Yong-suk, provided a highly detailed statistical review of recent flood damage, reclamation work in paddy fields, and overall food shortages.

According to Mme. Kim, the most pressing need for food aid will be quite soon. Spring planting had gone well, and in the absence of new flooding the fall harvest would be good. However, she said, ''in July and August we will face a very tense situation,'' and in the interim North Korea ''would accept with pleasure 1 million tons of assistance.''

This recognition of an immediate crisis was not matched by any realistic appraisal of the causes of the present food crisis or of North Korea's long-term policy needs. Both the Foreign Ministry and Agriculture officials attributed the food crisis solely to flood damage in the last two years. The only long-term effort they said was necessary was a reforestation program to reduce erosion.

3. Policy Conclusions—North Korea is clearly in dire straits. While I did not travel outside the capital (because of time constraints rather than North Korean unwillingness), US and South Korean experts provided accounts of severe food shortages which I consider credible. Their views were generally in accord with the accounts of North Korean officials, international food experts, and recent travellers outside Pyongyang including Rep. Tony Hall and several journalists.

Up to now we have provided $25 million in humanitarian food aid. South Korea, China and Japan have also made contributions. Our diplomats believe the WFP is capable of providing assistance without significant diversion to the North Korean military, and I see no reason to question that assessment.

My own strong opinion is that, as a humanitarian matter we should provide short-term food aid to people proven to need it. This will be most urgent this July and August. However, longer-term aid or large-scale involvement in the North Korean agricultural and industrial economy should only be done in concert with South Korea, and should not proceed without willingness on the part of the North to address the basic economic and military issues that have caused this crisis.

C. Security on the Korean Peninsula—Despite North Korea's economic and food difficulties, US military officers and diplomats along with South Korean officials stress that it continues to pose a severe military threat to South Korea and Americans stationed in the South. It maintains a million-man army in a population of 23 million; spends 25–30% of its GDP on the military; and stations about 65% of its troops, and most of its artillery and rocket launchers in offensive positions very close to the Demilitarized Zone. Our response has come in two main forms.

1. Deterrence—The foundation of all US policy toward the North is strategic alliance with South Korea to deter North Korean military aggression. We have done this through permanent stationing of 37,000 American troops in South Korea, and complete cooperation in a Joint Command with South Korea.

Up to now, deterrence has succeeded. US military officers, including Supreme Commander Gen. John Tilelli, said that relations with the South Korean military are very good. South Korean officials agreed. Both sides emphasized the importance of continuing to work very closely together on military preparation, and also in any negotiations with North Korea. All agreed that if the North Korean industrial and agricultural economy continued to decline—as it seems very likely to do in the absence of any reform—the North Korean government would become more desperate and the military situation would become more dangerous.

Finally, I should mention that military officers had some concerns about quality-of-

life issues for American soldiers, but felt that construction of new barracks under the last two Military Construction appropriation bills would help a great deal.

2. Nuclear Proliferation and the Agreed Framework—A corollary to our broader defense strategy in Korea is opposition to proliferation of nuclear weapons. These would not change the ultimate outcome of any conflict, but would raise its cost in human life, physical destruction and environmental damage enormously.

Since 1994, we have attempted to prevent nuclear proliferation through the ''Agreed Framework.'' Under this agreement, North Korea agreed to freeze its nuclear program while we supply 500,000 barrels of oil and over a longer term replace the heavy-water nuclear reactor at Yongbyon, north of Pyongyang, with light-water reactors whose products cannot be used for weapons. Our military people and diplomats feel that North Korea is complying with this part of the agreement. I have no reason to disagree, and believe we should continue with the Agreed Framework.

While I will address political issues and negotiating proposals later on, I should note here that the Agreed Framework also calls for progress toward political and economic normalization of relations between the US and North Korea. North Korean officials, including the Foreign Minister, complained repeatedly about the slow pace of normalization with the US and our failure to lift sanctions, saying this had increased North Korean ''suspicions'' about US intentions and reliability. However, the Agreed Framework also includes a commitment to North-South dialogue aimed at reducing political and military tension between the two Korean governments. North Korea has not done this. American action on the political side of the Agreed Framework must depend on North Korean willingness to begin North-South dialogue.

3. Conclusions—I was extremely impressed by our military officers and enlisted people. I believe our strategy is appropriate and our coordination with South Korea is close. I would add only one point. I heard many times about the vulnerability of Seoul to North Korean missile, rocket and artillery fire. If we can ease that by providing some missile defenses to Seoul, we should do it as soon as possible.

D. Political Issues and Negotiations—Progress toward normal political relations, relaxed trade sanctions or assistance beyond short-term humanitarian aid, must result from talks leading to reduced military and political tension on the peninsula. These must address first and foremost the basic issue of North Korea's threats and aggressive military posture vis-a-vis South Korea, but can include North Korean concerns as well. And they must not lead to any separation of the US from South Korea, nor any unnecessary political conflicts with China, Japan or Russia.

1. Four-Party Talks—Last year, President Clinton proposed ''four-party talks'' on Korean issues including South Korea and North Korea along with the US and China as the two principal belligerent powers in the Korean War. These could address North Korean concerns about trade, economics and other issues as well as the concerns we and South Korea have about security. Based on my discussions in Seoul, Pyongyang and Beijing, I remain convinced this is the best approach to Korean security issues. Recent progress toward these talks bears out this conclusion.

2. North Korean Views—I repeatedly urged the North Korean Foreign Ministry officials to open a North/South dialogue as the Agreed Framework requires, and to begin four-party talks with South Korea, China and the US.

Foreign Minister Kim Yongnam and Vice Foreign Minister Kim Gye Gwan were my main interlocutors on this issue. The Vice Foreign Minister gave a peculiarly weak and unconvincing reason for North Korea's failure to engage in a North-South dialogue, saying North Korean public opinion had been offended when President Kim Young-sam of South Korea failed to offer condolences on the death of former President Kim Il-sung in 1994. He did, however, state support in principle for North-South dialogue, and neither he nor the Foreign Minister, however, ruled it out after the election of South Korea's new President this December.

Both the Foreign Minister and the Vice Foreign Minister raised concerns about the four-party talks proposal, mostly questioning the reason why China should be involved. They also insisted that the US was following a hostile policy by continuing to impose sanctions and an overall trade embargo on North Korea. They did not, however, insist on large-scale food or economic aid as a precondition for entering the four-party talks.

3. The Chinese Role—As the largest local military power bordering on North Korea, and as a government with traditional ties to North Korea, China has very large interests in the Korean issue and will play a key role in any solution to it.

American officials in Seoul and Beijing generally felt that China is acting responsibly and helpfully. South Korean officials agreed. In a more general sense, they said they were satisfied with the state of South Korean-Chinese relations, and hoped US-China relations would remain ''harmonious.''

North Koreans, by contrast, seemed indifferent to China. They did not encourage Chinese participation in four-party talks—to the contrary, in fact, they called for a ''3+1'' formula with China playing an unspecified but clearly minor role. One official, commenting on the overall political situation of the Korean peninsula, said ''the directly involved parties are the DPRK and the US, and we acknowledge that the South has some indirect concerns. China is not concerned.''

