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House of Representatives

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

DESIGNATION OF THE SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
September 25, 1998.

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

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Reverend Douglas Tanner, Faith & Politics Institute, Washington, D.C., offered the following prayer:

Let us pray. Almighty God, we come before You this morning conscious of a change in the seasons. We still see around us signs of a dry summer. Trees have suffered, and some have died. Others, with deeper roots, have reached well below the surface, found water, and grown even in the drought-like conditions, like President Nelson Mandela in his prison cell. We marvel at the ways You redeem Your creation.

We know, O God, that we could experience the coming season in this institution as one of spiritual drought, with little rain falling to nurture mutual respect and appreciation for each other across ideological and party lines. We could see streams of wisdom and statesmanship disappear into a desert of superficial and self-righteous postures.

Save us, we pray, from such a season. But if we must fully enter it, deepen the roots in our souls. Nourish our awareness, Lord, of truth, beauty, compassion, and understanding, that in even such a season, we may grow toward Your light. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from New York (Mr. SCHUMER) come forward and lead the House in the Pledge of Allegiance.

Mr. SCHUMER led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3506. An act to award a congressional gold medal to Gerald R. and Betty Ford.

CONFERENCE REPORT ON H.R. 4103, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1999

Mr. YOUNG of Florida submitted the following conference report and statement on the bill (H.R. 4103) making appropriations for the Department of Defense for the fiscal year ending September 30, 1999, and for other purposes:

CONFERENCE REPORT (H. REPT. 105–746)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4103) ''making appropriations for the Department of Defense for the fiscal year ending September 30, 1999, and for other purposes,'' having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

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

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

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1999, for military functions administered by the Department of Defense, and for other purposes, namely:

TITLE I

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Army on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; $20,841,687,000.

MILITARY PERSONNEL, NAVY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Navy on active duty (except members of the Reserve provided for elsewhere), midshipmen, and aviation cadets; and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; $16,570,754,000.

MILITARY PERSONNEL, MARINE CORPS

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Marine Corps on active duty (except members of the Reserve provided for elsewhere); and for

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payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; $6,263,387,000.

MILITARY PERSONNEL, AIR FORCE

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Air Force on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; $17,211,987,000.

RESERVE PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army Reserve on active duty under sections 10211, 10302, and 3038 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $2,167,052,000.

RESERVE PERSONNEL, NAVY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Navy Reserve on active duty under section 10211 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $1,426,663,000.

RESERVE PERSONNEL, MARINE CORPS

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Marine Corps Reserve on active duty under section 10211 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Marine Corps platoon leaders class, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $406,616,000.

RESERVE PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air Force Reserve on active duty under sections 10211, 10305, and 8038 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Air Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $852,324,000.

NATIONAL GUARD PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army National Guard while on duty under section 10211, 10302, or 12402 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 12301(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $3,489,987,000.

NATIONAL GUARD PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air National Guard on duty under section 10211, 10305, or 12402 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 12301(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $1,377,109,000.

TITLE II

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, as authorized by law; and not to exceed $11,437,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army, and payments may be made on his certificate of necessity for confidential military purposes; $17,185,623,000 and, in addition, $50,000,000 shall be derived by transfer from the National Defense Stockpile Transaction Fund: Provided, That of the funds appropriated in this paragraph, not less than $355,000,000 shall be made available only for conventional ammunition care and maintenance.

OPERATION AND MAINTENANCE, NAVY

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, as authorized by law; and not to exceed $5,360,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Navy, and payments may be made on his certificate of necessity for confidential military purposes; $21,872,399,000 and, in addition, $50,000,000 shall be derived by transfer from the National Defense Stockpile Transaction Fund.

OPERATION AND MAINTENANCE, MARINE CORPS

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Marine Corps, as authorized by law; $2,578,718,000.

OPERATION AND MAINTENANCE, AIR FORCE

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Air Force, as authorized by law; and not to exceed $7,968,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Air Force, and payments may be made on his certificate of necessity for confidential military purposes; $19,021,045,000 and, in addition, $50,000,000 shall be derived by transfer from the National Defense Stockpile Transaction Fund.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

For expenses, not otherwise provided for, necessary for the operation and maintenance of activities and agencies of the Department of Defense (other than the military departments), as authorized by law; $10,914,076,000, of which not to exceed $25,000,000 may be available for the CINC initiative fund account; and of which not to exceed $29,000,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of Defense, and payments may be made on his certificate of necessity for confidential military purposes: Provided, That of the funds appropriated under this heading, $10,000,000 shall be made available only for use in federally owned educational facilities located on military installations for the purpose of transferring title of such facilities to the local educational facilities.

OPERATION AND MAINTENANCE, ARMY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Army Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $1,202,622,000.

OPERATION AND MAINTENANCE, NAVY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Navy Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $957,239,000.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Marine Corps Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $117,893,000.

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Air Force Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $1,747,696,000.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

For expenses of training, organizing, and administering the Army National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, and repairs to structures and facilities; hire of passenger motor vehicles; personnel services in the National Guard Bureau; travel expenses (other than mileage), as authorized by law for Army personnel on active duty, for Army National Guard division, regimental, and battalion commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau; supplying and equipping the Army National Guard as authorized by law; and expenses of repair, modification, maintenance, and issue of supplies and equipment (including aircraft); $2,678,015,000: Provided, That not later than March 15, 1999, the Director of the Army National Guard shall provide a report to the congressional defense committees identifying the allocation, by installation and activity, of all base operations funds appropriated under this heading.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

For operation and maintenance of the Air National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, repair, and other necessary expenses of facilities for the training and administration of the Air National Guard, including repair of facilities, maintenance, operation, and modification of aircraft; transportation of things, hire of passenger motor vehicles; supplies, materials, and equipment, as authorized by law for the Air National Guard; and expenses incident to the maintenance and use of supplies, materials, and equipment, including such as may be furnished from stocks under the control of agencies of the Department of Defense; travel expenses (other than mileage) on the same basis as authorized by law for Air National Guard personnel on active Federal duty, for Air National Guard commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau; $3,106,933,000.

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

(INCLUDING TRANSFER OF FUNDS)

For expenses directly relating to Overseas Contingency Operations by United States military forces; $439,400,000, to remain available until expended: Provided, That the Secretary of Defense may transfer these funds only to operation and maintenance accounts within this title, and to working capital funds: Provided further, That the funds transferred shall be merged with and shall be available for the same purposes and for the same time period, as the appropriation to which transferred: Provided further, That the transfer authority provided in this paragraph is in addition to any other transfer authority contained elsewhere in this Act.

UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES

For salaries and expenses necessary for the United States Court of Appeals for the Armed Forces; $7,324,000, of which not to exceed $2,500 can be used for official representation purposes.

ENVIRONMENTAL RESTORATION, ARMY

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Army, $370,640,000, to remain available until transferred: Provided, That the Secretary of the Army shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Army, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Army, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: Provided further, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: Provided further, That not more than twenty-five per centum of funds provided under this heading may be obligated for environmental remediation by the Corps of Engineers under total environmental remediation contracts.

ENVIRONMENTAL RESTORATION, NAVY

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Navy, $274,600,000, to remain available until transferred: Provided, That the Secretary of the Navy shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Navy, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Navy, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: Provided further, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

ENVIRONMENTAL RESTORATION, AIR FORCE

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Air Force, $372,100,000, to remain available until transferred: Provided, That the Secretary of the Air Force shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Air Force, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Air Force, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: Provided further, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

ENVIRONMENTAL RESTORATION, DEFENSE-WIDE

(INCLUDING TRANSFER OF FUNDS)

For the Department of Defense, $26,091,000, to remain available until transferred: Provided, That the Secretary of Defense shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of Defense, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of Defense, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: Provided further, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

ENVIRONMENTAL RESTORATION, FORMERLY USED DEFENSE SITES

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Army, $225,000,000, to remain available until transferred: Provided, That the Secretary of the Army shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris at sites formerly used by the Department of Defense, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Army, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: Provided further, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

For expenses relating to the Overseas Humanitarian, Disaster, and Civic Aid programs of the Department of Defense (consisting of the programs provided under sections 401, 402, 404, 2547, and 2551 of title 10, United States Code); $50,000,000, to remain available until September 30, 2000.

FORMER SOVIET UNION THREAT REDUCTION

For assistance to the republics of the former Soviet Union, including assistance provided by contract or by grants, for facilitating the elimination and the safe and secure transportation and storage of nuclear, chemical and other weapons; for establishing programs to prevent the proliferation of weapons, weapons components, and weapon-related technology and expertise; for programs relating to the training and support of defense and military personnel for demilitarization and protection of weapons, weapons components and weapons technology and expertise; $440,400,000, to remain available until September 30, 2001: Provided, That of the amounts provided under this heading, $35,000,000 shall be available only to support the dismantling and disposal of nuclear submarines and submarine reactor components in the Russian Far East.

QUALITY OF LIFE ENHANCEMENTS, DEFENSE

For expenses, not otherwise provided for, resulting from unfunded shortfalls in the repair and maintenance of real property of the Department of Defense (including military housing and barracks); $455,000,000, for the maintenance of real property of the Department of Defense (including minor construction and major maintenance and repair), which shall remain available for obligation until September 30, 2000, as follows:

Army, $137,000,000;
Navy, $121,000,000;
Marine Corps, $27,000,000;
Air Force, $108,000,000;
Army Reserve, $26,000,000;
Navy Reserve, $12,400,000;
Marine Corps Reserve, $7,600,000;
Air Force Reserve, $6,000,000; and
Air National Guard, $10,000,000.

PENTAGON RENOVATION TRANSFER FUND

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, resulting from the Department of Defense renovation of the Pentagon Reservation; $279,820,000 shall be derived by transfer from the Operation and Maintenance accounts in this Act, for the renovation of the Pentagon Reservation, which shall remain available for obligation until September 30, 2000, as follows:

Army, $96,000,000;
Navy, $32,087,000;
Marine Corps, $9,513,000;
Air Force, $52,200,000; and
Defense-Wide, $90,020,000.

TITLE III

PROCUREMENT

AIRCRAFT PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $1,388,268,000, to remain available for obligation until September 30, 2001.

MISSILE PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of missiles, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $1,226,335,000, to remain available for obligation until September 30, 2001.

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

For construction, procurement, production, and modification of weapons and tracked combat vehicles, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $1,548,340,000, to remain available for obligation until September 30, 2001.

PROCUREMENT OF AMMUNITION, ARMY

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854 of title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $1,065,955,000, to remain available for obligation until September 30, 2001.

OTHER PROCUREMENT, ARMY

For construction, procurement, production, and modification of vehicles, including tactical, support, and non-tracked combat vehicles; the purchase of not to exceed 37 passenger motor vehicles for replacement only; and the purchase of 54 vehicles required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed $230,000 per vehicle; communications and electronic equipment; other support equipment; spare parts, ordnance, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $3,339,486,000, to remain available for obligation until September 30, 2001.

AIRCRAFT PROCUREMENT, NAVY

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; $7,541,709,000, to remain available for obligation until September 30, 2001.

WEAPONS PROCUREMENT, NAVY

For construction, procurement, production, modification, and modernization of missiles, torpedoes, other weapons, and related support equipment including spare parts, and accessories therefor; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; $1,211,419,000, to remain available for obligation until September 30, 2001.

PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854 of title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $484,203,000, to remain available for obligation until September 30, 2001.

SHIPBUILDING AND CONVERSION, NAVY

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

NSSN, $1,498,165,000;

NSSN (AP), $504,736,000;

CVN–77 (AP), $124,515,000;

CVN Refuelings (AP), $274,980,000;

DDG–51 destroyer program, $2,667,078,000;

DDG–51 destroyer program (AP), $7,396,000;

LPD–17 amphibious transport dock ship, $638,780,000;

LHD–8 (AP), $45,000,000;

Oceanographic ship program, $60,341,000;

LCAC landing craft air cushion program, $16,000,000; and

For craft, outfitting, post delivery, conversions, and first destination transportation, $198,761,000;

In all: $6,035,752,000, to remain available for obligation until September 30, 2003: Provided, That additional obligations may be incurred after September 30, 2003, for engineering services, tests, evaluations, and other such budgeted work that must be performed in the final stage of ship construction: Provided further, That none of the funds provided under this heading for the construction or conversion of any naval vessel to be constructed in shipyards in the United States shall be expended in foreign facilities for the construction of major components of such vessel: Provided further, That none of the funds provided under this heading shall be used for the construction of any naval vessel in foreign shipyards.

OTHER PROCUREMENT, NAVY

For procurement, production, and modernization of support equipment and materials not otherwise provided for, Navy ordnance (except ordnance for new aircraft, new ships, and ships authorized for conversion); the purchase of not to exceed 246 passenger motor vehicles for replacement only; and the purchase of one vehicle required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed $225,000 per vehicle; lease of passenger motor vehicles; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; $4,072,662,000 to remain available for obligation until September 30, 2001.

PROCUREMENT, MARINE CORPS

For expenses necessary for the procurement, manufacture, and modification of missiles, armament, military equipment, spare parts, and accessories therefor; plant equipment, appliances, and machine tools, and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; vehicles for the Marine Corps, including the purchase of not to exceed 37 passenger motor vehicles for replacement only; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; $874,216,000, to remain available for obligation until September 30, 2001.

AIRCRAFT PROCUREMENT, AIR FORCE

For construction, procurement, and modification of aircraft and equipment, including armor and armament, specialized ground handling equipment, and training devices, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things; $8,095,507,000, to remain available for obligation until September 30, 2001.

MISSILE PROCUREMENT, AIR FORCE

For construction, procurement, and modification of missiles, spacecraft, rockets, and related equipment, including spare parts and accessories therefor, ground handling equipment, and training devices; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things; $2,069,827,000, to remain available for obligation until September 30, 2001.

PROCUREMENT OF AMMUNITION, AIR FORCE

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854 of title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $379,425,000, to remain available for obligation until September 30, 2001.

OTHER PROCUREMENT, AIR FORCE

For procurement and modification of equipment (including ground guidance and electronic control equipment, and ground electronic and communication equipment), and supplies, materials, and spare parts therefor, not otherwise

provided for; the purchase of not to exceed 267 passenger motor vehicles for replacement only; the purchase of one vehicle required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed $240,000 per vehicle; lease of passenger motor vehicles; and expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon, prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; $6,960,483,000, to remain available for obligation until September 30, 2001.

PROCUREMENT, DEFENSE-WIDE

For expenses of activities and agencies of the Department of Defense (other than the military departments) necessary for procurement, production, and modification of equipment, supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of not to exceed 346 passenger motor vehicles for replacement only; the purchase of 4 vehicles required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed $165,000 per vehicle; expansion of public and private plants, equipment, and installation thereof in such plants, erection of structures, and acquisition of land for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; $1,944,833,000, to remain available for obligation until September 30, 2001.

NATIONAL GUARD AND RESERVE EQUIPMENT

For procurement of aircraft, missiles, tracked combat vehicles, ammunition, other weapons, and other procurement for the reserve components of the Armed Forces; $352,000,000, to remain available for obligation until September 30, 2001: Provided, That the Chiefs of the Reserve and National Guard components shall, not later than 30 days after the enactment of this Act, individually submit to the congressional defense committees the modernization priority assessment for their respective Reserve or National Guard component.

TITLE IV

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment; $5,031,788,000, to remain available for obligation until September 30, 2000: Provided, That of the funds made available under this heading, $15,000,000 shall be available only to commence in fiscal year 1999 a live fire, side-by-side operational test and evaluation of the air-to-air Starstreak and air-to-air Stinger missiles fired from the AH–64D Apache helicopter: Provided further, That in conjunction with the development of a test plan, the Secretary of the Army shall certify the following, in writing, to the congressional defense committees:

(1) Engagement tests can be safely conducted with both Starstreak and Stinger missiles from the AH–64D helicopter at air speeds consistent with the normal operating limits of that aircraft;

(2) The Starstreak missiles utilized in the test will be provided at no cost to the United States Government;

(3) None of the $15,000,000 provided will be used to develop modifications to the Starstreak or the Stinger missiles; and

(4) Both the Starstreak and Stinger missiles can be fired from the AH–64D aircraft consistent with the survivability of the aircraft and missile performance standards contained in the Army's Air-to-Air Missile Capability Need Statement approved by the Department of the Army in January 1997.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment; $8,636,649,000, to remain available for obligation until September 30, 2000: Provided, That funds appropriated in this paragraph which are available for the V–22 may be used to meet unique requirements of the Special Operation Forces: Provided further, That notwithstanding 10 U.S.C. 2366, none of the funds made available under this heading may be used to conduct system-level live-fire shock tests on the SSN–21 class of submarines unless the Commander-in-Chief of the United States Atlantic Command certifies in writing to the congressional defense committees that such testing must be conducted to meet operational requirements for those submarines.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment; $13,758,811,000, to remain available for obligation until September 30, 2000.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE

For expenses of activities and agencies of the Department of Defense (other than the military departments), necessary for basic and applied scientific research, development, test and evaluation; advanced research projects as may be designated and determined by the Secretary of Defense, pursuant to law; maintenance, rehabilitation, lease, and operation of facilities and equipment; $9,036,551,000, to remain available for obligation until September 30, 2000: Provided, That not less than $310,446,000 of the funds made available under this heading shall be made available only for the Sea-Based Wide Area Defense (Navy Upper-Tier) program: Provided further, That funding for the Sea-Based Wide Area Defense (Navy Upper-Tier) program in this or any other Act shall be used for research, development and deployment including, but not limited to, continuing ongoing risk reduction activities, initiating system engineering for an initial Block I capability, and deployment at the earliest feasible time following Aegis Lightweight Exoatmospheric Projectile (LEAP) intercept flight tests.

DEVELOPMENTAL TEST AND EVALUATION, DEFENSE

For expenses, not otherwise provided for, of independent activities of the Director, Test and Evaluation in the direction and supervision of developmental test and evaluation, including performance and joint developmental testing and evaluation; and administrative expenses in connection therewith; $258,606,000, to remain available for obligation until September 30, 2000.

OPERATIONAL TEST AND EVALUATION, DEFENSE

For expenses, not otherwise provided for, necessary for the independent activities of the Director, Operational Test and Evaluation in the direction and supervision of operational test and evaluation, including initial operational test and evaluation which is conducted prior to, and in support of, production decisions; joint operational testing and evaluation; and administrative expenses in connection therewith; $34,245,000, to remain available for obligation until September 30, 2000.

TITLE V

REVOLVING AND MANAGEMENT FUNDS

DEFENSE WORKING CAPITAL FUNDS

For the Defense Working Capital Funds; $94,500,000.

NATIONAL DEFENSE SEALIFT FUND

(INCLUDING TRANSFER OF FUNDS)

For National Defense Sealift Fund programs, projects, and activities, and for expenses of the National Defense Reserve Fleet, as established by section 11 of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1744); $708,366,000, to remain available until expended: Provided, That none of the funds provided in this paragraph shall be used to award a new contract that provides for the acquisition of any of the following major components unless such components are manufactured in the United States: auxiliary equipment, including pumps, for all shipboard services; propulsion system components (that is; engines, reduction gears, and propellers); shipboard cranes; and spreaders for shipboard cranes: Provided further, That the exercise of an option in a contract awarded through the obligation of previously appropriated funds shall not be considered to be the award of a new contract: Provided further, That notwithstanding any other provision of law, of the funds available under this heading, $28,800,000 shall be transferred to ''Alteration of Bridges'': Provided further, That the Secretary of the military department responsible for such procurement may waive the restrictions in the first proviso on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes.

TITLE VI

OTHER DEPARTMENT OF DEFENSE PROGRAMS

DEFENSE HEALTH PROGRAM

For expenses, not otherwise provided for, for medical and health care programs of the Department of Defense, as authorized by law; $10,149,872,000, of which $9,727,985,000 shall be for Operation and maintenance, of which not to exceed two per centum shall remain available until September 30, 2000, of which $402,387,000, to remain available for obligation until September 30, 2001, shall be for Procurement, and of which $19,500,000, to remain available for obligation until September 30, 2000, shall be for Research, development, test and evaluation: Provided, That of the amounts made available under this heading for Operation and maintenance, not less than $25,000,000 shall be only for breast cancer treatment and access to care.

CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, ARMY

For expenses, not otherwise provided for, necessary for the destruction of the United States stockpile of lethal chemical agents and munitions in accordance with the provisions of section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521), and for the destruction of other chemical warfare materials that are not in the chemical weapon stockpile; $780,150,000, of which $491,700,000 shall be for Operation and maintenance, $115,670,000 shall be for Procurement to remain available until September 30, 2001, and $172,780,000 shall be for Research, development, test and evaluation to remain available until September 30, 2000: Provided, That of the funds available under this heading, $1,000,000 shall be available until expended each year only for a Johnston Atoll off-island leave program: Provided further, That the Secretaries concerned shall, pursuant to uniform regulations, prescribe travel and transportation allowances for travel by participants in the off-island leave program.

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

(INCLUDING TRANSFER OF FUNDS)

For drug interdiction and counter-drug activities of the Department of Defense, for transfer

to appropriations available to the Department of Defense for military personnel of the reserve components serving under the provisions of title 10 and title 32, United States Code; for Operation and maintenance; for Procurement; and for Research, development, test and evaluation; $735,582,000: Provided, That the funds appropriated under this heading shall be available for obligation for the same time period and for the same purpose as the appropriation to which transferred: Provided further, That the transfer authority provided in this paragraph is in addition to any transfer authority contained elsewhere in this Act.

OFFICE OF THE INSPECTOR GENERAL

For expenses and activities of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended; $132,064,000, of which $130,764,000 shall be for Operation and maintenance, of which not to exceed $500,000 is available for emergencies and extraordinary expenses to be expended on the approval or authority of the Inspector General, and payments may be made on his certificate of necessity for confidential military purposes; and of which $1,300,000, to remain available until September 30, 2001, shall be for Procurement.

TITLE VII

RELATED AGENCIES

CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM FUND

For payment to the Central Intelligence Agency Retirement and Disability System Fund, to maintain proper funding level for continuing the operation of the Central Intelligence Agency Retirement and Disability System; $201,500,000.

INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Intelligence Community Management Account; $129,123,000, of which $30,290,000 for the Advanced Research and Development Committee shall remain available until September 30, 2000: Provided, That of the funds appropriated under this heading, $27,000,000 shall be transferred to the Department of Justice for the National Drug Intelligence Center to support the Department of Defense's counter-drug intelligence responsibilities, and of the said amount, $1,500,000 for Procurement shall remain available until September 30, 2001, and $3,000,000 for Research, development, test and evaluation shall remain available until September 30, 2000.

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

For payment to Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Fund, as authorized by law; $25,000,000, to remain available until expended.

NATIONAL SECURITY EDUCATION TRUST FUND

For the purposes of title VIII of Public Law 102–183, $3,000,000, to be derived from the National Security Education Trust Fund, to remain available until expended.

TITLE VIII

GENERAL PROVISIONS

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

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

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

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

(TRANSFER OF FUNDS)

SEC. 8005. Upon determination by the Secretary of Defense that such action is necessary in the national interest, he may, with the approval of the Office of Management and Budget, transfer not to exceed $1,650,000,000 of working capital funds of the Department of Defense or funds made available in this Act to the Department of Defense for military functions (except military construction) between such appropriations or funds or any subdivision thereof, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred: Provided, That such authority to transfer may not be used unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which funds are requested has been denied by Congress: Provided further, That the Secretary of Defense shall notify the Congress promptly of all transfers made pursuant to this authority or any other authority in this Act: Provided further, That no part of the funds in this Act shall be available to prepare or present a request to the Committees on Appropriations for reprogramming of funds, unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which reprogramming is requested has been denied by the Congress.

(TRANSFER OF FUNDS)

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

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

SEC. 8008. None of the funds provided in this Act shall be available to initiate: (1) a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year of the contract or that includes an unfunded contingent liability in excess of $20,000,000; or (2) a contract for advance procurement leading to a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year, unless the congressional defense committees have been notified at least 30 days in advance of the proposed contract award: Provided, That no part of any appropriation contained in this Act shall be available to initiate a multiyear contract for which the economic order quantity advance procurement is not funded at least to the limits of the Government's liability: Provided further, That no part of any appropriation contained in this Act shall be available to initiate multiyear procurement contracts for any systems or component thereof if the value of the multiyear contract would exceed $500,000,000 unless specifically provided in this Act: Provided further, That no multiyear procurement contract can be terminated without 10-day prior notification to the congressional defense committees: Provided further, That the execution of multiyear authority shall require the use of a present value analysis to determine lowest cost compared to an annual procurement.

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

E–2C aircraft;

Longbow Hellfire missile; and

Medium Tactical Vehicle Replacement (MTVR).

SEC. 8009. Within the funds appropriated for the operation and maintenance of the Armed Forces, funds are hereby appropriated pursuant to section 401 of title 10, United States Code, for humanitarian and civic assistance costs under chapter 20 of title 10, United States Code. Such funds may also be obligated for humanitarian and civic assistance costs incidental to authorized operations and pursuant to authority granted in section 401 of chapter 20 of title 10, United States Code, and these obligations shall be reported to Congress on September 30 of each year: Provided, That funds available for operation and maintenance shall be available for providing humanitarian and similar assistance by using Civic Action Teams in the Trust Territories of the Pacific Islands and freely associated states of Micronesia, pursuant to the Compact of Free Association as authorized by Public Law 99–239: Provided further, That upon a determination by the Secretary of the Army that such action is beneficial for graduate medical education programs conducted at Army medical facilities located in Hawaii, the Secretary of the Army may authorize the provision of medical services at such facilities and transportation to such facilities, on a nonreimbursable basis, for civilian patients from American Samoa, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, Palau, and Guam.

SEC. 8010. (a) During fiscal year 1999, the civilian personnel of the Department of Defense may not be managed on the basis of any end-strength, and the management of such personnel during that fiscal year shall not be subject to any constraint or limitation (known as an end-strength) on the number of such personnel who may be employed on the last day of such fiscal year.

(b) The fiscal year 2000 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 2000 Department of Defense budget request shall be prepared and submitted to the Congress as if subsections (a) and (b) of this provision were effective with regard to fiscal year 2000.

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

SEC. 8011. Notwithstanding any other provision of law, none of the funds made available by

this Act shall be used by the Department of Defense to exceed, outside the 50 United States, its territories, and the District of Columbia, 125,000 civilian workyears: Provided, That workyears shall be applied as defined in the Federal Personnel Manual: Provided further, That workyears expended in dependent student hiring programs for disadvantaged youths shall not be included in this workyear limitation.

SEC. 8012. None of the funds made available by this Act shall be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before the Congress.

SEC. 8013. (a) None of the funds appropriated by this Act shall be used to make contributions to the Department of Defense Education Benefits Fund pursuant to section 2006(g) of title 10, United States Code, representing the normal cost for future benefits under section 3015(c) of title 38, United States Code, for any member of the armed services who, on or after the date of enactment of this Act—

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

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

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

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

SEC. 8014. None of the funds appropriated by this Act shall be available to convert to contractor performance an activity or function of the Department of Defense that, on or after the date of enactment of this Act, is performed by more than ten Department of Defense civilian employees until a most efficient and cost-effective organization analysis is completed on such activity or function and certification of the analysis is made to the Committees on Appropriations of the House of Representatives and the Senate: Provided, That this section and subsections (a), (b), and (c) of 10 U.S.C. 2461 shall not apply to a commercial or industrial type function of the Department of Defense that: (1) is included on the procurement list established pursuant to section 2 of the Act of June 25, 1938 (41 U.S.C. 47), popularly referred to as the Javits-Wagner-O'Day Act; (2) is planned to be converted to performance by a qualified nonprofit agency for the blind or by a qualified nonprofit agency for other severely handicapped individuals in accordance with that Act; or (3) is planned to be converted to performance by a qualified firm under 51 per centum Native American ownership.

(TRANSFER OF FUNDS)

SEC. 8015. Funds appropriated in title III of this Act for the Department of Defense Pilot Mentor-Protege Program may be transferred to any other appropriation contained in this Act solely for the purpose of implementing a Mentor-Protege Program developmental assistance agreement pursuant to section 831 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 2301 note), as amended, under the authority of this provision or any other transfer authority contained in this Act.

SEC. 8016. None of the funds in this Act may be available for the purchase by the Department of Defense (and its departments and agencies) of welded shipboard anchor and mooring chain 4 inches in diameter and under unless the anchor and mooring chain are manufactured in the United States from components which are substantially manufactured in the United States: Provided, That for the purpose of this section manufactured will include cutting, heat treating, quality control, testing of chain and welding (including the forging and shot blasting process): Provided further, That for the purpose of this section substantially all of the components of anchor and mooring chain shall be considered to be produced or manufactured in the United States if the aggregate cost of the components produced or manufactured in the United States exceeds the aggregate cost of the components produced or manufactured outside the United States: Provided further, That when adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis, the Secretary of the service responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations that such an acquisition must be made in order to acquire capability for national security purposes.

SEC. 8017. None of the funds appropriated by this Act available for the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) shall be available for the reimbursement of any health care provider for inpatient mental health service for care received when a patient is referred to a provider of inpatient mental health care or residential treatment care by a medical or health care professional having an economic interest in the facility to which the patient is referred: Provided, That this limitation does not apply in the case of inpatient mental health services provided under the program for the handicapped under subsection (d) of section 1079 of title 10, United States Code, provided as partial hospital care, or provided pursuant to a waiver authorized by the Secretary of Defense because of medical or psychological circumstances of the patient that are confirmed by a health professional who is not a Federal employee after a review, pursuant to rules prescribed by the Secretary, which takes into account the appropriate level of care for the patient, the intensity of services required by the patient, and the availability of that care.

SEC. 8018. Funds available in this Act may be used to provide transportation for the next-of-kin of individuals who have been prisoners of war or missing in action from the Vietnam era to an annual meeting in the United States, under such regulations as the Secretary of Defense may prescribe.

SEC. 8019. Notwithstanding any other provision of law, during the current fiscal year, the Secretary of Defense may, by executive agreement, establish with host nation governments in NATO member states a separate account into which such residual value amounts negotiated in the return of United States military installations in NATO member states may be deposited, in the currency of the host nation, in lieu of direct monetary transfers to the United States Treasury: Provided, That such credits may be utilized only for the construction of facilities to support United States military forces in that host nation, or such real property maintenance and base operating costs that are currently executed through monetary transfers to such host nations: Provided further, That the Department of Defense's budget submission for fiscal year 2000 shall identify such sums anticipated in residual value settlements, and identify such construction, real property maintenance or base operating costs that shall be funded by the host nation through such credits: Provided further, That all military construction projects to be executed from such accounts must be previously approved in a prior Act of Congress: Provided further, That each such executive agreement with a NATO member host nation shall be reported to the congressional defense committees, the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate 30 days prior to the conclusion and endorsement of any such agreement established under this provision.

SEC. 8020. None of the funds available to the Department of Defense may be used to demilitarize or dispose of M–1 Carbines, M–1 Garand rifles, M–14 rifles, .22 caliber rifles, .30 caliber rifles, or M–1911 pistols.

SEC. 8021. Notwithstanding any other provision of law, none of the funds appropriated by this Act shall be available to pay more than 50 per centum of an amount paid to any person under section 308 of title 37, United States Code, in a lump sum.

SEC. 8022. No more than $500,000 of the funds appropriated or made available in this Act shall be used during a single fiscal year for any single relocation of an organization, unit, activity or function of the Department of Defense into or within the National Capital Region: Provided, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the congressional defense committees that such a relocation is required in the best interest of the Government.

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

SEC. 8024. (a) In addition to the funds provided elsewhere in this Act, $8,000,000 is appropriated only for incentive payments authorized by section 504 of the Indian Financing Act of 1974 (25 U.S.C. 1544): Provided, That contractors participating in the test program established by section 854 of Public Law 101–189 (15 U.S.C. 637 note) shall be eligible for the program established by section 504 of the Indian Financing Act of 1974 (25 U.S.C. 1544).

(b) Section 8024 of the Department of Defense Appropriations Act (Public Law 105–56) is amended by striking out ''That these payments'' and all that follows through ''Provided further,''.

SEC. 8025. During the current fiscal year, funds appropriated or otherwise available for any Federal agency, the Congress, the judicial branch, or the District of Columbia may be used for the pay, allowances, and benefits of an employee as defined by section 2105 of title 5, United States Code, or an individual employed by the government of the District of Columbia, permanent or temporary indefinite, who—

(1) is a member of a Reserve component of the Armed Forces, as described in section 10101 of title 10, United States Code, or the National Guard, as described in section 101 of title 32, United States Code;

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

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

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

(3) requests and is granted—

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

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

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

SEC. 8026. None of the funds appropriated by this Act shall be available to perform any cost study pursuant to the provisions of OMB Circular A–76 if the study being performed exceeds a period of 24 months after initiation of such study with respect to a single function activity or 48 months after initiation of such study for a multi-function activity.

SEC. 8027. Funds appropriated by this Act for the American Forces Information Service shall not be used for any national or international political or psychological activities.

SEC. 8028. Notwithstanding any other provision of law or regulation, the Secretary of Defense may adjust wage rates for civilian employees hired for certain health care occupations as authorized for the Secretary of Veterans Affairs by section 7455 of title 38, United States Code.

SEC. 8029. None of the funds appropriated or made available in this Act shall be used to reduce or disestablish the operation of the 53rd Weather Reconnaissance Squadron of the Air Force Reserve, if such action would reduce the WC–130 Weather Reconnaissance mission below the levels funded in this Act.

SEC. 8030. (a) Of the funds for the procurement of supplies or services appropriated by this Act, qualified nonprofit agencies for the blind or other severely handicapped shall be afforded the maximum practicable opportunity to participate as subcontractors and suppliers in the performance of contracts let by the Department of Defense.

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

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

SEC. 8031. During the current fiscal year, net receipts pursuant to collections from third party payers pursuant to section 1095 of title 10, United States Code, shall be made available to the local facility of the uniformed services responsible for the collections and shall be over and above the facility's direct budget amount.

SEC. 8032. During the current fiscal year, the Department of Defense is authorized to incur obligations of not to exceed $350,000,000 for purposes specified in section 2350j(c) of title 10, United States Code, in anticipation of receipt of contributions, only from the Government of Kuwait, under that section: Provided, That upon receipt, such contributions from the Government of Kuwait shall be credited to the appropriations or fund which incurred such obligations.

SEC. 8033. Of the funds made available in this Act, not less than $28,300,000 shall be available for the Civil Air Patrol Corporation, of which $23,497,000 shall be available for Civil Air Patrol Corporation operation and maintenance to support readiness activities which includes $3,800,000 for the Civil Air Patrol counterdrug program: Provided, That funds identified for ''Civil Air Patrol'' under this section are intended for and shall be for the exclusive use of the Civil Air Patrol Corporation and not for the Air Force or any unit thereof.

SEC. 8034. (a) None of the funds appropriated in this Act are available to establish a new Department of Defense (department) federally funded research and development center (FFRDC), either as a new entity, or as a separate entity administrated by an organization managing another FFRDC, or as a nonprofit membership corporation consisting of a consortium of other FFRDCs and other non-profit entities.

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

(c) Notwithstanding any other provision of law, none of the funds available to the department from any source during fiscal year 1999 may be used by a defense FFRDC, through a fee or other payment mechanism, for construction of new buildings, for payment of cost sharing for projects funded by government grants, for absorption of contract overruns, or for certain charitable contributions, not to include employee participation in community service and/or development.

(d) Notwithstanding any other provision of law, of the funds available to the department during fiscal year 1999, not more than 6,206 staff years of technical effort (staff years) may be funded for defense FFRDCs: Provided, That of the specific amount referred to previously in this subsection, not more than 1,105 staff years may be funded for the defense studies and analysis FFRDCs.

(e) Within 60 days after enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report presenting the specific amounts of staff years of technical effort to be allocated by the department for each defense FFRDC during fiscal year 1999: Provided, That, after the submission of the report required by this subsection, the department may not reallocate more than five per centum of an FFRDC's staff years among other defense FFRDCs until 30 days after a detailed justification for any such reallocation is submitted to the congressional defense committees.

(f) The Secretary of Defense shall, with the submission of the department's fiscal year 2000 budget request, submit a report presenting the specific amounts of staff years of technical effort to be allocated for each defense FFRDC during that fiscal year.

(g) Notwithstanding any other provision of law, the Secretary of Defense shall control the total number of staff years to be performed by defense FFRDCs during fiscal year 1999 so as to reduce the total amounts appropriated in titles II, III, and IV of this Act by $62,000,000: Provided, That the total amounts appropriated in titles II, III, and IV of this Act are hereby reduced by $62,000,000 to reflect savings from the use of defense FFRDCs by the department.

(h) Notwithstanding any other provision of law, none of the reductions for advisory and assistance services contained in this Act shall be applied to defense FFRDCs.

SEC. 8035. None of the funds appropriated or made available in this Act shall be used to procure carbon, alloy or armor steel plate for use in any Government-owned facility or property under the control of the Department of Defense which were not melted and rolled in the United States or Canada: Provided, That these procurement restrictions shall apply to any and all Federal Supply Class 9515, American Society of Testing and Materials (ASTM) or American Iron and Steel Institute (AISI) specifications of carbon, alloy or armor steel plate: Provided further, That the Secretary of the military department responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes: Provided further, That these restrictions shall not apply to contracts which are in being as of the date of enactment of this Act.

SEC. 8036. For the purposes of this Act, the term ''congressional defense committees'' means the National Security Committee of the House of Representatives, the Armed Services Committee of the Senate, the Subcommittee on Defense of the Committee on Appropriations of the Senate, and the Subcommittee on National Security of the Committee on Appropriations of the House of Representatives.

SEC. 8037. During the current fiscal year, the Department of Defense may acquire the modification, depot maintenance and repair of aircraft, vehicles and vessels as well as the production of components and other Defense-related articles, through competition between Department of Defense depot maintenance activities and private firms: Provided, That the Senior Acquisition Executive of the military department or defense agency concerned, with power of delegation, shall certify that successful bids include comparable estimates of all direct and indirect costs for both public and private bids: Provided further, That Office of Management and Budget Circular A–76 shall not apply to competitions conducted under this section.

SEC. 8038. (a)(1) If the Secretary of Defense, after consultation with the United States Trade Representative, determines that a foreign country which is party to an agreement described in paragraph (2) has violated the terms of the agreement by discriminating against certain types of products produced in the United States that are covered by the agreement, the Secretary of Defense shall rescind the Secretary's blanket waiver of the Buy American Act with respect to such types of products produced in that foreign country.

(2) An agreement referred to in paragraph (1) is any reciprocal defense procurement memorandum of understanding, between the United States and a foreign country pursuant to which the Secretary of Defense has prospectively waived the Buy American Act for certain products in that country.

(b) The Secretary of Defense shall submit to Congress a report on the amount of Department of Defense purchases from foreign entities in fiscal year 1999. Such report shall separately indicate the dollar value of items for which the Buy American Act was waived pursuant to any agreement described in subsection (a)(2), the Trade Agreement Act of 1979 (19 U.S.C. 2501 et seq.), or any international agreement to which the United States is a party.

(c) For purposes of this section, the term ''Buy American Act'' means title III of the Act entitled ''An Act making appropriations for the Treasury and Post Office Departments for the fiscal

year ending June 30, 1934, and for other purposes'', approved March 3, 1933 (41 U.S.C. 10a et seq.).

SEC. 8039. Appropriations contained in this Act that remain available at the end of the current fiscal year as a result of energy cost savings realized by the Department of Defense shall remain available for obligation for the next fiscal year to the extent, and for the purposes, provided in section 2865 of title 10, United States Code.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8040. Amounts deposited during the current fiscal year to the special account established under 40 U.S.C. 485(h)(2) and to the special account established under 10 U.S.C. 2667(d)(1) are appropriated and shall be available until transferred by the Secretary of Defense to current applicable appropriations or funds of the Department of Defense under the terms and conditions specified by 40 U.S.C. 485(h)(2)(A) and (B) and 10 U.S.C. 2667(d)(1)(B), to be merged with and to be available for the same time period and the same purposes as the appropriation to which transferred.

SEC. 8041. During the current fiscal year, appropriations available to the Department of Defense may be used to reimburse a member of a reserve component of the Armed Forces who is not otherwise entitled to travel and transportation allowances and who occupies transient government housing while performing active duty for training or inactive duty training: Provided, That such members may be provided lodging in kind if transient government quarters are unavailable as if the member was entitled to such allowances under subsection (a) of section 404 of title 37, United States Code: Provided further, That if lodging in kind is provided, any authorized service charge or cost of such lodging may be paid directly from funds appropriated for operation and maintenance of the reserve component of the member concerned.

SEC. 8042. The President shall include with each budget for a fiscal year submitted to the Congress under section 1105 of title 31, United States Code, materials that shall identify clearly and separately the amounts requested in the budget for appropriation for that fiscal year for salaries and expenses related to administrative activities of the Department of Defense, the military departments, and the Defense Agencies.