E. Japanese and Chinese Views—During my trip, I met with senior policymakers in Beijing about Korean issues, and discussed Korean policy with two senior officers of the Japan Self-Defense Forces. A brief summary of these conversations follows.

1. Japanese Views—At Misawa Air Force Base I met with Gen. Akihiko Hayashi and General Minoru Hoso, of the Northern Command of the Japan Self-Defense Forces. These discussions were brief given our limited time, and concentrated on Japan's security role rather than on Japan's particular political concerns about its kidnapped citizens and the recent apprehension of a North Korean ship loaded with amphetamines at a Japanese port, or its broader political views on Korean issues. Japan is deeply concerned about North Korea's deployment of a new generation of medium-range missiles capable of targeting Japan, and working closely with us on attempts to deter conflict on the peninsula.

2. Chinese Views—The senior political leaders, Foreign Ministry officials and military officers I met in Beijing were quite interested in my visit to Pyongyang, and asked about my physical impressions of Pyongyang and the discussions I had with North Korean officials. None raised any basic objections to US policy toward North Korea.

On the political issues, their general view was that Kim Jong-il is a rational person who understands that, in the words of one Chinese officer, ''to attack the South would be the act of a madman,'' and is unlikely to engage in any serious provocation. Further, they believe he is in firm control of the North, and that no political upheaval is likely in the short-term despite the food and economic problems.

With respect to economics and the food situation, Chinese said they were unsure whether North Korea's problems resulted from floods or from ''poor economic organization.'' They said they would help with food needs ''within China's capacity.''

Finally, all the Chinese with whom I raised the Korean issue said that China's influence over North Korea is limited; that China would act with the goal of maintaining peace and stability on the Korean peninsula; and that China viewed the four-party talks proposal favorably. US diplomats generally agreed that China is acting very constructively on these issues. I believe it is essential that we continue to work with China on the four-party talks proposal.

F. Long-Term Issues—Opinions were divided as to North Korea's long-term prospects.

Americans and South Koreans tended to believe that the North was fairly resilient, that Kim Jong-il is in firm control of the government, and that could probably continue along its present path for several years. However, objective indicators pointed to a situation which is not sustainable indefinitely, and many felt that some abrupt collapse or desperate military assault on South Korea was possible. Chinese agreed that Kim Jong-il was firmly in control of the country, but felt more certain than US or South Korean sources that North Korea would remain politically stable.

Many people commented that South Koreans did not feel the German model of unification was ideal—it had been very expensive and difficult for the German economy to absorb, and they preferred a ''soft landing'' for the North followed by a longer transition. However, few seemed to have a vision of how to make this possible, and a number of Americans commented that a ''soft landing'' did not seem very likely.

North Korean officials gave essentially ideological explanations of why their country would emerge from the present ''arduous march'' and recover economically. The Vice Foreign Minister, for example, said that while many foreigners spoke of North Korea as ''a broken airplane and some say it will soon collapse . . . my country is not going to collapse at all. We have the wise leadership of the Great Leader Comrade Kim Jong-il, and the entire people rally around in general and single hearted unity. We have a guiding ideal which is different from the USSR or Eastern Europe, and that is the juche [self-reliance] idea.''

G. Personal Assessment of Pyongyang.—Finally, a visit to Pyongyang is unusual, and apart from the policy issues, my personal impressions of the city may be of some interest.

I arrived in North Korea on a specially arranged U.S. Air Force flight, which entered North Korean airspace at the Russian border on North Korea's far northeast, proceeded along the coast and then crossed over a mountainous area to Pyongyang. From the air, as far as I could tell, the fields and rice paddies look in bad shape and rivers show severe siltation.

We proceeded from the airport (we landed at 12:20 p.m.; at least one radar was turned off, and no other planes appeared to be active) by car to Pyongyang. We were able to drive around the center of the city on the way to several meetings, and took an unaccompanied 15-minute walk from the hotel to the city railway station and back. This relatively short experience revealed a city which resembles a ghost town—I can only compare it to my visit to Phnom Penh in 1979, just after the Vietnamese Army had expelled the Khmer Rouges.

We saw very few cars, few trucks or buses, and no sense of normal business or economic activity at all. Streets were almost empty, and no economic activity was apparent—I saw no people engaged even in waiting in lines at stores. The people we did see appeared in reasonably good physical health, although listless and low on energy. This applied to the many (but not well-armed) military people I saw on the street as well as to the civilians. And the physical plant of the city is clearly deteriorating. Electricity was spotty in our hotel, in surrounding buildings and on the streets. A number of trucks and buses appeared to be rusting and out of use, and a trolley car was essentially abandoned near the hotel with its back wheels off.

In preparing for this stop, I anticipated a highly repressive state. I expected poverty and perhaps visible signs of hunger, although I had been told this was less likely in the capital than in rural regions. And I expected constant surveillance. What I did not expect was the almost empty, eerie quality of Pyongyang. Clearly, the country is in dire straits. While I cannot speculate on North Korea's long-term prospects with any authority, it is hard to imagine that they can sustain their current domestic and military policies indefinitely.●

OPENING OF THE NEW NATIONAL AIRPORT

● Mr. WARNER. Mr. President, over the past 2 weeks, and culminating with ceremonies this past Sunday, the Metropolitan Washington Airports Authority opened the new terminal at National Airport.

This $450 million state of the art facility is just one element of a $2 billion capital development plan at both Washington National and Dulles International Airports, made possible by the creation of the Metropolitan Washington Airports Authority only 10 short years ago.

To understand the significance of this achievement, one only needs to recall what it was like to use either Washington National or Dulles International during the late 1970's and early 1980's.

Both airports were owned by the Federal Aviation Administration, and Congress was absolutely unwilling to appropriate more than the bare essential amount necessary to operate either facility.

National Airport was in a grave state of disrepair, and Dulles was called the great white elephant.

Looking upon these airports as integral parts of the areas economy was unfathomable, and the notion of customer service was even more unimaginable.

Then, thinking in the region began to change.

Encouraged by the desire of the Reagan administration to re-examine the proper role of Federal Government, area business leaders and members of the Virginia congressional delegation started asking the question: Why not divest the Federal government of these two airports, and let them be run like a business?

Fortunately, there was a Secretary of Transportation whose response to the question was: Why not indeed!

Not about to be discouraged by enormity or ambitious nature of the task, that Secretary of Transportation, Elizabeth Hanford Dole, enlisted the assistance of a very able and influential statesman, former Virginia Governor Linwood Holton, who worked tirelessly to help mold both a plan, and the consensus to transfer ownership of the two airports to a non-Federal authority.

This authority was authorized under an interstate compact to operate the airports and to raise the money necessary to renew National Airport, and to make Dulles the economic dynamo its creators once envisioned.

Following a very tortuous and uncertain course through the legislative process, a bill was finally placed on President Reagan's desk for signature, and in 1987, the Metropolitan Washington Airports Authority took control of the two airports.

Under the stewardship of James A. Wilding, and the leadership of a ten person board comprised of appointees from Virginia and Maryland and the District of Columbia, the Airports Authority designed a capital development plan which relied on the sales of bonds financed by future revenues.