SEC. 8043. Notwithstanding any other provision of law, funds available for ''Drug Interdiction and Counter-Drug Activities, Defense'' may be obligated for the Young Marines program.

SEC. 8044. During the current fiscal year, amounts contained in the Department of Defense Overseas Military Facility Investment Recovery Account established by section 2921(c)(1) of the National Defense Authorization Act of 1991 (Public Law 101–510; 10 U.S.C. 2687 note) shall be available until expended for the payments specified by section 2921(c)(2) of that Act: Provided, That none of the funds made available for expenditure under this section may be transferred or obligated until thirty days after the Secretary of Defense submits a report which details the balance available in the Overseas Military Facility Investment Recovery Account, all projected income into the account during fiscal years 1999 and 2000, and the specific expenditures to be made using funds transferred from this account during fiscal year 1999.

SEC. 8045. Of the funds appropriated or otherwise made available by this Act, not more than $119,200,000 shall be available for payment of the operating costs of NATO Headquarters: Provided, That the Secretary of Defense may waive this section for Department of Defense support provided to NATO forces in and around the former Yugoslavia.

SEC. 8046. During the current fiscal year, appropriations which are available to the Department of Defense for operation and maintenance may be used to purchase items having an investment item unit cost of not more than $100,000.

SEC. 8047. (a) During the current fiscal year, none of the appropriations or funds available to the Department of Defense Working Capital Funds shall be used for the purchase of an investment item for the purpose of acquiring a new inventory item for sale or anticipated sale during the current fiscal year or a subsequent fiscal year to customers of the Department of Defense Working Capital Funds if such an item would not have been chargeable to the Department of Defense Business Operations Fund during fiscal year 1994 and if the purchase of such an investment item would be chargeable during the current fiscal year to appropriations made to the Department of Defense for procurement.

(b) The fiscal year 2000 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 2000 Department of Defense budget shall be prepared and submitted to the Congress on the basis that any equipment which was classified as an end item and funded in a procurement appropriation contained in this Act shall be budgeted for in a proposed fiscal year 2000 procurement appropriation and not in the supply management business area or any other area or category of the Department of Defense Working Capital Funds.

SEC. 8048. None of the funds appropriated by this Act for programs of the Central Intelligence Agency shall remain available for obligation beyond the current fiscal year, except for funds appropriated for the Reserve for Contingencies, which shall remain available until September 30, 2000: Provided, That funds appropriated, transferred, or otherwise credited to the Central Intelligence Agency Central Services Working Capital Fund during this or any prior or subsequent fiscal year shall remain available until expended.

SEC. 8049. Notwithstanding any other provision of law, funds made available in this Act for the Defense Intelligence Agency may be used for the design, development, and deployment of General Defense Intelligence Program intelligence communications and intelligence information systems for the Services, the Unified and Specified Commands, and the component commands.

SEC. 8050. Of the funds appropriated by the Department of Defense under the heading ''Operation and Maintenance, Defense-Wide'', not less than $8,000,000 shall be made available only for the mitigation of environmental impacts, including training and technical assistance to tribes, related administrative support, the gathering of information, documenting of environmental damage, and developing a system for prioritization of mitigation and cost to complete estimates for mitigation, on Indian lands resulting from Department of Defense activities.

SEC. 8051. Amounts collected for the use of the facilities of the National Science Center for Communications and Electronics during the current fiscal year pursuant to section 1459(g) of the Department of Defense Authorization Act, 1986, and deposited to the special account established under subsection 1459(g)(2) of that Act are appropriated and shall be available until expended for the operation and maintenance of the Center as provided for in subsection 1459(g)(2).

SEC. 8052. None of the funds appropriated in this Act may be used to fill the commander's position at any military medical facility with a health care professional unless the prospective candidate can demonstrate professional administrative skills.

SEC. 8053. (a) None of the funds appropriated in this Act may be expended by an entity of the Department of Defense unless the entity, in expending the funds, complies with the Buy American Act. For purposes of this subsection, the term ''Buy American Act'' means title III of the Act entitled ''An Act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes'', approved March 3, 1933 (41 U.S.C. 10a et seq.).

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

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

SEC. 8054. None of the funds appropriated by this Act shall be available for a contract for studies, analysis, or consulting services entered into without competition on the basis of an unsolicited proposal unless the head of the activity responsible for the procurement determines—

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

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

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

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

SEC. 8055. (a) Except as provided in subsections (b) and (c), none of the funds made available by this Act may be used—

(1) to establish a field operating agency; or

(2) to pay the basic pay of a member of the Armed Forces or civilian employee of the department who is transferred or reassigned from a headquarters activity if the member or employee's place of duty remains at the location of that headquarters.

(b) The Secretary of Defense or Secretary of a military department may waive the limitations in subsection (a), on a case-by-case basis, if the Secretary determines, and certifies to the Committees on Appropriations of the House of Representatives and Senate that the granting of the waiver will reduce the personnel requirements or the financial requirements of the department.

(c) This section does not apply to field operating agencies funded within the National Foreign Intelligence Program.

SEC. 8056. Funds appropriated by this Act for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414) during fiscal year 1999 until the enactment of the Intelligence Authorization Act for Fiscal Year 1999.

SEC. 8057. Notwithstanding section 303 of Public Law 96–487 or any other provision of law, the Secretary of the Navy is authorized to lease real and personal property at Naval Air Facility, Adak, Alaska, pursuant to 10 U.S.C. 2667(f), for commercial, industrial or other purposes: Provided, That notwithstanding any other provision of law, the Secretary of the Navy may remove hazardous materials from facilities, buildings, and structures at Adak, Alaska, and may demolish or otherwise dispose of such facilities, buildings, and structures.

(RESCISSIONS)

SEC. 8058. Of the funds provided in Department of Defense Appropriations Acts, the following funds are hereby rescinded as of the date of enactment of this Act from the following accounts and programs in the specified amounts:

Under the heading, ''Shipbuilding and Conversion, Navy, 1988/2001'':

TRIDENT ballistic missile submarine program, $3,062,696;

SSN–688 attack submarine program, $8,146,796;

CG–47 cruiser program, $4,000,000;

LSD–41 cargo variant ship program, $256,141;

LHD–1 amphibious assault ship program, $505,938;

For craft, outfitting, and post delivery, $3,459,756;

Under the heading, ''Shipbuilding and Conversion, Navy, 1989/2000'':

TRIDENT ballistic missile submarine program, $2,750,679;

SSN–688 attack submarine program, $5,663,109;

AO conversion program, $881,619;

T-AGOS surveillance ship program, $1,989,383;

T-AO fleet oiler program, $3,451,287;

MHC coastal mine hunter program, $150,000;

For craft, outfitting, and post delivery, $2,521,413;

Under the heading, ''Shipbuilding and Conversion, Navy, 1990/2002'':

TRIDENT ballistic missile submarine program, $6,746,000;

LSD–41 cargo variant ship program, $8,701,615;

Aircraft carrier service life extension program, $890,209;

For craft, outfitting, and post delivery, $2,636,339;

Under the heading, ''Shipbuilding and Conversion, Navy, 1991/2001'':

Service craft program, $143,740;

LCAC landing craft air cushion program, $126,698;

For craft, outfitting, and post delivery, $1,549,000;

Under the heading, ''Shipbuilding and Conversion, Navy, 1992/2001'':

For craft, outfitting, and post delivery, $3,307,524;

Under the heading, ''Shipbuilding and Conversion, Navy, 1993/2002'':

For craft, outfitting, and post delivery, $4,540,746.

''Missile Procurement, Air Force, 1997/1999'', $8,000,000;

''Research, Development, Test and Evaluation, Defense-Wide, 1997/1998'', $67,000,000;

''Missile Procurement, Army, 1998/2000'', $12,800,000;

''Procurement of Weapons and Tracked Combat Vehicles, Army, 1998/2000''; $6,700,000;

''Other Procurement, Army, 1998/2000'', $24,000,000;

''Weapons Procurement, Navy, 1998/2000'', $2,000,000;

''Procurement of Ammunition, Navy and Marine Corps, 1998/2000'', $12,560,000;

Under the heading, ''Shipbuilding and Conversion, Navy, 1998/2002'':

CVN refuelings, $35,000,000;

''Other Procurement, Navy, 1998/2000'', $28,500,000;

''Aircraft Procurement, Air Force, 1998/2000'', $8,934,000;

''Missile Procurement, Air Force, 1998/2000'', $4,200,000;

''Procurement of Ammunition, Air Force, 1998/2000'', $14,106,000;

''Other Procurement, Air Force, 1998/2000'', $3,508,000;

''Research, Development, Test and Evaluation, Navy, 1998/1999'', $20,500,000;

''Research, Development, Test and Evaluation, Air Force, 1998/1999'', $17,620,000;

''National Defense Sealift Fund, Public Law 104–208'', $65,000,000; and

''National Defense Sealift Fund, Public Law 104–61'', $20,000,000.

SEC. 8059. None of the funds available in this Act may be used to reduce the authorized positions for military (civilian) technicians of the Army National Guard, the Air National Guard, Army Reserve and Air Force Reserve for the purpose of applying any administratively imposed civilian personnel ceiling, freeze, or reduction on military (civilian) technicians, unless such reductions are a direct result of a reduction in military force structure.

SEC. 8060. None of the funds appropriated or otherwise made available in this Act may be obligated or expended for assistance to the Democratic People's Republic of North Korea unless specifically appropriated for that purpose.

SEC. 8061. During the current fiscal year, funds appropriated in this Act are available to compensate members of the National Guard for duty performed pursuant to a plan submitted by a Governor of a State and approved by the Secretary of Defense under section 112 of title 32, United States Code: Provided, That during the performance of such duty, the members of the National Guard shall be under State command and control: Provided further, That such duty shall be treated as full-time National Guard duty for purposes of sections 12602(a)(2) and (b)(2) of title 10, United States Code.

SEC. 8062. Funds appropriated in this Act for operation and maintenance of the Military Departments, Unified and Specified Commands and Defense Agencies shall be available for reimbursement of pay, allowances and other expenses which would otherwise be incurred against appropriations for the National Guard and Reserve when members of the National Guard and Reserve provide intelligence or counterintelligence support to Unified Commands, Defense Agencies and Joint Intelligence Activities, including the activities and programs included within the National Foreign Intelligence Program (NFIP), the Joint Military Intelligence Program (JMIP), and the Tactical Intelligence and Related Activities (TIARA) aggregate: Provided, That nothing in this section authorizes deviation from established Reserve and National Guard personnel and training procedures.

SEC. 8063. During the current fiscal year, none of the funds appropriated in this Act may be used to reduce the civilian medical and medical support personnel assigned to military treatment facilities below the September 30, 1998 level: Provided, That the Service Surgeons General may waive this section by certifying to the congressional defense committees that the beneficiary population is declining in some catchment areas and civilian strength reductions may be consistent with responsible resource stewardship and capitation-based budgeting.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8064. None of the funds appropriated in this Act may be transferred to or obligated from the Pentagon Reservation Maintenance Revolving Fund, unless the Secretary of Defense certifies that the total cost for the planning, design, construction and installation of equipment for the renovation of the Pentagon Reservation will not exceed $1,118,000,000.

SEC. 8065. (a) None of the funds available to the Department of Defense for any fiscal year for drug interdiction or counter-drug activities may be transferred to any other department or agency of the United States except as specifically provided in an appropriations law.

(b) None of the funds available to the Central Intelligence Agency for any fiscal year for drug interdiction and counter-drug activities may be transferred to any other department or agency of the United States except as specifically provided in an appropriations law.

(TRANSFER OF FUNDS)

SEC. 8066. Appropriations available in this Act under the heading ''Operation and Maintenance, Defense-Wide'' for increasing energy and water efficiency in Federal buildings may, during their period of availability, be transferred to other appropriations or funds of the Department of Defense for projects related to increasing energy and water efficiency, to be merged with and to be available for the same general purposes, and for the same time period, as the appropriation or fund to which transferred.

SEC. 8067. None of the funds appropriated by this Act may be used for the procurement of ball and roller bearings other than those produced by a domestic source and of domestic origin: Provided, That the Secretary of the military department responsible for such procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate, that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes.

SEC. 8068. Notwithstanding any other provision of law, funds available to the Department of Defense shall be made available to provide transportation of medical supplies and equipment, on a nonreimbursable basis, to American Samoa: Provided, That notwithstanding any other provision of law, funds available to the Department of Defense shall be made available to provide transportation of medical supplies and equipment, on a nonreimbursable basis, to the Indian Health Service when it is in conjunction with a civil-military project.

SEC. 8069. None of the funds in this Act may be used to purchase any supercomputer which is not manufactured in the United States, unless the Secretary of Defense certifies to the congressional defense committees that such an acquisition must be made in order to acquire capability for national security purposes that is not available from United States manufacturers.

SEC. 8070. Notwithstanding any other provision of law, the Naval shipyards of the United States shall be eligible to participate in any manufacturing extension program financed by funds appropriated in this or any other Act.

SEC. 8071. Notwithstanding any other provision of law, each contract awarded by the Department of Defense during the current fiscal year for construction or service performed in whole or in part in a State which is not contiguous with another State and has an unemployment rate in excess of the national average rate of unemployment as determined by the Secretary of Labor, shall include a provision requiring the contractor to employ, for the purpose of performing that portion of the contract in such State that is not contiguous with another State, individuals who are residents of such State and who, in the case of any craft or trade, possess or would be able to acquire promptly the necessary skills: Provided, That the Secretary of Defense may waive the requirements of this section, on a case-by-case basis, in the interest of national security.

SEC. 8072. During the current fiscal year, the Army shall use the former George Air Force Base as the airhead for the National Training Center at Fort Irwin: Provided, That none of the funds in this Act shall be obligated or expended to transport Army personnel into Edwards Air Force Base for training rotations at the National Training Center.

SEC. 8073. (a) The Secretary of Defense shall submit, on a quarterly basis, a report to the congressional defense committees, the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate setting forth all costs (including incremental costs) incurred by the Department of Defense during the preceding quarter in implementing or supporting resolutions of the United Nations Security Council, including any such resolution calling for international sanctions, international peacekeeping operations, and humanitarian missions undertaken by the Department of Defense. The quarterly report shall include an aggregate of all such Department of Defense costs by operation or mission.

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

SEC. 8074. (a) LIMITATION ON TRANSFER OF DEFENSE ARTICLES AND SERVICES.—Notwithstanding any other provision of law, none of the funds available to the Department of Defense for the current fiscal year may be obligated or expended to transfer to another nation or an international organization any defense articles or services (other than intelligence services) for use in the activities described in subsection (b) unless the congressional defense committees, the Committee on International Relations of the House of Representatives, and the Committee on Foreign Relations of the Senate are notified 15 days in advance of such transfer.

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

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

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

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

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

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

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

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

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

SEC. 8075. To the extent authorized by subchapter VI of chapter 148 of title 10, United States Code, the Secretary of Defense shall issue loan guarantees in support of United States defense exports not otherwise provided for: Provided, That the total contingent liability of the United States for guarantees issued under the authority of this section may not exceed $15,000,000,000: Provided further, That the exposure fees charged and collected by the Secretary for each guarantee, shall be paid by the country involved and shall not be financed as part of a loan guaranteed by the United States: Provided further, That the Secretary shall provide quarterly reports to the Committees on Appropriations, Armed Services and Foreign Relations of the Senate and the Committees on Appropriations, National Security and International Relations in the House of Representatives on the implementation of this program: Provided further, That amounts charged for administrative fees and deposited to the special account provided for under section 2540c(d) of title 10, shall be available for paying the costs of administrative expenses of the Department of Defense that are attributable to the loan guarantee program under subchapter VI of chapter 148 of title 10.

SEC. 8076. None of the funds available to the Department of Defense shall be obligated or expended to make a financial contribution to the United Nations for the cost of an United Nations peacekeeping activity (whether pursuant to assessment or a voluntary contribution) or for payment of any United States arrearage to the United Nations.

SEC. 8077. None of the funds available to the Department of Defense under this Act shall be obligated or expended to pay a contractor under a contract with the Department of Defense for costs of any amount paid by the contractor to an employee when—

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

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

SEC. 8078. (a) None of the funds appropriated or otherwise made available in this Act may be used to transport or provide for the transportation of chemical munitions or agents to the Johnston Atoll for the purpose of storing or demilitarizing such munitions or agents.

(b) The prohibition in subsection (a) shall not apply to any obsolete World War II chemical munition or agent of the United States found in the World War II Pacific Theater of Operations.

(c) The President may suspend the application of subsection (a) during a period of war in which the United States is a party.

SEC. 8079. None of the funds provided in title II of this Act for ''Former Soviet Union Threat Reduction'' may be obligated or expended to finance housing for any individual who was a member of the military forces of the Soviet Union or for any individual who is or was a member of the military forces of the Russian Federation.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8080. During the current fiscal year, no more than $10,000,000 of appropriations made in this Act under the heading ''Operation and Maintenance, Defense-Wide'' may be transferred to appropriations available for the pay of military personnel, to be merged with, and to be available for the same time period as the appropriations to which transferred, to be used in support of such personnel in connection with support and services for eligible organizations and activities outside the Department of Defense pursuant to section 2012 of title 10, United States Code.

SEC. 8081. For purposes of section 1553(b) of title 31, United States Code, any subdivision of appropriations made in this Act under the heading ''Shipbuilding and Conversion, Navy'' shall be considered to be for the same purpose as any subdivision under the heading ''Shipbuilding and Conversion, Navy'' appropriations in any prior year, and the 1 percent limitation shall apply to the total amount of the appropriation.

SEC. 8082. During the current fiscal year, in the case of an appropriation account of the Department of Defense for which the period of availability for obligation has expired or which has closed under the provisions of section 1552 of title 31, United States Code, and which has a negative unliquidated or unexpended balance, an obligation or an adjustment of an obligation may be charged to any current appropriation account for the same purpose as the expired or closed account if—

(1) the obligation would have been properly chargeable (except as to amount) to the expired or closed account before the end of the period of availability or closing of that account;

(2) the obligation is not otherwise properly chargeable to any current appropriation account of the Department of Defense; and

(3) in the case of an expired account, the obligation is not chargeable to a current appropriation of the Department of Defense under the provisions of section 1405(b)(8) of the National Defense Authorization Act for Fiscal Year 1991, Public Law 101–510, as amended (31 U.S.C. 1551 note): Provided, That in the case of an expired account, if subsequent review or investigation discloses that there was not in fact a negative unliquidated or unexpended balance in the account, any charge to a current account under the authority of this section shall be reversed and recorded against the expired account: Provided further, That the total amount charged to a current appropriation under this section may not exceed an amount equal to 1 percent of the total appropriation for that account.

(TRANSFER OF FUNDS)

SEC. 8083. Upon enactment of this Act, the Secretary of Defense shall make the following transfers of funds: Provided, That the amounts transferred shall be available for the same purposes as the appropriations to which transferred, and for the same time period as the appropriation from which transferred: Provided further, That the amounts shall be transferred between the following appropriations in the amount specified:

From:

Under the heading, ''Shipbuilding and Conversion, Navy, 1988/2001'':

Trident ballistic missile submarine program, $2,674,000;

SSN–688 attack submarine program, $32,232,000;

CG–47 cruiser program, $10,886,000;

Carrier replacement program, $40,360,000;

LHD–1 amphibious assault ship program, $3,001,000;

LSD–41 cargo variant ship program, $790,000;

To:

Under the heading, ''Shipbuilding and Conversion, Navy, 1995/2001'':

Carrier replacement program, $89,943,000;

From:

Under the heading, ''Shipbuilding and Conversion, Navy, 1989/2000'':

Trident ballistic missile submarine program, $3,028,000;

LHD–1 amphibious assault ship program, $2,153,000;

MHC coastal minehunter program, $1,298,000;

To:

Under the heading, ''Shipbuilding and Conversion, Navy, 1995/2000'':

Carrier replacement program, $6,479,000;

From:

Under the heading, ''Shipbuilding and Conversion, Navy, 1990/2002'':

Trident ballistic missile submarine program, $10,796,000;

SSN–688 attack submarine program, $1,000,000;

DDG–51 destroyer program, $5,066,000;

LCAC landing craft, air cushioned program, $509,000;

MCM mine countermeasures ship program, $1,200,000;

AOE combat support ship program, $1,674,000;

AO(J) jumboized oiler program, $1,899,000;

Oceanographic research program, $394,000;

To:

Under the heading, ''Shipbuilding and Conversion, Navy, 1995/2002'':

Carrier replacement program, $22,538,000;

From:

Under the heading, ''Shipbuilding and Conversion, Navy, 1991/2001'':

DDG–51 destroyer program, $1,500,000;

LHD–1 amphibious assault ship program, $7,500,000;

LSD–41 cargo variant ship program, $1,227,000;

LCAC landing craft, air cushioned program, $392,000;

MHC coastal minehunter program, $2,400,000;

To:

Under the heading, ''Shipbuilding and Conversion, Navy, 1991/2001'':

SSN–21 attack submarine program, $13,019,000;

From:

Under the heading, ''Shipbuilding and Conversion, Navy, 1992/2001'':

Prior year escalation, $52,934,000;

To:

Under the heading, ''Shipbuilding and Conversion, Navy, 1991/2001'':

SSN–21 attack submarine program, $16,967,000;

Under the heading, ''Shipbuilding and Conversion, Navy, 1994/2001'':

MCS(C) mine warfare command and control ship program, $5,729,000;

Under the heading, ''Shipbuilding and Conversion, Navy, 1995/2001'':

DDG–51 destroyer program, $24,261,000;

Carrier replacement program, $5,977,000;

From:

Under the heading, ''Shipbuilding and Conversion, Navy, 1993/2002'':

AOE combat support ship program, $7,753,000;

To:

Under the heading, ''Shipbuilding and Conversion, Navy, 1995/2002'':

DDG–51 destroyer program, $7,753,000;

From:

Under the heading, ''Shipbuilding and Conversion, Navy, 1996/2000'':

SSN–21 attack submarine program, $26,526,000;

To:

Under the heading, ''Shipbuilding and Conversion, Navy, 1995/2000'':

DDG–51 destroyer program, $368,000;

Under the heading, ''Shipbuilding and Conversion, Navy, 1996/2000'':

DDG–51 destroyer program, $2,756,000;

LHD–1 amphibious assault ship program, $21,850,000;

Fast Patrol craft program, $345,000;

Under the heading, ''Shipbuilding and Conversion, Navy, 1997/2000'':

AGOR SWATH oceanographic research program, $1,207,000;

From:

Under the heading, ''Shipbuilding and Conversion, Navy, 1998/2002'':

DDG–51(AP) destroyer program, $9,009,000;

To:

Under the heading, ''Shipbuilding and Conversion, Navy, 1998/2002'':

DDG–51 destroyer program, $9,009,000.

SEC. 8084. The Under Secretary of Defense (Comptroller) shall submit to the congressional defense committees by February 1, 1999 a detailed report identifying, by amount and by separate budget activity, activity group, subactivity group, line item, program element, program, project, subproject, and activity, any activity for which the fiscal year 2000 budget request was reduced because Congress appropriated funds above the President's budget request for that specific activity for fiscal year 1999.

SEC. 8085. Funds appropriated in title II of this Act for supervision and administration costs for facilities maintenance and repair, minor construction, or design projects may be obligated at the time the reimbursable order is accepted by the performing activity: Provided, That for the purpose of this section, supervision and administration costs includes all in-house Government cost.

SEC. 8086. The Secretary of Defense may waive reimbursement of the cost of conferences, seminars, courses of instruction, or similar educational activities of the Asia-Pacific Center for Security Studies for military officers and civilian officials of foreign nations if the Secretary determines that attendance by such personnel, without reimbursement, is in the national security interest of the United States: Provided, That costs for which reimbursement is waived pursuant to this subsection shall be paid from appropriations available for the Asia-Pacific Center.

SEC. 8087. (a) Notwithstanding any other provision of law, the Chief of the National Guard Bureau may permit the use of equipment of the National Guard Distance Learning Project by any person or entity on a space-available, reimbursable basis. The Chief of the National Guard Bureau shall establish the amount of reimbursement for such use on a case-by-case basis.

(b) Amounts collected under subsection (a) shall be credited to funds available for the National Guard Distance Learning Project and be available to defray the costs associated with the use of equipment of the project under that subsection. Such funds shall be available for such purposes without fiscal year limitation.

SEC. 8088. Using funds available by this Act or any other Act, the Secretary of the Air Force, pursuant to a determination under section 2690 of title 10, United States Code, may implement cost-effective agreements for required heating facility modernization in the Kaiserslautern Military Community in the Federal Republic of Germany: Provided, That in the City of Kaiserslautern such agreements will include the use of United States anthracite as the base load energy for municipal district heat to the United States Defense installations: Provided further, That at Landstuhl Army Regional Medical Center and Ramstein Air Base, furnished heat may be obtained from private, regional or municipal services, if provisions are included for the consideration of United States coal as an energy source.

SEC. 8089. During the current fiscal year, the amounts which are necessary for the operation and maintenance of the Fisher Houses administered by the Departments of the Army, the Navy, and the Air Force are hereby appropriated, to be derived from amounts which are available in the applicable Fisher House trust fund established under 10 U.S.C. 2221 for the Fisher Houses of each such department.

SEC. 8090. During the current fiscal year, refunds attributable to the use of the Government travel card by military personnel and civilian employees of the Department of Defense and refunds attributable to official Government travel arranged by Government Contracted Travel Management Centers may be credited to operation and maintenance accounts of the Department of Defense which are current when the refunds are received.

SEC. 8091. During the current fiscal year, not more than a total of $60,000,000 in withdrawal credits may be made by the Marine Corps Supply Management activity group of the Navy Working Capital Fund, Department of Defense Working Capital Funds, to the credit of current applicable appropriations of a Department of Defense activity in connection with the acquisition of critical low density repairables that are capitalized into the Navy Working Capital Fund.

SEC. 8092. Notwithstanding 31 U.S.C. 3902, during the current fiscal year interest penalties may be paid by the Department of Defense from funds financing the operation of the military department or defense agency with which the invoice or contract payment is associated.

SEC. 8093. At the time the President submits his budget for fiscal year 2000 and any fiscal year thereafter, the Department of Defense shall transmit to the congressional defense committees a budget justification document for the active and reserve Military Personnel accounts, to be known as the ''M–1'', which shall identify, at the budget activity, activity group, and subactivity group level, the amounts requested by the President to be appropriated to the Department of Defense for military personnel in any budget request, or amended budget request, for that fiscal year.

SEC. 8094. None of the funds appropriated in title IV of this Act may be used to procure end-items for delivery to military forces for operational training, operational use or inventory requirements: Provided, That this restriction does not apply to end-items used in development, prototyping, and test activities preceding and leading to acceptance for operational use: Provided further, That this restriction does not apply to programs funded within the National Foreign Intelligence Program: Provided further, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that it is in the national security interest to do so.

SEC. 8095. The budget of the President for fiscal year 2000 submitted to Congress pursuant to section 1105 of title 31, United States Code, and each annual budget request thereafter, shall include budget activity groups (known as ''subactivities'') in all appropriations accounts provided in this Act, as may be necessary, to separately identify all costs incurred by the Department of Defense to support the North Atlantic Treaty Organization and all Partnership For Peace programs and initiatives. The budget justification materials submitted to Congress in support of the budget of the Department of Defense for fiscal year 2000, and subsequent fiscal years, shall provide complete, detailed estimates for all such costs.

SEC. 8096. None of the funds made available in this Act may be obligated or expended to enter into or renew a contract with a contractor that is subject to the reporting requirement set forth in subsection (d) of section 4212 of title 38, United States Code, but has not submitted the most recent report required by such subsection for 1998 or a subsequent year.

SEC. 8097. None of the funds made available in this Act may be used to approve or license the sale of the F–22 advanced tactical fighter to any foreign government.

SEC. 8098. None of the funds appropriated or otherwise made available by this Act may be made available for the United States Man and the Biosphere Program, or related projects.

SEC. 8099. (a) The Secretary of Defense may, on a case-by-case basis, waive with respect to a foreign country each limitation on the procurement of defense items from foreign sources provided in law if the Secretary determines that the application of the limitation with respect to that country would invalidate cooperative programs entered into between the Department of Defense and the foreign country, or would invalidate reciprocal trade agreements for the procurement of defense items entered into under section 2531 of title 10, United States Code, and the country does not discriminate against the same or similar defense items produced in the United States for that country.

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

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

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

(c) Subsection (a) does not apply to a limitation regarding construction of public vessels, ball and roller bearings, food, and clothing or textile materials as defined by section 11 (chapters 50–65) of the Harmonized Tariff Schedule and products classified under headings 4010, 4202, 4203, 6401 through 6406, 6505, 7019, 7218 through 7229, 7304.41 through 7304.49, 7306.40, 7502 through 7508, 8105, 8108, 8109, 8211, 8215, and 9404.

SEC. 8100. Notwithstanding 31 U.S.C. 1552(a), of the funds provided in Department of Defense Appropriations Acts, not more than the specified amounts from the following accounts shall remain available for the payment of satellite on-orbit incentive fees until the fees are paid:

''Missile Procurement, Air Force, 1995/1997'', $20,978,000; and

''Missile Procurement, Air Force, 1996/1998'', $16,782,400.

SEC. 8101. None of the funds in this Act may be used by the National Imagery and Mapping Agency for mapping, charting, and geodesy activities unless contracts for such services are awarded in accordance with the qualifications based selection process in 40 U.S.C. 541 et seq. and 10 U.S.C. 2855: Provided, That such agency may continue to fund existing contracts for such services for not more than 180 days from the date of enactment of this Act: Provided further, That an exception shall be provided for such services that are critical to national security after a written notification has been submitted by the Deputy Secretary of Defense to the Committees on Appropriations of the House of Representatives and the Senate.

SEC. 8102. Funds made available to the Civil Air Patrol in this Act under the heading ''Drug Interdiction and Counter-Drug Activities, Defense'' may be used for the Civil Air Patrol Corporation's counterdrug program, including its demand reduction program involving youth programs, as well as operational and training drug reconnaissance missions for federal, state and

local government agencies; for administrative costs, including the hiring of Civil Air Patrol Corporation employees; for travel and per diem expenses of Civil Air Patrol Corporation personnel in support of those missions; and for equipment needed for mission support or performance: Provided, That of these funds, $300,000 shall be made available to establish and operate a distance learning program: Provided further, That the Department of the Air Force should waive reimbursement from the Federal, State and local government agencies for the use of these funds.

SEC. 8103. During fiscal year 1999, advance billing for services provided or work performed by the Working Capital Fund activities of the Department of the Air Force in excess of $100,000,000 is prohibited.

SEC. 8104. The Secretary of Defense shall undertake a review of all distributed learning education and training programs in the Department of Defense and shall issue a plan to implement a department-wide, standardized, cost-effective Advanced Distributed Learning framework to achieve the goals of commonality, interoperability, and reuse: Provided, That the Secretary shall report to Congress on the results of this review and present a detailed implementation and budget plan no later than July 30, 1999.

SEC. 8105. Notwithstanding any other provision in this Act, the total amount appropriated in title II is hereby reduced by $70,000,000 to reflect savings resulting from consolidations and personnel reductions as mandated in the Defense Reform Initiative.

SEC. 8106. The Secretary of Defense shall submit to the congressional defense committees an in-depth analysis comparing the cost of any proposed establishment or expansion of depot facilities by the Reserve Components to the cost of performing the same work at existing depot facilities or by the private sector: Provided, That for purposes of this section, the term ''depot level maintenance'' does not include General Support Level maintenance activities, Intermediate Level maintenance activities, or lower echelon maintenance activities.

SEC. 8107. Notwithstanding any other provision of law, the TRICARE managed care support contracts in effect, or in final stages of acquisition as of September 30, 1998, may be extended for two years: Provided, That any such extension may only take place if the Secretary of Defense determines that it is in the best interest of the government: Provided further, That any contract extension shall be based on the price in the final best and final offer for the last year of the existing contract as adjusted for inflation and other factors mutually agreed to by the contractor and the government: Provided further, That notwithstanding any other provision of law, all future TRICARE managed care support contracts replacing contracts in effect, or in the final stages of acquisition as of September 30, 1998, may include a base contract period for transition and up to seven one-year option periods.

SEC. 8108. Notwithstanding any other provision in this Act, the total amount appropriated in this Act is hereby reduced by $400,600,000 to reflect savings from revised economic assumptions, to be distributed as follows:

''Operation and Maintenance, Army'', $24,000,000;

''Operation and Maintenance, Navy'', $32,000,000;

''Operation and Maintenance, Marine Corps'', $4,000,000;

''Operation and Maintenance, Air Force'', $31,000,000;

''Operation and Maintenance, Defense-Wide'', $17,600,000;

''Operation and Maintenance, Army Reserve'', $2,000,000;

''Operation and Maintenance, Navy Reserve'', $2,000,000;

''Operation and Maintenance, Air Force Reserve'', $2,000,000;

''Operation and Maintenance, Army National Guard'', $4,000,000;

''Operation and Maintenance, Air National Guard'', $4,000,000;

''Drug Interdiction and Counter-Drug Activities, Defense'', $2,000,000;

''Environmental Restoration, Army'', $1,000,000;

''Environmental Restoration, Navy'', $1,000,000;

''Environmental Restoration, Air Force'', $1,000,000;

''Environmental Restoration, Defense-Wide'', $1,000,000;

''Defense Health Program'', $36,000,000;

''Aircraft Procurement, Army'', $4,000,000;

''Missile Procurement, Army'', $4,000,000;

''Procurement of Weapons and Tracked Combat Vehicles, Army'', $4,000,000;

''Procurement of Ammunition, Army'', $3,000,000;

''Other Procurement, Army'', $9,000,000;

''Aircraft Procurement, Navy'', $22,000,000;

''Weapons Procurement, Navy'', $4,000,000;

''Procurement of Ammunition, Navy and Marine Corps'', $1,000,000;

''Shipbuilding and Conversion, Navy'', $18,000,000;

''Other Procurement, Navy'', $12,000,000;

''Procurement, Marine Corps'', $2,000,000;

''Aircraft Procurement, Air Force'', $23,000,000;

''Missile Procurement, Air Force'', $7,000,000;

''Procurement of Ammunition, Air Force'', $1,000,000;

''Other Procurement, Air Force'', $17,500,000;

''Procurement, Defense-Wide'', $5,800,000;

''Chemical Agents and Munitions Destruction, Army'', $3,000,000;

''Research, Development, Test and Evaluation, Army'', $10,000,000;

''Research, Development, Test and Evaluation, Navy'', $20,000,000;

''Research, Development, Test and Evaluation, Air Force'', $39,000,000; and

''Research, Development, Test and Evaluation, Defense-Wide'', $26,700,000:

Provided, That these reductions shall be applied proportionally to each budget activity, activity group and subactivity group and each program, project, and activity within each appropriation account.

SEC. 8109. (a) DISPOSAL OF CERTAIN MATERIALS IN NATIONAL DEFENSE STOCKPILE.—Subject to subsection (c), the President shall dispose of materials contained in the National Defense Stockpile and specified in the table in subsection (b) so as to result in receipts to the United States in the amount of $100,000,000 by the end of fiscal year 1999.

(b) DISPOSAL QUANTITIES.—The total quantities of materials authorized for disposal by the President under subsection (a) may not exceed the amounts set forth in the following table:

Authorized Stockpile Disposals

Material for disposal	*Quantity*
Beryllium Metal	*20 short tons*
Chromium Ferroalloy	*25,000 short tons*
Columbium Carbide Powder	*21,372 pounds of contained Columbium*
Diamond, Stones	*600,000 carats*
Platinum	*100,000 troy ounces*
Platinum—Palladium	*150,000 troy ounces*
Tantalum Carbide Powder	*22,688 pounds of contained Tantalum*
Tantalum Metal Ingots	*25,000 pounds of contained Tantalum*
Tantalum Metal Powder	*25,000 pounds of contained Tantalum*

(c) MINIMIZATION OF DISRUPTION AND LOSS.—The President may not dispose of materials under subsection (a) to the extent that the disposal will result in—

(1) undue disruption of the usual markets of producers, processors, and consumers of the materials proposed for disposal; or

(2) avoidable loss to the United States.

(d) TREATMENT OF RECEIPTS.—Notwithstanding section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h), funds received as a result of the disposal of materials authorized for disposal under subsection (a) shall be deposited into the general fund of the Treasury.

(e) RELATIONSHIP TO OTHER DISPOSAL AUTHORITY.—(1) The disposal authority provided in subsection (a) is new disposal authority and is in addition to, and shall not affect, any other disposal authority provided by law regarding the materials specified in such subsection.

(2) The disposal authority provided in subsection (a) is referred to in section 3303 of the National Defense Authorization Act for Fiscal Year 1999, and the quantities of the materials specified in the table in subsection (b) are included in the quantities specified in the table in subsection (b) of such section 3303.

(f) DEFINITION.—In this section, the term ''National Defense Stockpile'' means the stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c).

SEC. 8110. (a) TRANSFERS OF VESSELS BY GRANT.—The Secretary of the Navy is authorized to transfer vessels to foreign countries on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j) as follows:

(1) To the Government of Argentina, the NEWPORT class tank landing ship NEWPORT (LST 1179).

(2) To the Government of Greece—

(A) the KNOX class frigate HEPBURN (FF 1055); and

(B) the ADAMS class guided missile destroyers STRAUSS (DDG 16), SEMMS (DDG 18), and WADDELL (DDG 24).

(3) To the Government of Portugal, the STALWART class ocean surveillance ship ASSURANCE (T-AGOS 5).

(4) To the Government of Turkey, the KNOX class frigates PAUL (FF 1080), MILLER (FF 1091), and W.S. SIMMS (FF 1059).

(b) TRANSFERS OF VESSELS BY SALE.—The Secretary of the Navy is authorized to transfer vessels to foreign countries on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761) as follows:

(1) To the Government of Brazil, the NEWPORT class tank landing ships CAYUGA (LST 1186) and PEORIA (LST 1183).

(2) To the Government of Chile—

(A) the NEWPORT class tank landing ship SAN BERNARDINO (LST 1189); and

(B) the auxiliary repair dry dock WATERFORD (ARD 5).

(3) To the Government of Greece—

(A) the OAK RIDGE class medium dry dock ALAMAGORDO (ARDM 2); and

(B) the KNOX class frigates VREELAND (FF 1068) and TRIPPE (FF 1075).

(4) To the Government of Mexico—

(A) the auxiliary repair dock SAN ONOFRE (ARD 30); and

(B) the KNOX class frigate PHARRIS (FF 1094).

(5) To the Government of the Philippines, the STALWART class ocean surveillance ship TRIUMPH (T-AGOS 4).

(6) To the Government of Spain, the NEWPORT class tank landing ships HARLAN COUNTY (LST 1196) and BARNSTABLE COUNTY (LST 1197).

(7) To the Taipai Economic and Cultural Representative Office in the United States (the Taiwan instrumentality that is designated pursuant to section 10(a) of the Taiwan Relations Act)—

(A) the KNOX class frigates PEARY (FF 1073), JOSEPH HEWES (FF 1078), COOK (FF 1083), BREWTON (FF 1086), KIRK (FF 1987), and BARBEY (FF 1088);

(B) the NEWPORT class tank landing ships MANITOWOC (LST 1180) and SUMTER (LST 1181);

(C) the floating dry dock COMPETENT (AFDM 6); and

(D) the ANCHORAGE class dock landing ship PENSACOLA (LSD 38).

(8) To the Government of Turkey—

(A) the OLIVER HAZARD PERRY class guided missile frigates MAHLON S. TISDALE (FFG 27), REID (FFG 30), and DUNCAN (FFG 10); and

(B) the KNOX class frigates REASONER (FF 1063), FANNING (FF 1076), BOWEN (FF 1079), MCCANDLESS (FF 1084), DONALD BEARY (FF 1085), AINSWORTH (FF 1090), THOMAS C. HART (FF 1092), and CAPODANNO (FF 1093).

(9) To the Government of Venezuela, the medium auxiliary floating dry dock bearing hull number AFDM 2.

(c) TRANSFERS OF VESSELS ON A COMBINED LEASE-SALE BASIS.—The Secretary of the Navy is authorized to transfer vessels to foreign countries on a combined lease-sale basis under sections 61 and 21 of the Arms Export Control Act (22 U.S.C. 2796, 2761) and in accordance with subsection (d) as follows:

(1) To the Government of Brazil, the CIMARRON class oiler MERRIMACK (AO 179).

(2) To the Government of Greece, the KIDD class guided missile destroyers KIDD (DDG 993), CALLAGHAN (DDG 994), SCOTT (DDG 995), and CHANDLER (DDG 996).

(d) CONDITIONS RELATING TO COMBINED LEASE-SALE TRANSFERS.—A transfer of a vessel on a combined lease-sale basis authorized by subsection (c) shall be made in accordance with the following requirements:

(1) The Secretary may initially transfer the vessel by lease, with lease payments suspended for the term of the lease, if the country entering into the lease for the vessel simultaneously enters into a foreign military sales agreement for the transfer of title to the vessel.