This capital development plan became the catalyst enabling the Metropolitan region to achieve its dream.

Today, Dulles International Airport is a major force in the growing hightech and biotech economy of the region, and with the opening of the new National terminal last Sunday, the region now has a world-class dining, shopping, and transportation facility to welcome the more than 15 million passengers who come to the Nation's capital from cities within a 1,250 mile perimeter of the airport.

In fact, it is this perimeter, combined with a limitation on the number of flights that can arrive and depart from National Airport each hour, and a curfew on stage two aircraft after 10 P.M., that maintains the political and economic balance enabling National Airport to serve short-haul passengers, while Dulles International serves long-haul passengers from across the United States and around the world.

Without these tools, the community would be in a literal uproar over the noise and volume of air traffic at Washington National Airport, and Dulles would still be the white elephant it was in the 1970's and early 1980's.

Needless to say, the region's economy would be nothing like it is today had the vision of Secretary Dole, area business leaders and Virginia's Congressional delegation not been realized.

So, Mr. President, it is with gratitude that I salute all the thousands of people who helped make this dream come true.

Especially I thank the present and former members of the Metropolitan Washington Airports Authority board of directors including Linwood Holton, Ron Linton, and Robert Tardio; the staff and management of the Airports Authority including James A. Wilding, general manager, August Melton, manager of Washington National Airport, and Keith Merlin, manager of Dulles International Airport; and architect Cesar Pelli and all the construction personnel who turned Mr. Pelli's designs into a living, working masterpieces.

Congratulations to all. Job well done.●

TRIBUTE TO THE SAVANNAH INTERNATIONAL TRAINING CENTER AND THE OLYMPIC SOLIDARITY PROGRAM

● Mr. CLELAND. Mr. President, I rise today to praise the accomplishments of the Olympic Solidarity Program and its partnership with the Savannah International Training Center, the only recognized athletic training venue in the United States whose athletes are funded by the International Olympic Committee. This scholarship program has brought athletes from Africa and South America to Georgia, continuing the spirit of the 1996 International Olympic games by giving opportunities to athletes from developing countries.

The Savannah International Training Center is the largest Solidarity Training Center in the world. The Solidarity Program provides athletes with funds for room and board, education, visas, transportation and training costs. In June 1996, 25 Olympic Solidarity Athletes arrived in Georgia from countries such as Zimbabwe, Rwanda, and Colombia to participate in the outstanding track and field program. The facility hopes to be able to expand its programs to include weightlifting, swimming, and soccer. Essentially, the Solidarity Program provides athletes with a unique experience like no other in the United States or in the world.

This program not only enhances the quality of life for the athletes; the Olympic Solidarity Program has provided the community of Savannah and the State of Georgia with an international experience comparable to the 1996 Olympic games. Exposure to the variety of cultures existing among the participating countries allows the citizens of Savannah to develop stronger ties with these nations and improve foreign relationships.

The Savannah International Training Center continues to thrive and grow, exemplifying Georgia's commitment to the success of international athletics and the spirit of the Olympics. It is with great pride that I congratulate the Savannah International Training Center, the city of Savannah, the International Olympic Committee and the athletes involved for contributing to the unparalleled success of this distinguished program in the United States and for continuing the Olympic legacy in the State of Georgia.●

RECOGNITION OF BETTY GREGOIRE

● Mr. BOND. Mr. President, Today I stand before you to recognize a truly

unique individual and personal friend for her exemplary service to my home State of Missouri at the time of her retirement. Betty Gregoire, has lived in Kansas City, Missouri for the past 24 years during which she has been a wife and mother, a volunteer and a public servant. Betty has shown the kind of lifelong devotion to her State that make it an honor to commend her for her many years of civic contribution.

After receiving a B.S. Degree from State University of New York, she taught in Long Island Elementary Schools and in Rochester, New York High School System. Betty came to Weatherby Lake, a community near Kansas City, in 1973 and by 1980 had established a position as Manager of the Prosecuting Attorney's office. Later she became the Administrative Assistant to the County Commission.

In addition to her service on the Weatherby Lake Improvement Board, as secretary, Legislative Committee, Missouri Assessor's Association, she was appointed by Governor John Ashcroft to fill the term of Assessor in 1985 and continued to serve for three terms.

Now part of the Finance Committee of St. Teresa Catholic church in Parkville, Betty is also a member of the Mid American Regional Council (MARC) Board and has held the position of Treasurer and 2nd Vice-President.

Betty was appointed by the Governor in 1986 to the Missouri Job & Employment Council then reappointed in 1992, and was District 3 Director of Missouri Association of Counties from 1991–94.

As an active member of several other civic organizations, Betty is an example for her fellow Missourians. I commend Betty for her many years of service and I am glad to say that the State of Missouri is enriched with her wisdom and leadership.●

THE 50TH ANNIVERSARY OF THE INDEPENDENCE OF PAKISTAN

● Mr. DURBIN. Mr. President, I rise today to honor the people of Pakistan on the occasion of the fiftieth anniversary of their independence. In August of 1947, Pakistan gained its independence from the British Empire. For the past fifty years, the people of Pakistan have shared with the people of the United States a common interest in the establishment of democracy. In recent years, Pakistan has reasserted its committment to democratic government and is deserving of both our recognition and our support.

The friendship between the United States and Pakistan goes back many years. In the mid-1950's, Pakistan and the United States joined together in a security agreement to resist Soviet expansion in South Asia. In late 1955, Pakistan joined the South East Asia Treaty Organization and the Central Treaty Organization, demonstrating Pakistan's committment to the Free World. This commitment proved invaluable during the Soviet occupation of Afghanistan, as our two nations united in opposition to Soviet aggression. Without a doubt, a close, constructive friendship between the United States and Pakistan has been essential to the security of both nations.

Beyond the affairs of state, there are the economic and cultural exchanges which spur growth and development and enrich the lives of our nations. In 1996, the total value of U.S. trade with Pakistan was $1.3 billion. Pakistan has recently embarked on an ambitious economic reform program to jumpstart the economy of Pakistan and provide the necessary foundation for free and fair trade. The United States should support these efforts, as Pakistan has the potential to one day become a model for the newly independent states of West and Central Asia.

Pakistani-Americans are a vibrant part of American cultural and economic life. Across the nation, Pakistani-Americans share their knowledge and heritage with other Americans, contribute to our economy, and create homes and neighborhoods which are a vital contribution to the American dream.

And so, on this the fiftieth anniversary of the independence of Pakistan, I rise to honor the people of Pakistan and their commitment to forge a free and democratic society. I look forward to many years of continued friendship between the people of Pakistan and the United States.●

INCREASING INCOME FOR THE DISABLED

● Mr. ABRAHAM. Mr. President, I rise today as a cosponsor of S. 1054. This legislation, introduced by Senator COCHRAN, gives greater opportunity to disabled workers.

In a nation professing to honor and reward hard work, I find it distressing that individuals able and, more importantly, willing to work do not receive all the benefits they are entitled to. Presently, disabled individuals can maintain Social Security benefits only if they do not earn a substantial amount. For the disabled, this amount is $500 per month, or $6000 per year. Blind individuals, however, are able to earn nearly twice as much without diminished benefits; nearly $12,000 per year. This discrepancy is wrong.