(2) The Secretary may not deliver to the purchasing country title to the vessel until the purchase price of the vessel under such a foreign military sales agreement is paid in full.

(3) Upon payment of the purchase price in full under such a sales agreement and delivery of title to the recipient country, the Secretary shall terminate the lease.

(4) If the purchasing country fails to make full payment of the purchase price in accordance with the sales agreement by the date required under the sales agreement—

(A) the sales agreement shall be immediately terminated;

(B) the suspension of lease payments under the lease shall be vacated; and

(C) the United States shall be entitled to retain all funds received on or before the date of the termination under the sales agreement, up to the amount of the lease payments due and payable under the lease and all other costs required by the lease to be paid to that date.

(5) If a sales agreement is terminated pursuant to paragraph (4), the United States shall not be required to pay any interest to the recipient country on any amount paid to the United States by the recipient country under the sales agreement and not retained by the United States under the lease.

(e) FUNDING FOR CERTAIN COSTS OF TRANSFERS.—There is established in the Treasury of the United States a special account to be known as the Defense Vessels Transfer Program Account. There is hereby appropriated into that account such sums as may be necessary for the costs (as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a)) of the lease-sale transfers authorized by subsection (c). Funds in that account are available only for the purpose of covering those costs.

(f) NOTIFICATION OF CONGRESS.—Not later than 30 days after the date of the enactment of this Act, the Secretary of the Navy shall submit to Congress, for each naval vessel that is to be transferred under this section before January 1, 1999, the notifications required under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j) and section 525 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1998 (Public Law 105–118; 111 Stat. 2413).

(g) GRANTS NOT COUNTED IN ANNUAL TOTAL OF TRANSFERRED EXCESS DEFENSE ARTICLES.—The value of a vessel transferred to another country on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j) pursuant to authority provided by subsection (a) shall not be counted for the purposes of subsection (g) of that section in the aggregate value of excess defense articles transferred to countries under that section in any fiscal year.

(h) COSTS OF TRANSFERS.—Any expense incurred by the United States in connection with a transfer authorized by this section shall be charged to the recipient (notwithstanding section 516(e)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j(e)(1)) in the case of a transfer authorized to be made on a grant basis under subsection (a)).

(i) REPAIR AND REFURBISHMENT IN UNITED STATES SHIPYARDS.—To the maximum extent practicable, the Secretary of the Navy shall require, as a condition of the transfer of a vessel under this section, that the country to which the vessel is transferred have such repair or refurbishment of the vessel as is needed, before the vessel joins the naval forces of that country, performed at a shipyard located in the United States, including a United States Navy shipyard.

(j) EXPIRATION OF AUTHORITY.—The authority to transfer a vessel under this section shall expire at the end of the two-year period beginning on the date of the enactment of this Act.

SEC. 8111. None of the funds in this Act may be used to compensate an employee of the Department of Defense who initiates a new start program without notification to the Office of the Secretary of Defense and the congressional defense committees, as required by Department of Defense financial management regulations.

SEC. 8112. None of the funds made available by this Act shall be used by the Army to reduce civilian personnel workforce levels at United States Army, Pacific (USARPAC) bases and at Major Range and Test Facility Bases (MRTFBs) in the United States in fiscal year 1999 below levels assumed in this Act unless the Secretary of the Army notifies the Congressional defense committees not less than 30 days prior to implementation of any civilian personnel workforce reductions.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8113. Of the funds made available under title II of this Act, the following amounts shall be transferred to the Defense Working Capital Funds for the purpose of funding operations of the Defense Commissary Agency:

''Operation and Maintenance, Army'', $338,400,000;

''Operation and Maintenance, Navy'', $255,000,000;

''Operation and Maintenance, Marine Corps'', $86,600,000; and

''Operation and Maintenance, Air Force'', $302,071,000:

Provided, That the transfer authority provided in this section is in addition to any other transfer authority contained elsewhere in this Act.

SEC. 8114. Of the amounts made available in title II of this Act under the heading ''Operation and Maintenance, Navy'', $20,000,000 is available only for emergency and extraordinary expenses associated with the accident involving a United States Marine Corps A–6 aircraft on February 3, 1998, near Cavalese, Italy: Provided, That these funds shall remain available until expended: Provided further, That notwithstanding any other provision of law, the funds made available by this section may be available for payments to persons, communities, or other entities in Italy for reimbursement for property damages resulting from the accident involving a United States Marine Corps A–6 aircraft on February 3, 1998, near Cavalese, Italy: Provided further, That notwithstanding any other provision of law, funds made available under this section may be used to rebuild or replace the funicular system in Cavalese destroyed on February 3, 1998 by that aircraft: Provided further, That any amount paid to any individual or entity from the amount appropriated under this section shall be credited against any amount subsequently determined to be payable to that individual or entity under chapter 163 of title 10, United States Code, section 127 of that title, or any other authority provided by law for administrative settlement of claims against the United States with respect to damages arising from the accident described in this section: Provided further, That payment of an amount under this section shall not be considered to constitute a statement of legal liability on the part of the United States or otherwise to prejudge any judicial proceeding or investigation arising from the accident described in this section: Provided further, That no part of any payment authorized by this section shall be paid to or received by agents or attorneys for services rendered in connection with obtaining such payment, any contract to the contrary notwithstanding.

SEC. 8115. (a) None of the funds appropriated or otherwise made available under this Act may be obligated or expended for any additional deployment of forces of the Armed Forces of the United States to Yugoslavia, Albania, or Macedonia unless and until the President, after consultation with the Speaker of the House of Representatives, the Majority Leader of the Senate, the Minority Leader of the House of Representatives, and the Minority Leader of the Senate, transmits to Congress a report on the deployment that includes the following:

(1) The President's certification that the presence of those forces in each country to which the forces are to be deployed is necessary in the national security interests of the United States.

(2) The reasons why the deployment is in the national security interests of the United States.

(3) The number of United States military personnel to be deployed to each country.

(4) The mission and objectives of forces to be deployed.

(5) The expected schedule for accomplishing the objectives of the deployment.

(6) The exit strategy for United States forces engaged in the deployment.

(7) The costs associated with the deployment and the funding sources for paying those costs.

(8) The anticipated effects of the deployment on the morale, retention, and effectiveness of United States forces.

(b) Subsection (a) does not apply to a deployment of forces—

(1) in accordance with United Nations Security Council Resolution 795; or

(2) under circumstances determined by the President to be an emergency necessitating immediate deployment of the forces.

(c) Nothing in this section shall be deemed to restrict the authority of the President under the Constitution to protect the lives of United States citizens.

SEC. 8116. (a) ENSURING YEAR 2000 COMPLIANCE OF INFORMATION TECHNOLOGY AND NATIONAL SECURITY SYSTEMS.—None of the funds appropriated or otherwise made available by this Act may (except as provided in subsection (b)) be obligated or expended on the development or modernization of any information technology or national security system of the Department of Defense in use by the Department of Defense (whether or not the system is a mission critical system) if the date-related data processing capability of that system does not

meet certification level 1a, 1b, or 2 (as prescribed in the April 1997 publication of the Department of Defense entitled ''Year 2000 Management Plan'').

(b) EXCEPTION FOR CERTAIN INFORMATION TECHNOLOGY AND NATIONAL SECURITY SYSTEMS.—The limitation in subsection (a) does not apply to an obligation or expenditure for an information technology or national security system that is reported to the Office of the Secretary of Defense by October 1, 1998, in accordance with the preparation instructions for the May 1998 Department of Defense quarterly report on the status of year 2000 compliance, if—

(1) the obligation or expenditure is directly related to ensuring that the reported system achieves year 2000 compliance;

(2) the system is being developed and fielded to replace, before January 1, 2000, a noncompliant system or a system to be terminated in accordance with the May 1998 Department of Defense quarterly report on the status of year 2000 compliance; or

(3) the obligation or expenditure is required for a particular change that is specifically required by law or that is specifically directed by the Secretary of Defense.

(c) UNALLOCATED REDUCTIONS OF FUNDS NOT TO APPLY TO MISSION CRITICAL SYSTEMS.—Funds appropriated or otherwise made available by this Act for mission critical systems are not subject to any unallocated reduction of funds made by or otherwise applicable to funds appropriated or otherwise made available by this Act.

(d) CURRENT SERVICES OPERATIONS NOT AFFECTED.—Subsection (a) does not prohibit the obligation or expenditure of funds for current services operations of information technology and national security systems.

(e) WAIVER AUTHORITY.—The Secretary of Defense may waive subsection (a) on a case-by-case basis with respect to an information technology or national security system if the Secretary provides the congressional defense committees with written notice of the waiver, including the reasons for the waiver and a timeline for the testing and certification of the system as year 2000 compliant.

(f) REQUIRED REPORT.—(1) Not later than December 1, 1998, the Secretary of Defense shall submit to the congressional defense committees a report describing—

(A) an executable strategy to be used throughout the Department of Defense to test information technology and national security systems for year 2000 compliance (to include functional capability tests and military exercises);

(B) the plans of the Department of Defense for ensuring that adequate resources (such as testing facilities, tools, and personnel) are available to ensure that all mission critical systems achieve year 2000 compliance; and

(C) the criteria and process to be used to certify a system as year 2000 compliant.

(2) The report shall also include—

(A) an updated list of all mission critical systems; and

(B) guidelines for developing contingency plans for the functioning of each information technology or national security system in the event of a year 2000 problem in any such system.

(g) CAPABILITY CONTINGENCY PLANS.—Not later than December 30, 1998, the Secretary of Defense shall have in place contingency plans to ensure continuity of operations for every critical mission or function of the Department of Defense that is dependent on an information technology or national security system.

(h) INSPECTOR GENERAL EVALUATION.—The Inspector General of the Department of Defense shall selectively audit information technology and national security systems certified as year 2000 compliant to evaluate the ability of systems to successfully operate during the actual year 2000, including the ability of the systems to access and transmit information from point of origin to point of termination.

(i) DEFINITIONS.—For purposes of this section:

(1) The term ''information technology'' has the meaning given that term in section 5002 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401).

(2) The term ''national security system'' has the meaning given that term in section 5142 of such Act (40 U.S.C. 1452).

(3) The term ''development or modernization'' has the meaning given that term in paragraph E of section 180203 of the Department of Defense Financial Management Regulation (DOD 7000.14–R), but does not include any matter covered by subparagraph 3 of that paragraph.

(4) The term ''current services'' has the meaning given that term in paragraph C of section 180203 of the Department of Defense Financial Management Regulation (DOD 7000.14–R).

(5) The term ''mission critical system'' means an information technology or national security system that is designated as mission critical in the May 1998 Department of Defense quarterly report on the status of year 2000 compliance.

SEC. 8117. (a) EVALUATION OF YEAR 2000 COMPLIANCE AS PART OF TRAINING EXERCISES PROGRAMS.—Not later than December 15, 1998, the Secretary of Defense shall submit to Congress a plan for the execution of a simulated year 2000 as part of military exercises described in subsection (c) in order to evaluate, in an operational environment, the extent to which information technology and national security systems involved in those exercises will successfully operate during the actual year 2000, including the ability of those systems to access and transmit information from point of origin to point of termination.

(b) EVALUATION OF COMPLIANCE IN SELECTED EXERCISES.—In conducting the military exercises described in subsection (c), the Secretary of Defense shall ensure that—

(1) at least 25 of those exercises (referred to in this section as ''year 2000 simulation exercises'') are conducted so as to include a simulated year 2000 in accordance with the plan submitted under subsection (a);

(2) at least two of those exercises are conducted by the commander of each unified or specified combatant command; and

(3) all mission critical systems that are expected to be used if the Armed Forces are involved in a conflict in a major theater of war are tested in at least two exercises.

(c) COVERED MILITARY EXERCISES.—A military exercise referred to in this section is a military exercise conducted by the Department of Defense, during the period beginning on January 1, 1999, and ending on September 30, 1999—

(1) under the training exercises program known as the ''CJCS Exercise Program'';

(2) at the Naval Strike and Air Warfare Center, the Army National Training Center, or the Air Force Air Warfare Center; or

(3) as part of Naval Carrier Group fleet training or Marine Corps Expeditionary Unit training.

(d) ALTERNATIVE TESTING METHOD.—In the case of an information technology or national security system for which a simulated year 2000 test as part of a military exercise described in subsection (c) is not feasible or presents undue risk, the Secretary of Defense shall test the system using a functional end-to-end test or through a Defense Major Range and Test Facility Base. The Secretary shall include the plans for these tests in the plan required by subsection (a). Tests under this subsection are in addition to the 25 tests required by subsection (b).

(e) AUTHORITY FOR EXCLUSION OF SYSTEMS NOT CAPABLE OF PERFORMING RELIABLY IN YEAR 2000 SIMULATION.—(1) In carrying out a year 2000 simulation exercise, the Secretary of Defense may exclude a particular information technology or national security system from the year 2000 simulation phase of the exercise if the Secretary determines that the system would be incapable of performing reliably during the year 2000 simulation phase of the exercise. In such a case, the system excluded shall be replaced in accordance with the year 2000 contingency plan for the system.

(2) If the Secretary of Defense excludes an information technology or national security system from the year 2000 simulation phase of an exercise as provided in paragraph (1), the Secretary shall notify Congress of that exclusion not later than two weeks before commencing that exercise. The notice shall include a list of each information technology or national security system excluded from the exercise, a description of how the exercise will use the year 2000 contingency plan for each such system, and a description of the effect that continued year 2000 noncompliance of each such system would have on military readiness.

(3) An information technology or national security system with cryptological applications that is not capable of having its internal clock adjusted forward to a simulated later time is exempt from the year 2000 simulation phase of an exercise under this section.

(f) COMPTROLLER GENERAL REVIEW.—Not later than January 30, 1999, the Comptroller General shall review the report and plan submitted under subsection (a) and submit to Congress a briefing evaluating the methodology to be used under the plan to simulate the year 2000 and describing the potential information that will be collected as a result of implementation of the plan, the adequacy of the planned tests, and the impact that the plan will have on military readiness.

(g) DEFINITIONS.—For the purposes of this section:

(1) The term ''information technology'' has the meaning given that term in section 5002 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401).

(2) The term ''national security system'' has the meaning given that term in section 5142 of such Act (40 U.S.C. 1452).

(3) The term ''mission critical system'' means an information technology or national security system that is designated as mission critical in the May 1998 Department of Defense quarterly report on the status of year 2000 compliance.

SEC. 8118. During the current fiscal year and hereafter, no funds appropriated or otherwise available to the Department of Defense may be used to award a contract to, extend a contract with, or approve the award of a subcontract to any person who within the preceding 15 years has been convicted under section 704 of title 18, United States Code, of the unlawful manufacture or sale of the Congressional Medal of Honor.

SEC. 8119. (a) The Secretary of Defense shall submit to the Committees on Appropriations of the Senate and the House of Representatives a report on food stamp assistance for members of the Armed Forces. The Secretary shall submit the report at the same time that the Secretary submits to Congress, in support of the fiscal year 2001 budget, the materials that relate to the funding provided in that budget for the Department of Defense.

(b) The report shall include the following:

(1) The number of members of the Armed Forces and dependents of members of the Armed Forces who are eligible for food stamps.

(2) The number of members of the Armed Forces and dependents of members of the Armed Forces who received food stamps in fiscal year 1998.

(3) A proposal for using, as a means for eliminating or reducing significantly the need of such personnel for food stamps, the authority under section 2828 of title 10, United States Code, to lease housing facilities for enlisted members of the Armed Forces and their families when Government quarters are not available for such personnel.

(4) A proposal for increased locality adjustments through the basic allowance for housing and other methods as a means for eliminating or reducing significantly the need of such personnel for food stamps.

(5) Other potential alternative actions (including any recommended legislation) for eliminating or reducing significantly the need of such personnel for food stamps.

(6) A discussion of the potential for each alternative action referred to in paragraph (3) or (4) to result in the elimination or a significant reduction in the need of such personnel for food stamps.

(c) Each potential alternative action included in the report under paragraph (3) or (4) of subsection (b) shall meet the following requirements:

(1) Apply only to persons referred to in paragraph (1) of such subsection.

(2) Be limited in cost to the lowest amount feasible to achieve the objectives.

(d) In this section:

(1) The term ''fiscal year 2001 budget'' means the budget for fiscal year 2001 that the President submits to Congress under section 1105(a) of title 31, United States Code.

(2) The term ''food stamps'' means assistance under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

SEC. 8120. None of the funds appropriated or otherwise made available by this Act in Titles III and IV may be used to enter into or renew a contract with any company owned, or partially owned, by the People's Republic of China or the People's Liberation Army of the People's Republic of China.

SEC. 8121. (a) Chapter 157 of title 10, United States Code, is amended by inserting after section 2641 the following:

''§ 2641a. Transportation of American Samoa veterans on Department of Defense aircraft for certain medical care in Hawaii

''(a) TRANSPORTATION AUTHORIZED.—The Secretary of Defense may provide transportation on Department of Defense aircraft for the purpose of transporting any veteran specified in subsection (b) between American Samoa and the State of Hawaii if such transportation is required in order to provide hospital care to such veteran as described in that subsection.

''(b) VETERANS ELIGIBLE FOR TRANSPORT.—A veteran eligible for transport under subsection (a) is any veteran who—

''(1) resides in and is located in American Samoa; and

''(2) as determined by an official of the Department of Veterans Affairs designated for that purpose by the Secretary of Veterans Affairs, must be transported to the State of Hawaii in order to receive hospital care to which such veteran is entitled under chapter 17 of title 38 in facilities of such Department in the State of Hawaii.

''(c) ADMINISTRATION.—(1) Transportation may be provided to veterans under this section only on a space-available basis.

''(2) A charge may not be imposed on a veteran for transportation provided to the veteran under this section.

''(d) DEFINITIONS.—In this section:

''(1) The term 'veteran' has the meaning given that term in section 101(2) of title 38.

''(2) The term 'hospital care' has the meaning given that term in section 1701(5) of title 38.''.

(b) The table of sections at the beginning of chapter 157 of such title is amended by inserting after the item relating to section 2641 the following new item:

''2641a. Transportation of American Samoa veterans on Department of Defense aircraft for certain medical care in Hawaii.''.

SEC. 8122. ADDITIONAL FUNDING FOR KOREAN WAR VETERANS MEMORIAL. Section 3 of Public Law 99–572 (40 U.S.C. 1003 note) is amended by adding at the end the following:

''(c) ADDITIONAL FUNDING.—

''(1) IN GENERAL.—In addition to amounts made available under subsections (a) and (b), the Secretary of the Army may expend, from any funds available to the Secretary on the date of enactment of this paragraph, $2,000,000 for repair of the memorial.

''(2) DISPOSITION OF FUNDS RECEIVED FROM CLAIMS.—Any funds received by the Secretary of the Army as a result of any claim against a contractor in connection with construction of the memorial shall be deposited in the general fund of the Treasury.''.

SEC. 8123. Of the funds available under title VI for ''Chemical Agents and Munitions Destruction, Army'' for research and development, $18,000,000 shall be made available for the program manager for the Assembled Chemical Weapons Assessment (under section 8065 of the Department of Defense Appropriations Act, 1997) for demonstrations of technologies under the Assembled Chemical Weapons Assessment, for planning and preparation to proceed from demonstration of an alternative technology immediately into the development of a pilot-scale facility for the technology, and for the design, construction, and operation of a pilot facility for the technology.

SEC. 8124. The Secretary of the Navy may carry out a competitively awarded vessel scrapping pilot program during fiscal years 1999 and 2000 using funds made available in this Act under the heading ''Operation and Maintenance, Navy'': Provided, That the Secretary of the Navy shall define the program scope sufficient to gather data on the cost of scrapping Government vessels and to demonstrate cost effective technologies and techniques to scrap such vessels in a manner that is protective of worker safety and health and the environment.

SEC. 8125. From within the funds provided under the heading ''Operation and Maintenance, Army'', up to $500,000 shall be available for paying subcontractors and suppliers for work performed at Fort Wainwright, Alaska, in 1994, under Army services contract number DACA85–93–C–0065. Subcontractors and suppliers are to be paid interest calculated in accordance with the Contract Dispute Act of 1978, 41 U.S.C. 601–613.

SEC. 8126. (a) The Secretary of the Army and the Secretary of the Air Force may each enter into one or more multiyear leases of nontactical firefighting equipment, nontactical crash rescue equipment, or nontactical snow removal equipment. The period of a lease entered into under this section shall be for any period not in excess of 10 years. Any such lease shall provide that performance under the lease during the second and subsequent years of the contract is contingent upon the appropriation of funds and shall provide for a cancellation payment to be made to the lessor if such appropriations are not made.