During the 104th Congress, the Senate acted on legislation expanding senior citizens ability to work. The Senate passed the ''Senior Citizens' Right to Work Act of 1996'' by unanimous consent. This legislation, which I was proud to support, allows seniors to retain more of their Social Security benefits even if they continue to work. By the year 2002, seniors will be able to earn up to $30,000 in outside income without penalty. I see no reason why the Senate can extend the earnings limit to seniors and the blind, but does not extend the ability for greater income to the disabled. I urge my colleagues to support this legislation and correct this outstanding deficiency.●

SPECIAL COORDINATOR FOR U.S. POLICY TOWARD TIBET

● Mr. MOYNIHAN. Mr. President, today the New York Times reports an important advance in United States diplomacy. Secretary of State Albright has agreed to appoint a special coordinator to oversee American policy toward Tibet. This brings to fruition the vision of our beloved former chairman of the Foreign Relations Committee, Senator Pell, who introduced a bill (S. 2554) at the end of the 103d Congress to establish a position in the Department of State to coordinate United States policy on Tibet.

Since 1959, the Tibetans have suffered the liberation of their country by the Communist Chinese. Tibet is a remote land. Tibetans at that time had no interest in relations with other countries. No interest in joining the newly formed United Nations. Perhaps if Tibet had, we would have paid more attention when it was invaded.

Now it's time to pay attention. Most importantly, we must focus on efforts to bring the Tibetans and the Chinese to the negotiating table to resolve their differences. The situation requires far more attention within the administration and a special coordinator can provide appropriate attention. While the Dalai Lama has stated repeatedly his willingness to begin negotiations, the Chinese continue to issue denials. As my daughter Maura wrote in a Washington Post article in April:

> Most policy makers do not realize that the Dalai Lama is not seeking territorial sovereignty for his captive nation; nor is he asking to be reinstated as the head of the theocratic government that ruled Tibet prior to the Chinese invasion. In an address to the European Parliament in 1988 in Strasbourg, France, the Dalai Lama offered the Chinese control of Tibet's military and diplomatic affairs if they would allow the Tibetan people a measure of self-governance and non-interference in religion and culture.

That is certainly a magnanimous offer. The response from the Chinese? Silence.

In creating this new position, we make clear that we have heard this reasonable offer and intend to pursue it. As Lodi Gyari, the able diplomat who represents the Dalai Lama in Washington, is quoted in the New York Times today:

> If the United States is consistent and sincere and vigorous in trying to persuade the Chinese Government to come to a settlement, I strongly believe it will happen.

The new post will also allow closer scrutiny of human rights abuses in Tibet, which continue at an appalling level. I would note, as the author of the provision which resulted in a separate Tibet report in the State Department's annual Country Reports on Human Rights Practices, that the Bureau of Democracy, Human Rights and Labor, led by Assistant Secretary Shattuck, has done a superb job in documenting

the situation in Tibet. The excellent information the Bureau collects will be more readily acted upon by an officer focused solely on Tibet.

For too long, Tibet has fallen between the cracks of United States foreign policy. Such neglect has led Abe Rosenthal to wonder if Tibetans are not ''Endangered Species,'' as he asked in the New York Times on May 21, 1994:

Is anybody protecting, please, another of God's endangered species, which happens to be human, the Tibetans? Not yet. Neither the Republic nor the Empire nor any other nation, great or small, does anything about the Tibetans, except India, which gives them refuge when they can escape their cage.

Would it help to say that just as there are laws against slaughtering hawksbill turtles, there are international laws against genocide—the elimination of nations and cultures? Probably not.

This is a rather somber note on which to end, yet the situation in Tibet is grave. I am pleased that the Secretary has decided to appoint a new special coordinator for Tibet and both Congress and the Administration can devote more attention to this ''Endangered Species.''

Mr. President, I ask that the article on the position be printed in the RECORD.

The article follows:

[From the New York Times, July 30, 1997]

ALBRIGHT TO NAME SPECIAL AIDE ON U.S. POLICY TOWARD TIBET

(By Steven Lee Myers)

WASHINGTON, JULY 29.—Secretary of State Madelene K. Albright told Congressional leaders today that she would appoint a new ''special coordinator'' to oversee American policy toward Tibet.

The announcement, which came in response to Democratic and Republican pressure in Congress, could create new diplomatic strains with China.

The United States has never had diplomatic relations with Tibet, which it regards as part of China, but the creation of the new position would significantly raise the profile of Tibetan affairs within the Government, according to Administration and Congressional officials familiar with the plan.

''We are prepared to have someone working in the State Department to see that the religious freedom of Tibetans is promoted and that their ethnicity is respected,'' a senior Administration official said, speaking on condition of anonymity.

The new coordinator, however, would not have the rank of ambassador, with the diplomatic credentials to act on behalf of the United States, nor would the appointment bestow any diplomatic recognition on Tibet. In that sense the idea would fall short of recent proposals in both the House and the Senate, which the Administration has opposed.

But the appointment is likely to rankle China, which has repeatedly accused other nations of interfering with internal matters by raising concerns over Tibet.

President Clinton met in April with the Dalai Lama, Tibet's exiled spiritual leader, and promised to raise Tibet as a prominent issue when he meets President Jiang Zemin of China in the fall. The meeting with the Dalai Lama, a so-called drop by during the Tibetan's session with Vice President Al Gore that stopped short of an official visit, prompted protests from Beijing.

''I see this as a step in the right direction,'' said Lodi Gyari, president of the International Campaign for Tibet and a former aide to the Dalai Lama. ''I hope this is the beginning of a trend. If the United States is consistent and sincere and vigorous in trying to persuade the Chinese Government to come to a settlement, I strongly believe it will happen.''

Ms. Albright, visiting Singapore today, discussed the appointment in a telephone call with leaders of the Senate's Committee on Foreign Relations and the House's Committee on International Relations, which are considering new legislation to force the appointment of an envoy with ambassadorial rank, a move the Administration opposes.

The details of the position—including the scope of the duties and resources—were not disclosed.

After the meeting, an aide to a Senate Republican said, ''We want to make sure this is not one guy sitting in the bowels of the State Department with no influence over policy in Tibet.''

The special coordinator would have a broad mandate to orchestrate the Administration's policies internally and also to meet with Tibetan officials, including the exiled leaders based in India, officials said. The officials said the coordinator would also act as a mediator between Chinese and Tibetan officials, trying to restart contacts.

China seized Tibet in 1950.

U.S. TO PRESS FOR POL POT TRIAL

(By the New York Times)

SINGAPORE, JULY 29.—Ms. Albright said today that the United States would continue to press for an international war crimes trial for Pol Pot, the former Cambodian leader.

''What we do think is very important is that Pol Pot be tried,'' she said in a briefing for journalists traveling with her to Asia. ''We consider him a war criminal.'' She added that the United States sought to have him tried ''by some procedure that is internationally accepted.''

She acknowledged that earlier explorations into using Canadian or Dutch law had run into complications, but said American officials were continuing to search for the right site and method for a trial.●

TRIBUTE TO GARY HURT

● Mr. BOND. Mr. President, I rise to pay tribute to a friend and outstanding member of the Missouri Highway Patrol, who is retiring after many years of dedicated service.

You have heard the expression, ''you can bet your life on it.'' That was more than an expression for me during the 8 years my family and I depended on the Governor's security team. We literally bet our lives on Gary Hurt and his colleagues, just as all Missourians bet their lives on other members of the highway patrol every day.

Gary Hurt has devoted 28 years of service to the Missouri State Highway Patrol. Of this tenure, 18 years has been spent on the Governor's security division, where Gary has served as assistant director for 14 years. He learned his craft in the time-honored way, as a road trooper for a full decade.

Gary fought back several years ago from an injury that threatened to end his career with the patrol. An injury to his ''gun arm'' required two operations, extensive physical rehabilitation and tremendous grit to overcome but overcome it he did.

As Governor, I became very close to my security team members sharing every event and most waking hours. I am particularly grateful for their patience during the endless hours that, while driving to events, I read bedtime stories into a tape recorder for my son, Sam, for those nights I could not be home in time to read to him in person. Gary and I have shared floods, tornadoes, prison riots, hangings in effigy, election night victories and defeats, births, deaths, weddings, budget crises, and fiscal triumph. As an aside, one of the weddings we most recently shared occurred when Gary's son married a caseworker in my office of constituent services.

I regret that Missouri will no longer have Gary Hurt among its law enforcement members, but I am counting on him to continue to share his humor, insight, and experience through different avenues. Thank you, Gary, and best of luck in your retirement. You have earned the chance to do things you want to do for a change.●

INDIAN GAMING REGULATORY ACT AMENDMENTS OF 1997

● Mr. MCCAIN. Mr. President, there is an error in the statement that I submitted for the RECORD in introducing S. 1077, a bill to amend the Indian Gaming Regulatory Act. The portion of the statement alluding to a new process for the negotiation of gaming compacts was inadvertently included. There is no section concerning compacting in the bill I introduced.●

100 YEARS OF THE FORWARD

● Mr. MOYNIHAN. Mr. President, on July 22, 1997, the Washington Post contained a moving tribute to the Forward, a New York City journalistic tradition currently celebrating its centennial year.

The Members of the Senate are probably aware of the Forward's magnificent history; this daily Yiddish newspaper once enjoyed a daily circulation of over 250,000. It did its job of helping new arrivals assimilate and become Americans so very well, that its original readers' descendants can now enjoy the newspaper's superb English language edition, while a wave of new immigrants are being introduced to the nuances of American life by the newspaper's Russian edition.

The Forward's legacy lives on, not only in its three current editions, but with the tens of thousands of families whose ancestors learned about this country in the pages of Abraham Cahan's remarkable publication. On May 22, New York Mayor Guiliani hosted a reception at Gracie Mansion to mark the one- hundredth anniversary of the Daily Vorwaert's first issue. I sent a message to this reception which was reprinted in the Forward's Yiddish, English and Russian editions:

I have long believed that the Forward renders an invaluable contribution to American

society. Your dynamic newspaper should be appreciated by all who cherish our national heritage of respect for intellectual creativity and journalistic integrity. Even those of us who couldn't enjoy A Bintel Brief in the original were long ago aware of the Forward's power to captivate, educate and inspire. Your vigorous English edition is a worthy companion to the historic Yiddish Forward.

Please accept my great congratulations on this magnificent milestone.

With my best wishes to the ''gold standard'' of ethnic journalism.

The Forward has played a significant cultural and educational role in its first century and I trust that the members of the Senate join me in wishing similar success to the three editions that so ably carry on the historic Forward tradition.

Mr. President, I ask that the text of the Washington Post article on the Forward's centennial be printed in the RECORD.

The material follows:

[From the Washington Post, July 22, 1997]

NEW VOICES FOR A NEW CENTURY—NEWSPAPER OF AN EXODUS SPEAKS A LANGUAGE ITS CHILDREN NO LONGER HEAR, BUT REACHES OUT IN OTHERS

(By John M. Goshko)

NEW YORK.—Some of this city's most prominent editorialists, academics and intellectuals lately have been waxing nostalgic about a New York institution now personified by a half-dozen elderly men hunched over rickety, ancient typewriters in a charmless office.

These men—not all in the best of health and able to put in a full day's work—are what remains of the Yiddish staff of the Forward, or Der Vorwaerts, once celebrated as the most influential foreign-language newspaper in the United States. Now marking its 100th anniversary amid growing uncertainty about its future, the Forward is known as the paper that did its job so successfully that it has come to the brink of putting itself out of business.

To survive into a second century, the Forward has had to start thinking about ways to reinvent itself. It actively is experimenting with moves away from Yiddish, seeking to attract new audiences with editions in English and Russian.

The English edition, in particular, has aroused considerable interest because of its aggressive, no-sacred-cows coverage of Jewish affairs under editor Seth Lipsky, a graduate of the Wall Street Journal's editorial page, and his staff of young reporters. The English version doesn't always sit well with many old-line readers who find Lipsky's combative conservatism jarringly at odds with the Forward's foundations in socialism and trade unionism. They say that while the name on the masthead of the English edition may be the same, the newspaper itself is not. To them, he Forward's identity cannot be separated from the language and culture that the great waves of turn-of-the-century immigration brought to this country from East European Jewish communities destined to perish in the Holocaust.

More than 2.5 million Yiddish-speaking Jewish immigrants poured into New York between 1880 and 1925, and many learned how to Americans from the Forward. At the height of the newspaper's influence, its daily circulation of more than 250,000 stretched from New York into the sizable immigrant communities of Boston, Philadelphia, Chicago and Los Angeles. And it used this influence to become a key player in shaping the modern American labor movement and leading the exodus of Jewish immigrants from European-inherited socialist politics to the New Deal.

''For people like me, the Forward is part of a culture; something that's in my genes,'' said Hyman J. Bookbinder, long the American Jewish Committee's representative in Washington. ''I was brought up in a Forward home, where my parents, who came from Poland as teenagers, looked to the Forward for what amounted to their high school and college education.''

In 1947, the Forward's 50th anniversary celebration packed Madison Square Garden. Today, the editor of the Yiddish Forward, Mordechia Shtrigler, worries that the paper, which became a weekly in 1983, might have to cut back further and go biweekly or even monthly. The grandchildren and great grandchildren of the original faithful have moved on. For the Yiddish edition, there remain only a geriatric generation whose imminent passing effectively will mark the dying out of Yiddish as a language with any currency in the United States.

''It's not just that the young people don't read or speak Yiddish,'' said Shtrigler. ''We are almost out of people who can write commandingly and persuasively in Yiddish about politics and literature and culture. Many weeks I have to write more than half the newspaper myself. I fear what the future will be.''