(b) Lease payments made under subsection (a) shall be made from amounts provided in this or future appropriations Acts.

(c) This section is effective for all fiscal years beginning after September 30, 1998.

SEC. 8127. From within funds available for the Department of Defense under title VI of this Act for ''Chemical Agents and Munitions Destruction, Army'', or the unobligated balances of funds available for ''Chemical Agents and Munitions Destruction, Defense'', under any other Act making appropriations for military functions administered by the Department of Defense for any fiscal year, the Secretary of Defense may use not more than $25,000,000 for the Assembled Chemical Weapons Assessment to complete the demonstration of alternatives to baseline incineration for the destruction of chemical agents and munitions and to carry out the pilot program under section 8065 of the Department of Defense Appropriations Act, 1997 (section 101(b) of Public Law 104–208; 110 Stat. 3009–101; 50 U.S.C. 1521 note). The amount specified in the preceding sentence is in addition to any other amount that is made available under title VI of this Act to complete the demonstration of the alternatives and to carry out the pilot program: Provided, That none of these funds shall be taken from any ongoing operational chemical munitions destruction programs.

SEC. 8128. (a) FINDINGS.—The Congress finds that—

(1) child experts estimate that as many as 250,000 children under the age of 18 are currently serving in armed forces or armed groups in more than 30 countries around the world;

(2) contemporary armed conflict has caused the deaths of 2,000,000 minors in the last decade alone, and has left an estimated 6,000,000 children seriously injured or permanently disabled;

(3) children are uniquely vulnerable to military recruitment because of their emotional and physical immaturity, are easily manipulated, and can be drawn into violence that they are too young to resist or understand;

(4) children are most likely to become child soldiers if they are poor, separated from their families, displaced from their homes, living in a combat zone, or have limited access to education;

(5) orphans and refugees are particularly vulnerable to recruitment;

(6) one of the most egregious examples of the use of child soldiers is the abduction of some 10,000 children, some as young as 8 years of age, by the Lord's Resistance Army (in this section referred to as the ''LRA'') in northern Uganda;

(7) the Department of State's Country Reports on Human Rights Practices for 1997 reports that in Uganda the LRA kills, maims, and rapes large numbers of civilians, and forces abducted children into ''virtual slavery as guards, concubines, and soldiers'';

(8) children abducted by the LRA are forced to raid and loot villages, fight in the front line of battle against the Ugandan army and the Sudan People's Liberation Army (SPLA), serve as sexual slaves to rebel commanders, and participate in the killing of other children who try to escape;

(9) former LRA child captives report witnessing Sudanese government soldiers delivering food supplies, vehicles, ammunition, and arms to LRA base camps in government-controlled southern Sudan;

(10) children who manage to escape from LRA captivity have little access to trauma care and rehabilitation programs, and many find their families displaced, unlocatable, dead, or fearful of having their children return home;

(11) Graca Machel, the former United Nations expert on the impact of armed conflict on children, identified the immediate demobilization of all child soldiers as an urgent priority, and recommended the establishment through an optional protocol to the Convention on the Rights of the Child of 18 as the minimum age for recruitment and participation in armed forces; and

(12) the International Committee of the Red Cross, the United Nations Children's Fund (UNICEF), the United Nations High Commission on Refugees, and the United Nations High Commissioner on Human Rights, as well as many nongovernmental organizations, also support the establishment of 18 as the minimum age for military recruitment and participation in armed conflict.

(b) IN GENERAL.—The Congress hereby—

(1) deplores the global use of child soldiers and supports their immediate demobilization;

(2) condemns the abduction of Ugandan children by the LRA;

(3) calls on the Government of Sudan to use its influence with the LRA to secure the release of abducted children and to halt further abductions; and

(4) encourages the United States delegation not to block the drafting of an optional protocol to the Convention on the Rights of the Child that would establish 18 as the minimum age for participation in armed conflict.

(c) SENSE OF THE CONGRESS.—It is the sense of the Congress that the President and the Secretary of State should—

(1) support efforts to end the abduction of children by the LRA, secure their release, and facilitate their rehabilitation and reintegration into society;

(2) not block efforts to establish 18 as the minimum age for participation in conflict through

an optional protocol to the Convention on the Rights of the Child; and

(3) provide greater support to United Nations agencies and nongovernmental organizations working for the rehabilitation and reintegration of former child soldiers into society.

SEC. 8129. Notwithstanding any other provision of law, the Secretary of Defense shall obligate the funds provided for Counterterror Technical Support in the Department of Defense Appropriations Act, 1998 (under title IV of Public Law 105–56) for the projects and in the amounts provided for in House Report 105–265 of the House of Representatives, One Hundred Fifth Congress, First Session: Provided, That the funds available for the Pulsed Fast Neutron Analysis Project should be executed through cooperation with the Office of National Drug Control Policy.

SEC. 8130. TRAINING AND OTHER PROGRAMS. (a) PROHIBITION.—None of the funds made available by this Act may be used to support any training program involving a unit of the security forces of a foreign country if the Secretary of Defense has received credible information from the Department of State that a member of such unit has committed a gross violation of human rights, unless all necessary corrective steps have been taken.

(b) MONITORING.—Not more than 90 days after enactment of this Act, the Secretary of Defense, in consultation with the Secretary of State, shall establish procedures to ensure that prior to a decision to conduct any training program referred to in subsection (a), full consideration is given to all information available to the Department of State relating to human rights violations by foreign security forces.

(c) WAIVER.—The Secretary of Defense, after consultation with the Secretary of State, may waive the prohibition in subsection (a) if he determines that such waiver is required by extraordinary circumstances.

(d) REPORT.—Not more than 15 days after the exercise of any waiver under subsection (c), the Secretary of Defense shall submit a report to the congressional defense committees describing the extraordinary circumstances, the purpose and duration of the training program, the United States forces and the foreign security forces involved in the training program, and the information relating to human rights violations that necessitates the waiver.

SEC. 8131. Notwithstanding any other provision of law, and notwithstanding the provisions of section 509(b) of title 32, United States Code, of the funds made available for Civil Military Programs to the Department of Defense in this Act, not less than $62,394,000 shall be made available for the National Guard ChalleNGe Program.

SEC. 8132. (a) Notwithstanding any other provision of law, the Secretary of the Air Force may convey, without consideration, to Indian tribes located in the State of Montana relocatable military housing units located at Malmstrom Air Force Base, Montana, that are excess to the needs of the Air Force.

(b) PROCESSING OF REQUESTS.—(1) The Secretary of the Air Force shall convey military housing units under subsection (a) in accordance with the requests for such units that are submitted to the Secretary by the Operation Walking Shield Program on behalf of Indian tribes located in the State of Montana.

(2) The Operation Walking Shield Program shall resolve any conflicts among requests of Indian tribes for housing units under subsection (a) before submitting such requests to the Secretary of the Air Force under paragraph (1).

(c) INDIAN TRIBE DEFINED.—In this section, the term ''Indian tribe'' means any recognized Indian tribe included on the current list published by the Secretary of the Interior under section 104 of the Federally Recognized Indian Tribe List Act of 1994 (Public Law 103–454; 108 Stat. 4792; 25 U.S.C. 479a–1).

SEC. 8133. (a) The Secretary of Defense, in coordination with the Secretary of Health and Human Services, may carry out a program to distribute surplus dental equipment of the Department of Defense, at no cost to the Department of Defense, to Indian health service facilities and to federally-qualified health centers (within the meaning of section 1905(l)(2)(B) of the Social Security Act (42 U.S.C. 1396d(l)(2)(B))).

(b) Not later than March 15, 1999, the Secretary of Defense shall submit to Congress a report on the program, including the actions taken under the program.

SEC. 8134. The total amount appropriated in Title III of this Act is hereby reduced by $142,100,000.

SEC. 8135. Notwithstanding any other provision in this Act, the total amount appropriated in this Act is hereby reduced by $193,600,000 to reflect savings from favorable foreign currency fluctuations, to be distributed as follows:

''Military Personnel, Army'', $5,300,000;

''Military Personnel, Navy'', $12,000,000;

''Military Personnel, Marine Corps'', $4,200,000;

''Military Personnel, Air Force'', $8,100,000;

''Operation and Maintenance, Army'', $111,500,000;

''Operation and Maintenance, Navy'', $11,500,000;

''Operation and Maintenance, Marine Corps'', $3,300,000;

''Operation and Maintenance, Air Force'', $26,200,000; and

''Operation and Maintenance, Defense-Wide'', $11,500,000.

SEC. 8136. Notwithstanding any other provision in this Act, the total amount appropriated in this Act is hereby reduced by $502,000,000 to reflect savings from reductions in the price of bulk fuel, to be distributed as follows:

''Operation and Maintenance, Army'', $36,000,000;

''Operation and Maintenance, Navy'', $167,000,000;

''Operation and Maintenance, Marine Corps'', $8,000,000;

''Operation and Maintenance, Air Force'', $176,000,000;

''Operation and Maintenance, Defense-Wide'', $67,000,000;

''Operation and Maintenance, Army Reserve'', $1,400,000;

''Operation and Maintenance, Navy Reserve'', $8,200,000;

''Operation and Maintenance, Air Force Reserve'', $11,700,000;

''Operation and Maintenance, Army National Guard'', $3,500,000; and

''Operation and Maintenance, Air National Guard'', $23,200,000.

SEC. 8137. GLOBAL POSITIONING SYSTEM FREQUENCY SPECTRUM.—In order to guard against disruption of Global Positioning System services that are vital to the national security and economic interests of the United States, the Secretary of Defense shall submit to the congressional defense committees a report setting forth a national strategy to (a) protect the integrity of the Global Positioning System frequency spectrum against interference and disruption, (b) achieve full and effective use by GPS of radio frequency spectrum currently allocated by the International Telecommunications Union for transmission of satellite navigation signals, and (c) provide for any additional allocation of spectrum necessary for GPS evolution. Such report shall be submitted to the congressional defense committees within 120 days of enactment of this Act.

SEC. 8138. The Secretary of Defense shall submit a report to Congress concurrent with submission of the fiscal year 2000 President's budget regarding past military deployment rates and future deployment rate goals. Such report shall contain a listing of the monthly overseas deployment rates for military personnel of each service covering each fiscal year beginning with fiscal year 1989, the location and size of each deployment, a description of the methodology used to determine the deployment rates for each service, and a discussion of the maximum yearly deployment rates for each service that can be sustained on a continuous basis in non-emergency situations over the next five years given the resources and personnel end strengths contained in the Future Years Defense Plan.

SEC. 8139. (a) CONVEYANCE REQUIRED.—The Secretary of the Air Force shall convey, without consideration, to the Town of Newington, New Hampshire, all right, title, and interest of the United States in and to a parcel of real property, together with improvements thereon, consisting of approximately 1.3 acres located at former Pease Air Force Base, New Hampshire, and known as the site of the old Stone School.

(b) INAPPLICABILITY OF CERTAIN DISPOSAL AUTHORITIES.—The Secretary shall make the conveyance required by subsection (a) without regard to the provisions of section 204(b) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Secretary.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interest of the United States.

SEC. 8140. (a) The Secretary of the Navy may lease to the University of Central Florida (in this section referred to as the ''University''), or a representative or agent of the University designated by the University, such portion of the property known as the Naval Air Warfare Center, Training Systems Division, Orlando, Florida, as the Secretary considers appropriate as a location for the establishment of a center for research in the fields of law enforcement, public safety, civil defense, and national defense.

(b) Notwithstanding any other provision of law, the term of the lease under subsection (a) may not exceed 50 years.

(c) As consideration for the lease under subsection (a), the University shall—

(1) undertake and incur the cost of the planning, design, and construction required to establish the center referred to in that subsection; and

(2) during the term of the lease, provide the Secretary such space in the center for activities of the Navy as the Secretary and the University jointly consider appropriate.

(d) The Secretary may require such additional terms and conditions in connection with the lease authorized by subsection (a) as the Secretary considers appropriate to protect the interest of the United States.

SEC. 8141. (a) The Secretary of the Air Force may enter into an agreement to lease from the City of Phoenix, Arizona, the parcel of real property described in subsection (b), together with improvements on the property, in consideration of annual rent not in excess of one dollar.

(b) The real property referred to in subsection (a) is a parcel, known as Auxiliary Field 3, that is located approximately 12 miles north of Luke Air Force Base, Arizona, in section 4 of township 3 north, range 1 west of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, is bounded on the north by Bell Road, on the east by Litchfield Road, on the south by Greenway Road, and on the west by agricultural land, and is composed of approximately 638 acres, more or less, the same property that was formerly an Air Force training and emergency field developed during World War II.

(c) The Secretary may require such additional terms and conditions in connection with the lease under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 8142. Notwithstanding any other provision of law, the Secretary of Defense may retain all or a portion of the family housing at Fort Buchanan, Puerto Rico, as the Secretary deems necessary to meet military family housing needs arising out of the relocation of elements of the U.S. Army South to Fort Buchanan.

SEC. 8143. (a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey to the City of Seattle, Washington (in this section referred to as the ''City''), all right, title, and interest of the United States in and to a parcel of real property, together with improvements thereon, consisting of approximately 11.82 acres, the location of the Magnolia housing area, Seattle, Washington, less such areas as the Secretary determines are required to support continued Navy family housing requirements.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a), the City shall pay to the United States an amount equal to the fair market value (as determined by the Secretary) of the portion of the real property to be conveyed under subsection (a) that was not donated to the United States by the City. The portion of the real property to be conveyed under subsection (a) that was donated to the United States by the City will be returned to the City at no cost.

(c) CONDITION.—The conveyance authorized by subsection (a) shall be subject to the condition that the City accept the real property in its condition at the time of conveyance.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to be conveyed for monetary consideration; as well as the acreage of the portion to be returned to the City at no cost as described in subsection (b), shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the City.

(e) USE OF FUNDS.—(1) The Secretary shall use any amounts paid to the Secretary under subsection (b) for Navy family housing purposes in the Puget Sound region. (2) If amounts referred to in paragraph (1) remain unexpended after the use for Navy family housing purposes referred to in that paragraph, the Secretary shall deposit such unexpended amounts in the account established under section 204(h) of the Federal Property and Administrative Services Act (40 U.S.C. 485(h)).

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 8144. (a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to the city of Reading, Pennsylvania, hereafter referred to as the ''City'' or to another entity designated by the City, all right and title, and interest of the United States in and to a parcel of real property (including improvements thereon) consisting of approximately 1.8 acres at the Army Reserve Center located at 1800 North 12th Street in Reading, Pennsylvania, for redevelopment purposes.

(b) CONSIDERATION.—The conveyance authorized under subsection (a) shall be subject to the condition that the City—

(1) Will pay fair market value for the property, if the property is to be conveyed to or used by a business enterprise.

(2) Will obtain the property without consideration if the property is to be used by a state or local governmental agency.

(c) ADMINISTRATIVE EXPENSES.—In connection with the conveyance under subsection (a), the Secretary may accept amounts provided by the city or other persons to cover administrative expenses incurred by the Secretary in entering into the transaction. Amounts collected under this subsection (b) for administrative expenses shall be credited to the appropriation, fund, or account from which the expenses were paid. Amounts so credited shall be merged with funds in such appropriation, fund or account and shall be available for the same purposes and subject to the same limitations as the funds with which merged.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the City.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 8145. Notwithstanding any other provision of law, using funds previously appropriated into the Department of Defense Base Closure Account 1990 established by section 2906(a)(1) of the Department of Defense Authorization Act, 1991 (Public Law 101–510), the Secretary of the Air Force shall obligate up to $7,646,000 for demolition and related environmental restoration of 31 buildings, possessing asbestos and lead-based paint, at the former Norton Air Force Base, California.

SEC. 8146. LIQUIDITY OF WORKING-CAPITAL FUNDS. (a) INCREASED CASH BALANCES.—The Secretary of Defense shall administer the working-capital funds of the Department of Defense during fiscal year 1999 so as to ensure that the total amount of the cash balances in such funds on September 30, 1999, exceeds the total amount of the cash balances in such funds on September 30, 1998, by $1,300,000,000.

(b) ACTIONS REGARDING UNBUDGETED LOSSES.—The Under Secretary of Defense (Comptroller) shall take such actions regarding unbudgeted losses for the working-capital funds as may be necessary in order to ensure that such unbudgeted losses do not preclude the Secretary of Defense from achieving the increase in cash balances in working-capital funds required under subsection (a).

(c) WAIVER.—The Secretary of Defense may waive the requirements of this section upon certifying to Congress, in writing, that the waiver is necessary to meet requirements associated with—

(A) a contingency operation (as defined in section 101(a)(13) of title 10, United States Code); or

(B) an operation of the Armed Forces that commenced before October 1, 1998, and continues during fiscal year 1999.

(2) The waiver authority under paragraph (1) may not be delegated to any official other than the Deputy Secretary of Defense.

(3) The waiver authority under paragraph (1) does not apply to the limitation in subsection (d) or the limitation in section 2208(l)(3) of title 10, United States Code (as added by subsection (e)).

(d) PERMANENT LIMITATION ON ADVANCE BILLINGS.—(1) Section 2208(l) of title 10, United States Code, is amended—

(A) by redesignating paragraph (3) as paragraph (4); and

(B) by inserting after paragraph (2) the following new paragraph (3):

''(3) The total amount of the advance billings rendered or imposed for all working-capital funds of the Department of Defense in a fiscal year may not exceed $1,000,000,000.''.

(2) Section 2208(l)(3) of such title, as added by paragraph (1), applies to fiscal years after fiscal year 1999.

(e) SEMIANNUAL REPORT.—(1) The Under Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives—

(A) not later than May 1, 1999, a report on the administration of this section for the six-month period ending on March 31, 1999; and

(B) not later than November 1, 1999, a report on the administration of this section for the six-month period ending on September 30, 1999.

(2) Each report shall include, for the period covered by the report, the following:

(A) The profit and loss status of each working-capital fund activity.

(B) The actions taken by the Secretary of each military department to use assessments of surcharges to correct for unbudgeted losses.

SEC. 8147. The Secretary of Defense shall establish, through a revised Defense Integrated Military Human Resources System (DIMHRS), a defense reform initiative enterprise pilot program for military manpower and personnel information: Provided, That this pilot program should include all functions and systems currently included in DIMHRS and shall be expanded to include all appropriate systems within the enterprise of personnel, manpower, training, and compensation: Provided further, That in establishing a revised DIMHRS enterprise program for manpower and personnel information superiority the functions of this program shall include, but not be limited to: (1) an analysis and determination of the number and kinds of information systems necessary to support manpower and personnel within the Department of Defense; and (2) the establishment of programs to develop and implement information systems in support of manpower and personnel to include an enterprise level strategic approach, performance and results based management, business process improvement and other non-material solutions, the use of commercial or government off-the-shelf technology, the use of modular contracting as defined by Public Law 104–106, and the integration and consolidation of existing manpower and personnel information systems: Provided further, That the Secretary of Defense shall re-instate fulfillment standards designated as ADS–97–03–GD, dated January, 1997: Provided further, That the requirements of this section should be implemented not later than six months after the date of enactment of this Act.

SEC. 8148. (a) The Secretary of Defense, after consultation with the Chairman of the Joint Chiefs of Staff and the military service chiefs, shall conduct a comprehensive reassessment of existing military compensation, benefits, and related programs. The Secretary shall consider the effectiveness of these programs in providing an adequate standard of living and family support for service members and dependents, the current and projected effects of these programs on recruiting and retention of service members, and improvements which could be gained by potential changes in these programs.

(b) In conducting this assessment, the Secretary's analysis shall consider, but not be limited to, the following areas:

(1) Military pay and benefits, to include special pay and targeted bonus programs;

(2) The military retirement system, including an assessment of the effects of the significant changes made to the retirement system in 1986;

(3) Health care programs; and

(4) Housing, family support, and morale, welfare and recreation programs.

(c) The Secretary shall consider the cumulative and complementary ability of these programs, and the effects of potential modifications to these programs, in terms of their ability to contribute to the attainment of existing and future manpower requirements of the military services, as well as the provision of a fair and equitable quality of life for service members and their dependents.

(d) The Secretary shall provide an initial report on these issues to the congressional defense committees within 60 days of the enactment of this Act.

(e) Concurrent with submission of the fiscal year 2000 budget, the Secretary shall provide a comprehensive assessment of these issues, and proposed changes in existing programs should he determine they are warranted, to the Congress.

This Act may be cited as the ''Department of Defense Appropriations Act, 1999''.

And the Senate agree to the same.