His anxiety is, in many ways, a testament to the certain vision of Abraham Cahan, an autocratic but brilliant editor who ran the paper for more than 50 years. Cahan arrived in New York from Lithuania in 1882 and quickly acquired a gift for writing in English that enabled him to become a star reporter for English-language newspapers. He gained even wider notice by writing two novels about Lower East Side ghetto life: ''Yekl,'' which in the 1970s became the basis for the film ''Hester Street,'' and the ''Rose of David Levinsky,'' acclaimed at the time as a minor masterpiece of genre realism.

Both books dealt with the theme of assimilation as necessary and inevitable for survival in the new world, even when it meant a melancholy loss of one's youthful ideals. That was the message that Cahan carried over into the pages of the Forward. Cahan built a devoted readership from sweatshop laborers and pushcart peddlers with detailed, colorful coverage of New York's politics and its nascent labor movement. And he added a high-toned side, publishing the work of the best Yiddish poets and novelists. One, Isaac Bashevis Singer, published almost all of his stories in the Forward before their book publication.

But the Forward's basic message was underscored by Cahan's lead editorial on his first day as editor: ''Send Your Children to College if You Can, but Don't Let Them Become Disloyal to Their Parents.'' It set the tone for future Forward articles that would attempt to act as a bridge between America and the shetl. They covered every conceivable subject including one, ''Fundamentals of Baseball Explained to Non-Sports,'' which came complete with a diagram of the Polo Grounds.

By far the most popular and famous feature was the ''Bintel Brief'' (''Bundle of Letters''), where readers wrote in to seek advice about their most personal concerns and aspirations.

The letters included such pre-''Dear Abby'' trivia as one from ''The Unhappy Fool,'' who confessed that he considered the girl be loved flawed because she had a dimple. The Forward's tart reply:

''The trouble is not that the girl has a dimple in her chin but that some people have a screw loose in their head.''

But others were what has been called ''a cry from the depths of immigrant life'': the new arrival's anguish at leaving his aged parents in Europe, the plight of the young mother deserted by her husband, the despair of a tenement janitor condemned to eke out his days in '' a place where the sun is ashamed to shine.''

If the people who wrote to the ''Bintel Brief'' have a present-day counterpart, it is the immigrants from the now defunct Soviet Union, whose population in the New York area has swelled to almost 400,000 in recent years. An estimated 95 percent of them are Jewish, and in December 1995, the Forward began a weekly Russian edition to cater to their needs, with a circulation now of 10,000.

It carries a heavy dose of news about the Russian immigrant community, particularly its problems of adjustment. It even carries a Hebrew lesson in each issue.

As to the descendants of those earlier immigrants who were the Forward's original audience, they are largely successful business and professional people who have graduated to the suburbs and Manhattan's tonier neighborhoods. The English edition, a weekly established in 1990, is hoping it can lay the foundations for a new kind of paper by establishing with the new generation the same bonds of passion for Jewish issues that existed between their forebears and the Yiddish Forward.

It has a ways to go. Its circulation is only about 25,000, and it hemorrhages red ink at the rate of about $1 million a year. Still, Lipsky optimistically insists that it is not unrealistic to harbor hopes of someday becoming a daily. In pursuit of that dream, he has hired a constantly revolving team of your talent.

Although they work just down the hall from the Yiddish staff, there is a respectful but clear separation between the two. The English edition does not use any material from its older sibling. And the younger staff members, their accents and sensibilities betraying the stamp of places like Berkeley, Cambridge and New Haven, have only the foggiest notions of the Talmudic arguments about assimilation and schisms in the socialist movement that preoccupied earlier generations of Forward editors and reporters.

Collectively, they turn out a newspaper distinguished by sophisticated arts coverage and a more probing, sometime sensationalist approach to Jewish issues than most other American Jewish publications, whose ties and funding sources generally cause them to tread cautiously around Jewish charities and organizations. The Forward also is unlike its competitors in that it frequently is willing to take some critical looks at Israel.

This attitude has earned the English edition a substantial number of enemies among Jewish organizations and individuals who feel the paper has treated them unfairly. Inevitably the biggest share of brickbats has been aimed at Lipsky's editorial positions which reader nostalgic for the old Forward consider an unpalatable mix of Reaganomics and Cold War rhetoric.

Rabbi Arthur Hertzberg, a professor of humanities at New York University, accused Lipsky of trying to turn ''a newspaper of socialists and social democrats [into] an echo of the Wall Street Journal.'' Jack Sheinkman, former president of the Amalgamated Clothing and Textile Workers Union, expressed outrage at Lipsky's unapologetic defense of American involvement in the Vietnam War, and the literary critic, Alfred Kazin, protested that a Forward proposal to bomb North Korea's nuclear weapons facilities had no place in ''a paper founded a century ago on the blood and toil of peaceful laboring people who believed in harmony with people like themselves.

Lipsky takes the criticism in stride: ''A lot of people tiptoe around our ideological battles as through its something to be embarrassed about. Actually, I find it a matter of great zest.'' He even wrote an article in a recent issue of Commentary magazine arguing that ''Abraham Cahan would have perfectly well understood the contours of the struggle we are in today and have responded in the spirit in which we carry on.''●

BUDGET SCOREKEEPING REPORT

● Mr. DOMENICI. Mr. President, I hereby submit to the Senate the budget scorekeeping report prepared by the Congressional Budget Office under section 308(b) and in aid of section 311 of the Congressional Budget Act of 1974, as amended. This report meets the requirements for Senate scorekeeping of section 5 of S. Con. Res. 32, the First Concurrent Resolution on the Budget for 1986.

This report shows the effects of congressional action on the budget through July 28, 1997. The estimates of budget authority, outlays, and revenues, which are consistent with the technical and economic assumptions of the 1997 Concurrent Resolution on the Budget (H. Con. Res. 178), show that current level spending is above the budget resolution by $9.5 billion in budget authority and by $12.9 billion in outlays. Current level is $20.5 billion above the revenue floor in 1997 and $101.9 billion above the revenue floor over the 5 years 1997–2001. The current estimate of the deficit for purposes of calculating the maximum deficit amount is $219.9 billion, $7.4 billion below the maximum deficit amount for 1997 of $227.3 billion.

Since my last report, dated June 23, 1997, there has been no action that has changed the current level of budget authority, outlays, or revenues.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 29, 1997.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report for fiscal year 1997 shows the effects of Congressional action on the 1997 budget and is current through July 28, 1997. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the 1997 Concurrent Resolution on the Budget (H. Con. Res. 178). This report is submitted under section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended.

Since my last report, dated June 23, 1997, there has been no action that has changed the current level of budget authority, outlays or revenues.

Sincerely,

JUNE E. O'NEILL,
Director.

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, FISCAL YEAR 1997 105TH CONGRESS, 1ST SESSION, AS OF CLOSE OF BUSINESS JULY 28, 1997

[In billions of dollars]

	Budget resolution H. Con. Res. 178	Current level	Current level over/under resolution
On-Budget			
Budget authority	1,314.9	1,324.4	9.5
Outlays	1,311.3	1,324.2	12.9
Revenues:			
1997	1,083.7	1,104.3	20.5
1997–2001	5,913.3	6,015.2	101.9
Deficit	227.3	219.9	−7.4
Debt subject to limit	5,432.7	5,283.0	−149.7
Off-Budget			
Social Security outlays:			
1997	310.4	310.4	0.0
1997–2001	2,061.3	2,061.3	0.0
Social Security revenues:			
1997	385.0	384.7	−0.3
1997–2001	2,121.0	2,120.3	−0.7

Note.—Current level numbers are the estimated revenue and direct spending effects of all legislation that Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 105TH CONGRESS, 1ST SESSION, SENATE SUPPORTING DETAIL FOR FISCAL YEAR 1997 AS OF CLOSE OF BUSINESS JULY 28, 1997

[In millions of dollars]

	Budget authority	Outlays	Revenues
Enacted in previous sessions			
Revenues			1,101,532
Permanents and other spending legislation	843,324	801,465	
Appropriation legislation	753,927	788,263	
Offsetting receipts	−271,843	−271,843	
Total previously enacted	1,325,408	1,317,885	1,101,532
Enacted this session			
Airport and Airway Trust Fund Reinstatement Act of 1997 (P.L. 105–2)			2,730
1997 Emergency Supplemental Appropriations Act (P.L. 105–18)	−6,497	281	
Total, enacted this session	−6,497	281	2,730
Entitlements and mandatories			
Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted	5,491	6,015	
Totals			
Total current level	1,324,402	1,324,181	1,104,262
Total budget resolution	1,314,935	1,311,321	1,083,728
Amount remaining:			
Under budget resolution			
Over budget resolution	9,467	12,860	20,534
Addendum—Emergencies			
Funding that has been designated as an emergency requirement by the President and the Congress	9,228	1,917	
Funding that has been designated as an emergency requirement only by the Congress and is not available for obligation until requested by the President	315	300	
Total emergencies	9,543	2,217	
Total current level including emergencies	1,333,945	1,326,398	1,104,262

REMOVAL OF INJUNCTION OF SECRECY—TREATY DOCUMENT NO. 105–18 AND TREATY DOCUMENT NO. 105–19

Mr. SANTORUM. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the following treaties transmitted to the Senate on July 30, 1997, by the President of the United States:

Extradition Treaty with Argentina (Treaty Document No. 105–18);

Extradition Treaty with Organization of Eastern Caribbean States (Treaty Document No. 105–19).

I further ask that the treaties be considered as having been read the first time; that they be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's messages be printed in the RECORD.

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

The messages of the President are as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Extradition Treaty between the United States of America and the Argentine Republic, signed at Buenos Aires on June 10, 1997.

In addition, I transmit, for the information of the Senate, the report of the Department of State with respect to the Treaty. As the report states, the Treaty will not require implementing legislation.

The provisions in this Treaty follow generally the form and content of extradition treaties recently concluded by the United States.

Upon entry into force, this Treaty would enhance cooperation between the law enforcement authorities of both countries, and thereby make a significant contribution to international law enforcement efforts. The Treaty would supersede the Extradition Treaty Between the United States of America and the Republic of Argentina signed at Washington on January 21, 1972.

I recommend that the Senate give early and favorable consideration to the Treaty and give its advice and consent to ratification.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 30, 1997.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Extradition Treaties between the Government of the United States of America and the governments of six countries comprising the Organization of Eastern Caribbean States (collectively, the ''Treaties''). The Treaties are with: Antigua and Barbuda, signed at St. John's on June 3, 1996; Dominica, signed at Roseau on October 10, 1996; Grenada, signed at St. George's on May 30, 1996; St. Lucia, signed at Castries on April 18, 1996; St. Kitts and Nevis, signed at Baseterre on September 18, 1996; and St. Vincent and the Grenadines, signed at Kingstown on August 15, 1996.

In addition, I transmit, for the information of the Senate, the report of the Department of State with respect to the Treaties. As the report explains, the Treaties will not require implementing legislation.

The provisions in these Treaties follow generally the form and content of extradition treaties recently concluded by the United States.

Each Treaty will enhance cooperation between the law enforcement communities in both countries. That will thereby make a significant contribution to international law enforcement efforts. Upon entry into force of the extradition treaties between the United States and Antigua and Barbuda, Dominica, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines, the Extradition Treaty between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland signed June 8, 1972, which was made applicable to each of these territories upon its entry in force January 21, 1977, and which continues to apply between the United States and each of the entities subsequent to becoming independent, will cease to have any effect between the United States and the respective country. Upon entry into force of the Extradition Treaty between the United States and Grenada, the Extradition Treaty between the United States and Great Britain signed December 22, 1931, which was made applicable to Grenada upon its entry into force on June 24, 1935, and which continues to apply between the United States and Grenada, following its becoming independent, shall cease to apply between the United States and Grenada.

I recommend that the Senate give early and favorable consideration to the Treaties and give its advice and consent to ratification.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 30, 1997*.

NEED-BASED EDUCATIONAL AID ANTITRUST PROTECTION ACT OF 1997

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 1866, which was received from the House.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 1866) to continue favorable treatment for need-based educational aid under the antitrust laws.

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 1046

(Purpose: To limit the application of an exemption of antitrust laws relating to need-based educational aid and to extend the period of applicability of that exemption)

Mr. SANTORUM. Mr. President, Senators DEWINE and KOHL have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM], for Mr. DEWINE, for himself and Mr. KOHL, proposes an amendment numbered 1046.

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

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

The amendment is as follows:

Strike section 2 and insert the following:

SEC. 2. CONTINUATION OF FAVORABLE TREATMENT FOR NEED-BASED EDUCATIONAL AID UNDER THE ANTITRUST LAWS.

(a) AMENDMENTS.—Section 568 of the Improving America's Schools Act of 1994 (15 U.S.C. 1 note) is amended—

(1) in subsection (a)—

(A) in the heading, by striking ''TEMPORARY''; and

(B) by striking paragraph (4) and inserting the following:

''(4) to exchange through an independent third party, before awarding need-based financial aid to any of such students who is commonly admitted to the institutions of higher education involved, data submitted by the student so admitted, the student's family, or a financial institution on behalf of the student or the student's family relating to assets, liabilities, income, expenses, the number of family members, and the number of the student's siblings in college, if each of such institutions of higher education is permitted to retrieve such data only once with respect to the student.''; and

(2) in subsection (d), by striking ''September 30, 1997'' and inserting ''September 30, 2001''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect immediately before September 30, 1997.

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

The amendment (No. 1046) was agreed to.

Mr. SANTORUM. I ask unanimous consent the bill be considered read a third time and passed, as amended, the motion to reconsider be laid on the table, and any statements relating to this bill be placed at the appropriate place in the RECORD.

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

The bill (H.R. 1866), as amended, was considered read the third time and passed.

AUTHORIZING THE USE OF THE CAPITOL GROUNDS

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 132, H. Con. Res. 98.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 98) authorizing the use of the Capitol Grounds for the SAFE KIDS Buckle Up Car Seat Safety Check.

The Senate proceeded to consider the concurrent resolution.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the resolution be agreed to and the motion to reconsider be laid upon the table.

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

The concurrent resolution (H. Con. Res. 98) was agreed to.

ADDITIONAL CONFEREE—H.R. 2203 AND H.R. 2169

Mr. SANTORUM. Mr. President, I ask unanimous consent that Senator INOUYE be added as a Democratic conferee with respect to the following:

H.R. 2203, energy and water appropriations, and H.R. 2169, transportation appropriations.

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

ORDERS FOR THURSDAY, JULY 31, 1997

Mr. SANTORUM. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:15 a.m. on Thursday, July 31. I further ask unanimous consent that on Thursday, immediately following the prayer, the routine requests through the morning hour be granted, and the Senate immediately proceed to the conference report accompanying H.R. 2015, the Balanced Budget Act, as under the previous order.

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

PROGRAM

Mr. SANTORUM. Mr. President, tomorrow morning, from 9:15 a.m. to 10:15 a.m., the Senate will conclude debate on the conference report to the Balanced Budget Act. Under a previous order, at 10:15 a.m., the Senate will proceed to vote on the conference report. Following that vote, it is the intention of the majority leader that the Senate will begin debate on the conference report to the Taxpayer Fairness Act. As Members are aware, there are 10 hours of statutory debate time in order to this conference report. Therefore, Members can anticipate additional rollcall votes following the 10:15 a.m. vote. As always, Members will be notified as to when rollcall votes are required.

ORDER FOR ADJOURNMENT

Mr. SANTORUM. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order following the remarks of the Senator from New Jersey.

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

Mr. TORRICELLI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

THE PLAGUE OF TERRORISM

Mr. TORRICELLI. Mr. President, only hours ago, in a market in Jerusalem, the plague of terrorism once again struck the people of the Middle East. Simple people shopping for their goods and wares were struck down by a terrorist bomb. People who do not have

the courage to stand on the battlefield or the wisdom to sit across a conference table with diplomats have, once again, sought to impose their own will on the people of Israel.

I rise on the floor of the Senate to express all of our sympathies for the families of the victims, the people of Israel, and to Prime Minister Netanyahu.

I know in all of us, there is not only a prayerful sorrow, but also a great anger. The sacrifices and the works and the hopes of so many might be dashed by these few who would impose their will. The best message may not simply be our prayers or our condolences. Perhaps, Mr. President, as Americans, we are best to respond to this tragedy as Americans have always responded to those who act in violence and with such irresponsible actions. Our best message may be our uncompromising determination to pursue peace.

It is, after all, the interruption of the peace process that terrorists desire the most. If they had a coherent argument that had intellectual weight, they would have sought an entry into the peace process to make their arguments to diplomats. If they could make a coherent case to either the electorate in Israel or the people of the Palestinian Authority, they would have taken their case through a democratic process to those peoples. Their terrorist actions are the best evidence that they have no such arguments. They can make no such case. They, indeed, do not have confidence themselves in the strength of their own positions.

In responding to this terrorist action, President Clinton made clear that the United States will not be dissuaded, that we are not led away or apart from our current policy of seeking a peaceful resolution to events in the Middle East. I believe that President Clinton, when he speaks these words, represents all of us.

It is, therefore, only right and proper that, when the mourning ends and the dead are buried, our diplomats return to the Middle East with all dispatch. If it was the intention of the administration that they were to return in several days, the best message to the terrorists is that they return sooner. If it was their intention to remain a month, it is the best message to the terrorists that they should remain 2 months. If it was the intention of this Congress to continue American assistance to Israel for several years, the best message to these terrorists is, it shall continue for more years.

There are those through the years who do not understand the United States. They think that because we are a patient and a reasonable people, inclined towards peace and willing to talk, that we lack strength or resolve. Those who know our history, watched our actions, or understand us and our culture the best know that, in fact, nothing could be further from the truth. We are a people of enormous resolve. That resolve will best be demonstrated in the coming days when this administration sends our diplomats back to the negotiating table, this Congress continues with our commitments to Israel, and we make clear we will not be separated from our ambition of a strong and free Israel, with a Middle East with a lasting peace.

To the Palestinian Authority and its leader, Yasser Arafat, we are all grateful that Mr. Arafat has expressed to Prime Minister Netanyahu and to the families of the victims his condolences. It is, however, on this occasion, not enough. The best expression of condolence to the victims and to the people of Israel is for Mr. Arafat to renew his commitment to the peace process without condition. It is not enough simply to express regret at the suffering of those who are victims or for Mr. Arafat to express his commitment to find those responsible and to cooperate with the Israeli authorities.

It is also not enough to cooperate because of the deeds of this day, but to assure that tomorrow, and in all days that follow, the Palestinian Authority security forces will cooperate with Israeli law enforcement to share intelligence information, to open her borders and her files to ensure that this deed that has been suffered upon the people of Israel is not repeated.

Mr. President, the people of Israel have suffered on many such days. Terrorism has not become the exception, but sometimes it seems the rule of the politics of the Middle East.

In Israel, like in America, we are misunderstood. This much should be clear: There is no terrorist action so great, no number of victims so large, that the people of Israel will be convinced to compromise on the needs of their basic security, their determination that they and their children will live in an undivided Jerusalem. At times we seem so close to peace and yet more victims, more sacrifice is asked.

Wherever these terrorists might be hiding tonight, whatever cave may conceal their cowardice, let this much be clear: Israel will remain free, Jerusalem will remain Israeli, the future will be secured. And if the sacrifice of the people of Israel through all these years has not convinced these terrorists, or those who would follow them, of that fact, then add this to the equation: The U.S. Congress, this Senate in representation of all the people of the United States, are determined to make it so as well.

Mr. President, our prayers, our heartfelt sorrow go to the families of the victims of all the people of Israel. May the future at long last be different than the past.

I yield the floor.

ADJOURNMENT UNTIL TOMORROW AT 9:15 A.M.

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until 9:15 a.m. tomorrow.

Thereupon, the Senate, at 8:11 p.m., adjourned until Thursday, July 31, 1997, at 9:15 a.m.

NOMINATIONS

Executive nominations received by the Senate July 30, 1997:

THE JUDICIARY

SUSAN GRABER, OF OREGON, TO BE U.S. CIRCUIT JUDGE FOR THE NINTH CIRCUIT, VICE EDWARD LEAVY, RETIRED.

DEPARTMENT OF STATE

PETER L. SCHER, OF THE DISTRICT OF COLUMBIA, FOR THE RANK OF AMBASSADOR DURING HIS TENURE OF SERVICE AS SPECIAL TRADE NEGOTIATOR.

DEPARTMENT OF ENERGY

MARY ANNE SULLIVAN, OF THE DISTRICT OF COLUMBIA, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF ENERGY, VICE ROBERT RIGGS NORDHAUS, RESIGNED.

NATIONAL COUNCIL ON DISABILITY

ELA YAZZIE-KING, OF ARIZONA, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 1999. (REAPPOINTMENT)

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE RESERVE OF THE AIR FORCE TO THE GRADE INDICATED UNDER TITLE 10, UNITED STATES CODE, SECTION 12203:

To be brigadier general

COL. JAMES P. CZEKANSKI, 0000.

IN THE ARMY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED UNDER TITLE 10, UNITED STATES CODE, SECTION 624:

To be major general

BRIG. GEN. JOHN G. MEYER, JR., 0000.
BRIG. GEN. ROBERT L. NABORS, 0000.