BILL YOUNG,
JOE MCDADE,
JERRY LEWIS,
JOE SKEEN,
DAVID L. HOBSON,
HENRY BONILLA,
GEORGE R. NETHERCUTT, Jr.,
ERNEST J. ISTOOK, Jr.,
RANDY ''DUKE'' CUNNINGHAM,
BOB LIVINGSTON,
JOHN P. MURTHA,
NORMAN D. DICKS,
W.G. (BILL) HEFNER,
MARTIN OLAV SABO,
JULIAN C. DIXON,
PETER J. VISCLOSKY,
Managers on the Part of the House.

TED STEVENS,
THAD COCHRAN,
PETE V. DOMENICI,
CHRISTOPHER S. BOND,
MITCH MCCONNELL,
RICHARD C. SHELBY,
JUDD GREGG,
KAY BAILEY HUTCHISON,
DANIEL K. INOUYE,
FRITZ HOLLINGS,
ROBERT BYRD,
PATRICK J. LEAHY,
DALE BUMPERS,
FRANK R. LAUTENBERG,
TOM HARKIN,
BYRON L. DORGAN,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4103), making appropriations for the Department of Defense for the fiscal year ending September 30, 1999, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

The conference agreement on the Department of Defense Appropriations Act, 1999, incorporates some of the provisions of both the House and Senate versions of the bill. The language and allocations set forth in House Report 105–591 and Senate Report 105–200 should be complied with unless specifically addressed in the accompanying bill and statement of the managers to the contrary.

Senate Amendment: The Senate deleted the entire House bill after the enacting clause and inserted the Senate bill. The conference agreement includes a revised bill.

DEFINITION OF PROGRAM, PROJECT, AND ACTIVITY

The conferees agree that for the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177) as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100–119) and by the Budget Enforcement Act of 1990 (Public Law 101–508), the term program, project, and activity for appropriations contained in this Act shall be defined as the most specific level of budget items identified in the Department of Defense Appropriations Act, 1999, the accompanying House and Senate Committee reports, the conference report and accompanying joint explanatory statement of the managers of the Committee of Conference, the related classified annexes and reports, and the P–1 and R–1 budget justification documents as subsequently modified by Congressional action. The following exception to the above definition shall apply:

For the Military Personnel and the Operation and Maintenance accounts, the term ''program, project, and activity'' is defined as the appropriations accounts contained in the Department of Defense Appropriations Act. At the time the President submits his budget for fiscal year 2000, the conferees direct the Department of Defense to transmit to the congressional defense committees budget justification documents to be known as the ''M–1'' and ''O–1'' which shall identify, at the budget activity, activity group, and subactivity group level, the amounts requested by the President to be appropriated to the Department of Defense for operation and maintenance in any budget request, or amended budget request, for fiscal year 2000.

SPECIAL INTEREST ITEMS

Items for which the conferees have specifically provided funds through a conference agreement or through adoption of original House or Senate recommendations in Research, Development, Test, and Evaluation or Procurement appropriations are Congressional special interest items for the purpose of the Base for Reprogramming (DD Form 1414). These items are identified in the respective committee or conference reports using the phrases ''only for'' or ''only to'' or are specifically identified in the tables. Each item will be carried on the DD form 1414 in the amount agreed to by the conferees. The Department of Defense shall consult with the congressional defense committees before issuing the DD form 1414 so there is common agreement on items of special interest. In no case will the Department of Defense transfer funds from special interest items through the below threshold reprogramming process. In addition, the term program in Section 8111 includes any subprogram, modification, project, or subproject not previously justified and appropriated in a given appropriation account by the Congress through the normal budget process.

TITLE I—MILITARY PERSONNEL

The conferees agree to the following amounts for the Military Personnel accounts as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Active personnel:				
Army	21,002,051	20,908,851	20,822,051	20,841,687
Navy	16,613,053	16,560,253	16,532,153	16,570,754
Marine Corps	6,272,089	6,241,189	6,253,189	6,263,387
Air Force	17,311,683	17,201,583	17,205,660	17,211,987
Reserve personnel:				
Army	2,152,075	2,171,675	2,152,075	2,167,052
Navy	1,387,379	1,427,979	1,387,379	1,426,663
Marine Corps	401,888	403,513	401,888	406,616
Air Force	856,176	850,576	856,176	852,324
National Guard personnel:				
Army	3,404,595	3,413,195	3,499,595	3,489,987
Air Force	1,376,097	1,372,997	1,376,097	1,377,109
Total, Military Personnel	70,777,086	70,551,811	70,486,263	70,607,566

PAY RAISE INCREASE

The conferees recommend an increase of $202,455,000 to active and Guard and Reserve personnel accounts to provide for a 3.6 percent military pay raise, an increase of a half percent over the budget request of 3.1 percent.

FORCE STRUCTURE CHANGES

The conferees recommend a total of $106,200,000 in the Military Personnel and Operation and Maintenance accounts for restoration of force structure that was reduced in the budget request, as follow:

[Dollars in thousands]

	Milpers	O&M	Proc.	Total
Air Force B–52 aircraft	3,600	40,100	10,300	54,000
Army Reserve AGR's	15,000	.....	.....	15,000
Navy Reserve P–3 aircraft	2,600	7,600	.....	10,200
Army National Guard civilian technicians	.....	27,000	.....	27,000

PERSONNEL UNDEREXECUTION SAVINGS

The conferees recommend a total reduction of $220,800,000 for active and reserve military personnel accounts due to lower than projected end strengths, and differences in the actual grade mix of officers and enlisted recommended in the budget request. The General Accounting Office estimates that the active duty components will have approximately 15,000 fewer personnel on board beginning in fiscal year 1999, and the Reserve components approximately 3,700 personnel. As a result, the fiscal year 1999 requirements are overstated.

REPLACEMENT MEDALS AND DECORATIONS

The conferees encourage the Secretary of Defense to take all actions necessary to eliminate the backlog of requests of former service members for replacement medals and decorations.

BACKLOG OF UNPAID RETIRED PAY

The conferees direct the Secretary of Defense to take all actions necessary to eliminate any backlog of unpaid retired pay for former service members, to include those retired from the Guard and Reserve. Not later than ninety days after enactment of this Act, the Secretary of Defense shall submit a report on the backlog of unpaid retired pay. The report shall include the actions taken to eliminate any backlog; the extent of any remaining backlog; and a description of any additional actions required to ensure that retired pay is paid in a timely manner.

ACTIVE END STRENGTH

[Fiscal year 1999]

	Budget	Conference	Conference vs. Budget
Army	480,000	480,000	
Navy	372,696	372,696	
Marine Corps	172,200	172,200	
Air Force	370,882	370,984	+102
Total, Active Personnel	1,395,778	1,395,880	+102

MILITARY PERSONNEL, ARMY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
MILITARY PERSONNEL, ARMY:				
ACTIVITY 1: PAY AND ALLOWANCES OF OFFICER BASIC PAY	3,439,898	3,439,898	3,439,898	3,439,898
RETIRED PAY ACCRUAL	1,038,849	1,038,849	1,038,849	1,038,849
BASIC ALLOWANCE FOR HOUSING	561,424	561,424	561,424	561,424
BASIC ALLOWANCE FOR SUBSISTENCE	147,905	147,905	147,905	147,905
INCENTIVE PAYS	64,469	64,469	64,469	64,469
SPECIAL PAYS	190,936	190,936	190,936	190,936
ALLOWANCES	102,643	102,643	102,643	102,643
SEPARATION PAY	142,731	142,731	142,731	142,731
SOCIAL SECURITY TAX	298,713	298,713	298,713	298,713
TOTAL, BUDGET ACTIVITY 1	5,987,568	5,987,568	5,987,568	5,987,568
ACTIVITY 2: PAY AND ALLOWANCES OF ENLISTED PERSONNEL BASIC PAY	7,437,252	7,437,252	7,437,252	7,437,252
RETIRED PAY ACCRUAL	2,246,050	2,246,050	2,246,050	2,246,050
BASIC ALLOWANCE FOR HOUSING	1,171,828	1,171,828	1,171,828	1,171,828
INCENTIVE PAYS	68,068	68,068	68,068	68,068
SPECIAL PAYS	165,166	175,166	165,166	165,166
ALLOWANCES	513,801	513,801	513,801	513,801
SEPARATION PAY	325,993	325,993	325,993	325,993
SOCIAL SECURITY TAX	635,065	635,065	635,065	635,065
TOTAL, BUDGET ACTIVITY 2	12,563,223	12,573,223	12,563,223	12,563,223
ACTIVITY 3: PAY AND ALLOWANCES OF CADETS ACADEMY CADETS	39,084	39,084	39,084	39,084
ACTIVITY 4: SUBSISTENCE OF ENLISTED PERSONNEL BASIC ALLOWANCE FOR SUBSISTENCE	774,529	774,529	774,529	774,529
SUBSISTENCE-IN-KIND	366,887	366,887	366,887	366,887
TOTAL, BUDGET ACTIVITY 4	1,141,416	1,141,416	1,141,416	1,141,416
ACTIVITY 5: PERMANENT CHANGE OF STATION TRAVEL ACCESSION TRAVEL	115,723	115,723	115,723	115,723
TRAINING TRAVEL	49,249	49,249	49,249	49,249
OPERATIONAL TRAVEL	143,258	143,258	143,258	143,258
ROTATIONAL TRAVEL	575,172	575,172	575,172	575,172
SEPARATION TRAVEL	161,505	161,505	161,505	161,505
TRAVEL OF ORGANIZED UNITS	16,731	16,731	16,731	16,731
NON-TEMPORARY STORAGE	25,271	25,271	25,271	25,271
TEMPORARY LODGING EXPENSE	11,638	11,638	11,638	11,638
TOTAL, BUDGET ACTIVITY 5	1,098,547	1,098,547	1,098,547	1,098,547
ACTIVITY 6: OTHER MILITARY PERSONNEL COSTS APPREHENSION OF MILITARY DESERTERS	780	780	780	780
INTEREST ON UNIFORMED SERVICES SAVINGS	534	534	534	534
DEATH GRATUITIES	1,962	1,962	1,962	1,962
UNEMPLOYMENT BENEFITS	116,010	116,010	116,010	116,010
SURVIVOR BENEFITS	7,740	7,740	7,740	7,740
EDUCATION BENEFITS	76,807	76,807	76,807	76,807
ADOPTION EXPENSES	380	380	380	380
ADVANCE MILITARY PAY	161,000			
TOTAL, BUDGET ACTIVITY 6	365,213	204,213	204,213	204,213
LESS REIMBURSABLES	−193,000	−193,000	−193,000	−193,000
FOREIGN CURRENCY FLUCTUATION		−5,500	−7,000	
PERSONNEL UNDEREXECUTION		−10,700	−12,000	−60,000
MILITARY PAY SHORTFALL		74,000		
PAY RAISE INCREASE				60,636
TOTAL, MILITARY PERSONNEL, ARMY	21,002,051	20,908,851	20,822,051	20,841,687

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 6: Other Military Personnel Costs:

2620 Advance Military Pay ..... −161,000

Undistributed:

Personnel Underexecution ..... −60,000

Pay Raise Increase 60,636

MILITARY PERSONNEL, NAVY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
MILITARY PERSONNEL, NAVY:				
ACTIVITY 1: PAY AND ALLOWANCES OF OFFICER—BASIC PAY	2,419,133	2,419,133	2,419,133	2,419,133
RETIRED PAY ACCRUAL	730,578	730,578	730,578	730,578

[In thousands of dollars]

	Budget	House	Senate	Conference
BASIC ALLOWANCE FOR HOUSING	516,471	516,471	516,471	516,471
BASIC ALLOWANCE FOR SUBSTITUTE	102,537	102,537	102,537	102,537
INCENTIVE PAYS	113,365	113,365	113,365	113,365
SPECIAL PAYS	214,711	214,711	214,711	214,711
ALLOWANCES	73,643	73,643	73,643	73,643
SEPARATION PAY	71,505	71,505	71,505	71,505
SOCIAL SECURITY TAX	205,083	205,083	205,083	205,083
TOTAL, BUDGET ACTIVITY 1	4,447,026	4,447,026	4,447,026	4,447,026
ACTIVITY 2: PAY AND ALLOWANCES OF ENLISTED PERSONNEL—BASIC PAY	5,975,635	5,975,635	5,975,635	5,975,635
RETIRED PAY ACCRUAL	1,802,223	1,802,223	1,802,223	1,802,223
BASIC ALLOWANCE FOR HOUSING	1,320,566	1,320,566	1,320,566	1,320,566
INCENTIVE PAYS	88,091	88,091	88,091	88,091
SPECIAL PAYS	487,881	497,281	487,881	487,881
ALLOWANCE	435,031	435,031	435,031	435,031
SEPARATION PAY	175,754	175,754	175,754	175,754
SOCIAL SECURITY TAX	516,201	516,201	516,201	516,201
TOTAL, BUDGET ACTIVITY 2	10,801,382	10,810,782	10,801,382	10,801,382
ACTIVITY 3: PAY AND ALLOWANCES OF MIDSHIPMEN	35,947	35,947	35,947	35,947
ACTIVITY 4: SUBSISTENCE OF ENLISTED PERSONNEL—BASIC ALLOWANCE FOR SUBSISTENCE	514,384	514,384	514,384	514,384
SUBSISTENCE-IN-KIND	281,190	281,190	281,190	281,190
TOTAL, BUDGET ACTIVITY 4	795,574	795,574	795,574	795,574
ACTIVITY 5: PERMANENT CHANGE OF STATION TRAVEL—ACCESSION TRAVEL	45,760	45,760	45,760	45,760
TRAINING TRAVEL	59,548	59,548	59,548	59,548
OPERATONAL TRAVEL	150,000	150,000	150,000	150,000
ROTATIONAL TRAVEL	223,494	223,494	223,494	223,494
SEPARATION TRAVEL	108,796	108,796	108,796	108,796
TRAVEL OF ORGANIZED UNITS	16,840	16,840	16,840	16,840
NON-TEMPORARY STORAGE	13,910	13,910	13,910	13,910
TEMPORARY LODGING EXPENSE	5,751	5,751	5,751	5,751
OTHER	4,638	4,638	4,638	4,638
TOTAL, BUDGET ACTIVITY 5	628,737	628,737	628,737	628,737
ACTIVITY 6. OTHER MILITARY PERSONNEL COSTS—APPREHENSION OF MILITARY DESERTERS	826	826	826	826
INTEREST ON UNIFORMED SERVICES SAVINGS	40	40	40	40
DEATH GRATUITIES	1,806	1,806	1,806	1,806
UNEMPLOYMENT BENEFITS	62,922	62,922	62,922	62,922
SURVIVOR BENEFITS	3,540	3,540	3,540	3,540
EDUCATION BENEFITS	19,888	33,788	19,888	19,888
ADOPTION EXPENSES	272	272	272	272
ADVANCE MILITARY PAY	69,000	.....	.....	.....
TOTAL, BUDGET ACTIVITY 6	158,294	103,194	89,294	89,294
LESS REIMBURSABLES	−253,907	−253,907	−253,907	−253,907
FOREIGN CURRENCY FLUCTUATION	.....	−9,100	−5,300	.....
PERSONNEL UNDEREXECUTION	.....	−8,000	−6,600	−25,000
ACTIVE DUTY SPECIAL WORK	.....	10,000	.....	5,000
PAY RAISE INCREASE	.....	.....	.....	46,701
TOTAL, MILITARY PERSONNEL, NAVY	16,613,053	16,560,253	16,532,153	16,570,754

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 6: Other Military Personnel Costs:	
5450 Advance Military Pay	−69,000
Undistributed:	
Personnel Underexecution	−25,000
Active Duty Special Work	5,000
Pay Raise Increase	46,701

MILITARY PERSONNEL, MARINE CORPS

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
MILITARY PERSONNEL, MARINE CORPS				
ACTIVITY 1: PAY AND ALLOWANCES OF OFFICER;				
BASIC PAY	780,978	780,978	780,978	780,978
RETIRED PAY ACCRUAL	235,855	235,855	235,855	235,855
BASIC ALLOWANCE FOR HOUSING	132,455	132,455	132,455	132,455
BASIC ALLOWANCE FOR SUBSISTENCE	33,795	33,795	33,795	33,795
INCENTIVE PAYS	39,657	39,657	39,657	39,657
SPECIAL PAYS	938	938	938	938
ALLOWANCES	18,583	18,583	18,583	18,583
SEPARATION PAY	15,288	15,288	15,288	15,288
SOCIAL SECURITY TAX	65,947	65,947	65,947	65,947
TOTAL, BUDGET ACTIVITY 1	1,323,496	1,323,496	1,323,496	1,323,496
ACTIVITY 2: PAY AND ALLOWANCES OF ENLISTED PERSONNEL:				
BASIC PAY	2,638,628	2,638,628	2,638,628	2,638,628
RETIRED PAY ACCRUAL	794,902	794,902	794,902	794,902
BASIC ALLOWANCE FOR HOUSING	401,062	401,062	401,062	401,062
INCENTIVE PAYS	8,376	8,376	13,376	8,376
SPECIAL PAY	56,918	59,918	56,918	56,918
ALLOWANCES	148,132	148,132	148,132	148,132
SEPARATION PAY	62,104	62,104	62,104	62,104
SOCIAL SECURITY TAX	224,831	224,831	224,831	224,831
TOTAL, BUDGET ACTIVITY 2	4,334,953	4,337,953	4,339,953	4,334,953
ACTIVITY 4: SUBSISTENCE OF ENLISTED PERSONNEL:				
BASIC ALLOWANCE FOR SUBSISTENCE	228,436	228,436	228,436	228,436
SUBSISTENCE-IN-KIND	134,007	134,007	134,007	134,007
TOTAL, BUDGET ACTIVITY 4	362,443	362,443	362,443	362,443
ACTIVITY 5: PERMANENT CHANGE OF STATION TRAVEL:				
ACCESSION TRAVEL	30,096	30,096	30,096	30,096
TRAINING TRAVEL	5,071	5,071	5,071	5,071
OPERATIONAL TRAVEL	52,995	52,995	52,995	52,995
ROTATIONAL TRAVEL	87,581	87,581	87,581	87,581

(In thousands of dollars)

	Budget	House	Senate	Conference
SEPARATION TRAVEL	42,012	42,014	42,014	42,014
TRAVEL OF ORGANIZED UNITS	771	771	771	771
NON-TEMPORARY STORAGE	4,726	4,726	4,726	4,726
TEMPORARY LODGING EXPENSE	2,802	2,802	2,802	2,802
OTHER	1,698	1,698	1,698	1,698
TOTAL, BUDGET ACTIVITY 5	227,754	227,754	227,754	227,754
ACTIVITY 6: OTHER MILITARY PERSONNEL COSTS				
APPREHENSION OF MILITARY DESERTERS	927	927	927	927
INTEREST ON UNIFORMED SERVICES SAVINGS	16	16	16	16
DEATH GRATUITIES	990	990	990	990
UNEMPLOYMENT BENEFITS	27,846	27,846	27,846	27,846
SURVIVOR BENEFITS	1,614	1,614	1,614	1,614
EDUCATION BENEFITS	6,039	11,939	11,039	6,039
ADOPTION EXPENSES	47	47	47	47
ADVANCE MILITARY PAY	18,000			
TOTAL, BUDGET ACTIVITY 6	55,479	43,379	42,479	37,479
LESS REIMBURSABLES	−32,036	−32,036	−32,036	−32,036
FOREIGN CURRENCY FLUCTUATION		−3,200	−2,000	
PERSONNEL UNDEREXECUTION		−18,600	−8,900	−9,000
PAY RAISE INCREASE				18,598
TOTAL, MILITARY PERSONNEL, MARINE CORPS	6,272,089	6,241,189	6,253,189	6,263,387

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 6: Other Military Personnel Costs:

Advance Military Pay .... −18,000

Undistributed:

Personnel Underexecution ..... −9,300

Pay Raise Increase 18,598

MILITARY PERSONNEL, AIR FORCE

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
MILITARY PERSONNEL, AIR FORCE				
ACTIVITY 1: PAY AND ALLOWANCES OF OFFICER				
BASIC PAY	3,346,985	3,346,985	3,346,985	3,346,985
RETIRED PAY ACCRUAL	1,010,789	1,010,789	1,010,789	1,010,789
BASIC ALLOWANCE FOR HOUSING	579,333	579,333	579,333	579,333
BASIC ALLOWANCE FOR SUBSISTENCE	136,285	136,285	136,285	136,285
INCENTIVE PAYS	208,497	208,497	208,497	208,497
SPECIAL PAYS	188.576	188,576	188,576	188,576
ALLOWANCES	92,782	92,782	92,782	92,782
SEPARATION PAY	108,876	108,876	108,876	108,876
SOCIAL SECURITY TAX	289,575	289,575	289,575	289,575
TOTAL, BUDGET ACTIVITY 1	5,961,698	5,961,698	5,961,698	5,961,698
ACTIVITY 2: PAY AND ALLOWANCES OF ENLISTED PERSONNEL				
BASIC PAY	5,851,982	5,851,982	5,851,982	5,851,982
RETIRED PAY ACCRUAL	1,767,299	1,767,299	1,767,299	1,767,299
BASIC ALLOWANCE FOR HOUSING	1,008,454	1,008,454	1,008,454	1,008,454
INCENTIVE PAYS	25,744	25,744	25,744	25,744
SPECIAL PAYS	80,528	80,528	80,528	80,528
ALLOWANCES	415,835	415,835	415,835	415,835
SEPARATION PAY	66,262	66,262	66,262	66,262
SOCIAL SECURITY TAX	508,263	508,263	508,263	508,263
TOTAL, BUDGET ACTIVITY 2	9,724,367	9,724,367	9,724,367	9,724,367
ACTIVITY 3: PAY AND ALLOWANCES OF CADETS				
ACADEMY CADETS	36,021	36,021	36,021	36,021
ACTIVITY 4: SUBSISTENCE OF ENLISTED PERSONNEL				
BASIC ALLOWANCE FOR SUBSISTENCE	683,108	683,108	683,108	683,108
SUBSISTENCE-IN-KIND	111,954	111,954	111,954	111,954
TOTAL, BUDGET ACTIVITY 4	795,062	795,062	795,062	795,062
ACTIVITY 5: PERMANENT CHANGE OF STATION TRAVEL				
ACCESSION TRAVEL	54,193	54,193	54,193	54,193
TRAINING TRAVEL	56,225	56,225	56,225	56,225
OPERATIONAL TRAVEL	149,492	149,492	149,492	149,492
ROTATIONAL TRAVEL	443,964	443,964	443,964	443,964
SEPARATION TRAVEL	96,955	96,955	96,955	96,955
TRAVEL OF ORGANIZED UNITS	27,455	27,455	27,455	27,455
NON-TEMPORARY STORAGE	22,714	22,714	22,714	22,714
TEMPORARY LODGING EXPENSE	38,417	38,417	38,417	38,417
OTHER	2,531	2,531	2,531	2,531
TOTAL, BUDGET ACTIVITY 5	891,946	891,946	891,946	891,946
ACTIVITY 6: OTHER MILITARY PERSONNEL COSTS				
APPREHENSION OF MILITARY DESERTERS	100	100	100	100
INTEREST ON UNIFORMED SERVICES SAVINGS	575	575	575	575
DEATH GRATUITIES	1,470	1,470	1,470	1,470
UNEMPLOYED BENEFITS	41,623	37,623	41,623	37,623
SURVIVOR BENEFITS	4,442	4,442	4,442	4,442
EDUCATION BENEFITS	5,193	5,193	5,193	5,193
ADOPTION EXPENSES	800	800	800	800
ADVANCE MILITARY PAY	53,000			
OTHER	550	550	550	550
TOTAL, BUDGET ACTIVITY 6	107,753	50,753	54,753	50,753
LESS REIMBURSABLES	−205,164	−205,164	−205,164	−205,164
FOREIGN CURRENCY FLUCTUATION		−3,100	−3,623	
PERSONNEL UNDEREXECUTION		−50,000	−53,000	−97,000
B–52 FORCE STRUCTURE			3,600	3,600
PAY RAISE INCREASE				50,704
TOTAL, MILITARY PERSONNEL, AIR FORCE	17,311,683	17,201,583	17,205,660	17,211,987

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 6: Other Military Personnel Costs:	
Unemployment Benefits	−4,000
Advance Military Pay	−53,000
Undistributed:	
Personnel Underexecution	−97,000
B–52 Force Structure	3,600
Pay Raise Increase	50,704

NATIONAL GUARD AND RESERVE FORCES

The conferees agree to provide $9,719,751,000 in Reserve personnel appropriations, $9,810,398,000 in Operation and maintenance appropriations and $352,000,000 in National Guard and Reserve Equipment appropriation. These funds support a Selected Reserve strength of 877,290 as shown below.

RESERVE END STRENGTH

[Fiscal year 1998]

	Budget	Conference	Conference vs. Budget
Select Reserve:			
Army Reserve	208,000	208,000	.....
Navy Reserve	90,843	91,039	+196
Marine Corps Reserve	40,018	40,018	.....
Air Force Reserve	74,242	74,242	.....
Army National Guard	357,000	357,000	.....
Air National Guard	106,991	106,991	.....
Total	877,094	877,290	+196

[Fiscal year 1998]

	Budget	Conference	Conference vs. Budget
AGR/TARS:			
Army Reserve	11,804	12,804	+1,000
Navy Reserve	15,590	15,618	+28
Marine Corps Reserve	2,362	2,362	.....
Air Force Reserve	991	991	.....
Army National Guard	21,763	21,763	.....
Air National Guard	10,930	10,930	.....
Total	64,440	64,468	+1,028
Technicians:			
Army Reserve	6,474	6,474	.....
Air Force Reserve	9,761	9,761	.....
Army National Guard	23,815	24,761	+946
Air National Guard	22,750	22,750	.....
Total	62,800	63,746	+946

RESERVE PERSONNEL, ARMY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
RESERVE PERSONNEL, ARMY:				
ACTIVITY 1: UNIT AND INDIVIDUAL TRAINING:				
PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	869,736	869,736	869,736	869,736
PAY GROUP B TRAINING (BACKFILL FOR ACTIVE DUTY)	26,345	26,345	26,345	26,345
PAY GROUP F TRAINING (RECRUITS)	140,498	140,498	140,498	140,498
PAY GROUP P TRAINING (PIPELINE RECRUITS)	8,024	8,024	8,024	8,024
TOTAL, BUDGET ACTIVITY 1	1,044,603	1,044,603	1,044,603	1,044,603
ACTIVITY 2: OTHER TRAINING AND SUPPORT:				
MOBILIZATION TRAINING	7,330	7,330	7,330	7,330
SCHOOL TRAINING	92,702	92,702	92,702	92,702
SPECIAL TRAINING	101,455	101,455	101,455	101,455
ADMINISTRATION AND SUPPORT	795,108	795,108	795,108	795,108
EDUCATION BENEFITS	20,996	20,996	20,996	20,996
ROTC—SENIOR, JUNIOR SCHOLARSHIP	57,547	57,547	57,547	57,547
HEALTH PROFESSION SCHOLARSHIP PROGRAM	21,554	21,554	21,554	21,554
OTHER PROGRAMS	10,780	10,780	10,780	10,780
TOTAL, BUDGET ACTIVITY 2	1,107,472	1,107,472	1,107,472	1,107,472
PERSONNEL UNDEREXECUTION	.....	−5,400	.....	−5,400
FULL TIME SUPPORT/AGR'S	.....	25,000	.....	15,000
PAY RAISE INCREASE	.....	.....	.....	5,377
TOTAL RESERVE PERSONNEL, ARMY	2,152,075	2,717,675	2,152,075	2,167,052

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Undistributed:	
Personnel Underexecution	−5,400
Full-time Support/AGR's	15,000
Pay Raise Increase	5,377

RESERVE PERSONNEL, NAVY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
RESERVE PERSONNEL, NAVY:				
ACTIVITY 1: UNIT AND INDIVIDUAL TRAINING:				
PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	551,421	551,421	551,421	551,421
TOTAL, BUDGET ACTIVITY 1	551,421	551,421	551,421	551,421
ACTIVITY 2: OTHER TRAINING AND SUPPORT:				
MOBILIZATION TRAINING	3,028	3,028	3,028	3,028
SCHOOL TRAINING	6,091	6,091	6,091	6,091
SPECIAL TRAINING	21,741	21,741	21,741	21,741
ADMINISTRATION AND SUPPORT	757,567	757,567	757,567	757,567
EDUCATION BENEFITS	3,983	3,983	3,983	3,983
ROTC—SENIOR, JUNIOR, SCHOLARSHIP	21,175	21,175	21,175	21,175
HEALTH PROFESSION SCHOLARSHIP PROGRAM	18,892	18,892	18,892	18,892
OTHER PROGRAMS	3,481	3,481	3,481	3,481
TOTAL BUDGET ACTIVITY 2	835,958	835,958	835,958	835,958
PERSONNEL UNDEREXECUTION	.....	−5,000	.....	−5,000
CONTRIBUTORY SUPPORT TO CINCS	.....	10,000	.....	5,000
ANNUAL TRAINING	.....	33,000	.....	33,000
P–3 SQUADRONS	.....	2,600	.....	2,600
PAY RAISE INCREASE	.....	.....	.....	3,684
TOTAL, RESERVE PERSONNEL, NAVY	1,387,379	1,427,979	1,387,379	1,426,663

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Undistributed:	
Personnel Underexection	−5,000
Contributory Support to CINCs	5,000
Annual Training	33,000
P–3 Squadrons	2,600
Pay Raise Increase	3,684

RESERVE PERSONNEL, MARINE CORPS

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
RESERVE PERSONNEL, MARINE CORPS:				
ACTIVITY 1: UNIT AND INDIVIDUAL TRAINING:				
PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	142,438	142,438	142,438	142,438
PAY GROUP B TRAINING (BACKFILL FOR ACTIVE DUTY)	14,951	14,951	14,951	14,951
PAY GROUP F TRAINING (RECRUITS)	57,276	57,276	57,276	57,276
PAY GROUP P TRAINING (PIPELINE RECRUITS)	286	286	286	286
TOTAL, BUDGET ACTIVITY 1	214,951	214,951	214,951	214,951
ACTIVITY 2: OTHER TRAINING AND SUPPORT:				
MOBILIZATION TRAINING	1,933	1,933	1,933	1,933
SCHOOL TRAINING	8,736	8,736	8,736	8,736
SPECIAL TRAINING	23,417	23,417	23,417	23,417
ADMINISTRATION AND SUPPORT	126,402	126,402	126,402	126,402
EDUCATION BENEFITS	14,240	14,240	14,240	14,240
ROTC—SENIOR, JUNIOR, SCHOLARSHIP	3,184	3,184	3,184	3,184
OTHER PROGRAMS	9,025	9,025	9,025	9,025
TOTAL, BUDGET ACTIVITY 2	186,937	186,937	186,937	186,937
PERSONNEL UNDEREXECUTION		−2,000		
INCREASED USE OF GUARD AND RESERVE		3,400		3,400
JROTC		225		225
PAY RAISE INCREASE				1,103
TOTAL, RESERVE PERSONNEL, MARINE CORPS	401,888	403,513	401,888	406,616

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Undistributed:	
Increased Use of Guard and Reserve	3,400
JROTC Program	225
Pay Raise Increase	1,103

RESERVE PERSONNEL, AIR FORCE

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
RESERVE PERSONNEL, AIR FORCE:				
ACTIVITY 1: UNIT AND INDIVIDUAL TRAINING PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	419,362	419,362	419,362	419,362
PAY GROUP B TRAINING (BACKFILL FOR ACTIVE DUTY)	78,998	78,998	78,998	78,998
PAY GROUP F TRAINING (RECRUITS)	4,452	4,452	4,452	4,452
TOTAL, BUDGET ACTIVITY 1	502,812	502,812	502,812	502,812
ACTIVITY 2: OTHER TRAINING AND SUPPORT MOBILIZATION TRAINING	2,779	2,779	2,779	2,779
SCHOOL TRAINING	62,254	62,254	62,254	62,254
SPECIAL TRAINING	143,526	143,526	143,526	143,526
ADMINISTRATION AND SUPPORT	85,601	85,601	85,601	85,601
ROTC—SENIOR, JUNIOR, SCHOLARSHIP	34,922	34,922	34,922	34,922
HEALTH PROFESSION SCHOLARSHIP	24,282	24,282	24,282	24,282
TOTAL, BUDGET ACTIVITY 2	353,364	353,364	353,364	353,364
PERSONNEL UNDEREXECUTION		−5,600		−6,000
PAY RAISE INCREASE				2,148
TOTAL, RESERVE PERSONNEL, AIR FORCE	856,176	850,576	856,176	852.324

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Undistributed:	
Personnel Underexecution	−6,000
Pay Raise Increase	2,148

NATIONAL GUARD PERSONNEL, ARMY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
NATIONAL GUARD PERSONNEL, ARMY				
ACTIVITY 1: UNIT AND INDIVIDUAL TRAINING PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	1,650,385	1,650,385	1,650,385	1,650,385
PAY GROUP F TRAINING (RECRUITS)	154,688	154,688	154,688	154,688
PAY GROUP P TRAINING (PIPELINE RECRUITS)	12,867	12,867	12,867	12,867
TOTAL, BUDGET ACTIVITY 1	1,817,940	1,817,940	1,817,940	1,817,940
ACTIVITY 2: OTHER TRAINING AND SUPPORT SCHOOL TRAINING	81,189	126,189	167,189	146,189
SPECIAL TRAINING	28,845	58,845	28,845	49,845
ADMINISTRATION AND SUPPORT	1,433,393	1,433,393	1,442,393	1,433,393
EDUCATION BENEFITS	43,228	43,228	43,228	43,228
TOTAL, BUDGET ACTIVITY 2	1,586,655	1,661,655	1,681,655	1,672,655
PERSONNEL UNDEREXECUTION		−66,400		−10,000
PAY RAISE INCREASE				9,392
TOTAL, NATIONAL GUARD PERSONNEL, ARMY	3,404,595	3,413,195	3,499,595	3,489,987

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 2: Other Training and Support:	
School Training	65,000
Special Training	21,000
Undistributed:	
Personnel Underexecution	−10,000
Pay Raise Increase	9,392

NATIONAL GUARD PERSONNEL, AIR FORCE

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
National Guard Personnel, Air Force:				
Activity 1: Unit and Individual Training:.				
Pay Group A Training (15 Days & Drills 24/48)	590,972	590,972	590,972	590,972
Pay Group F Training (Recruits)	22,395	22,395	22,395	22,395
Pay Group P Training (Pipeline Recruits)	1,064	1,064	1,064	1,064
Total, Budget Activity 1	614,431	614,431	614,431	614,431
Activity 2: Other Training and Support School Training	95,105	95,105	95,105	95,105
Special Training	60,780	60,780	60,780	60,780
Administration and Support	598,634	598,634	598,634	598,634
Education Benefits	7,147	7,147	7,147	7,147
Total, Budget Activity 2	761,666	761,666	761,666	761,666
Personnel Underexecution		−3,100		−3,100
Pay Raise Increase				4,112
Total, National Guard Personnel, Air Force	1,376,097	1,372,997	1,376,097	1,377,109

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Undistributed:	
Personnel Underexecution	−3,100
Pay Raise Increase	4,112

AIR NATIONAL GUARD ENGINEERS

The conferees direct the Secretary of the Air Force to report no later than March 1, 1999, on how Air National Guard and Air Force Reserve civil engineering personnel are utilized in the war plans. The report should have the concurrence or view of the Chief of the National Guard Bureau and the Chief of the Air Force Reserve.

TITLE II—OPERATION AND MAINTENANCE

A summary of the conference agreement on the items addressed by either the House or Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
RECAPITULATION				
O & M, ARMY	17,223,063	16,936,503	17,212,463	17,185,623
TRANSFER—STOCKPILE	(50,000)	(50,000)	(50,000)	(50,000)
TRANSFER TO QUALITY OF LIFE ENHANCEMENTS			(−130,000)	
TRANSFER TO PENTAGON RENOVATION TRANSFER FUND			(−96,000)	(−96,000)
O & M, NAVY	21,877,202	21,638,999	21,813,315	21,872,399
TRANSFER—STOCKPILE	(50,000)	(50,000)	(50,000)	(50,000)
TRANSFER TO QUALITY OF LIFE ENHANCEMENTS			(−48,000)	
TRANSFER TO PENTAGON RENOVATION TRANSFER FUND			(−32,087)	(−32,087)
O & M, MARINE CORPS	2,523,703	2,585,118	2,576,190	2,578,718
TRANSFER TO QUALITY OF LIFE ENHANCEMENTS			(−36,000)	
TRANSFER TO PENTAGON RENOVATION TRANSFER FUND			(−9,513)	(−9,513)
O & M, AIR FORCE	19,127,004	19,024,233	19,064,941	19,021,045
TRANSFER—STOCKPILE	(50,000)	(50,000)	(50,000)	(50,000)
TRANSFER TO QUALITY OF LIFE ENHANCEMENT			(−50,000)	
TRANSFER TO PENTAGON RENOVATION TRANSFER FUND			(−52,200)	(−52,200)
O & M, DEFENSEWIDE	10,750,601	10,804,542	10,259,231	10,914,076
TRANSFER TO PENTAGON RENOVATION TRANSFER FUND				(−90,020)
O & M, ARMY RESERVE	1,202,622	1,201,222	1,202,622	1,202,622
O & M, NAVY RESERVE	928,639	949,039	928,639	957,239
O & M, MARINE CORPS RESERVE	114,593	119,093	114,593	117,893
O & M, AIR FORCE RESERVE	1,744,696	1,735,996	1,744,696	1,747,696
O & M, ARMY NATIONAL GUARD	2,436,815	2,570,315	2,661,815	2,678,015
O & M, AIR NATIONAL GUARD	3,093,933	3,075,233	3,113,933	3,106,933
OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND	746,900	746,900	746,900	439,400
PENTAGON RENOVATION TRANSFER FUND			279,820	
TRANSFER				(279,820)
UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES	7,324	7,324	7,324	7,324
ENVIRONMENTAL RESTORATION, ARMY	377,640	342,640	370,640	370,640
ENVIRONMENTAL RESTORATION, NAVY	281,600	281,600	274,600	274,600
ENVIRONMENTAL RESTORATION, AIR FORCE	379,100	379,100	372,100	372,100
ENVIRONMENTAL RESTORATION, DEFENSE-WIDE	26,091	26,091	23,091	26,091
ENVIRONMENTAL RESTORATION, FORMERLY USED DEFENSE SITES	195,000	195,000	225,000	225,000
OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID	63,311	56,111	50,000	50,000
FORMER SOVIET UNION THREAT REDUCTION	442,400	417,400	440,400	440,400
CONTINGENCY OPERATIONS MWR FUND			50,000	
QUALITY OF LIFE ENHANCEMENTS, DEFENSE		850,000		455,000
TRANSFER			(264,000)	
GRAND TOTAL, O & M	83,542,237	83,942,459	83,532,313	84,042,814
TRANSFERS	(150,000)	(150,000)	(−129,820)	(150,000)
TOTAL FUNDS AVAILABLE, O & M	83,692,237	84,092,459	83,402,493	84,192,814

MILITARY READINESS

The conferees agree with the concerns delineated in Section 8160 of the Senate-passed fiscal year 1999 Defense Appropriations bill, and the concerns expressed in the report accompanying the House-passed fiscal year 1999 defense Appropriations bill with regards to the indications of declining readiness within the Military Services.

Accordingly, the conferees direct the Secretary of Defense to submit a report to the congressional defense committees not later than June 1, 1999, on the readiness of the Armed Forces of the United States. The Secretary shall include in the report detailed information on each of the following issues: (1) An assessment of current force structure and its sufficiency to execute the National Security Strategy; (2) A service-by-service outline of the force structure expected to be committed to a major regional contingency as envisioned in the National Security Strategy; (3) A comparison of the force structure outlined in item (2) with the service-by-service order of battle in Desert Shield/Desert Storm as a representative recent major regional conflict; (4) An assessment of the force structure and projected defense appropriations increases necessary to execute the National Security Strategy of the United States assuming current projected ground force levels assigned to the peacekeeping mission in Bosnia are unchanged; (5) A discussion of the United States ground, naval and air force levels in Bosnia that can be sustained without impacting the ability of the Armed Forces to execute the National Security Strategy assuming no increase in force structure or defense appropriations during the period in which forces are assigned to Bosnia; and (6) A complete assessment of recent trends in the Measured readiness of United States forces with a focus on current manning shortfalls, recent declines in aviation mission capable rates, and below standard levels of ground forces training.

OPERATION AND MAINTENANCE REPROGRAMMINGS

The conferees agree that proposed transfers of funds between O–1 budget activities in excess of $15,000,000 are subject to normal, prior approval reprogramming procedures. In addition, due to continuing concerns about force readiness and the diversion of Operation and Maintenance funds, the conferees agree that the Department should provide written notification to the congressional defense committees for the cumulative value of any and all transfers in excess of $15,000,000 from the following budget activities and sub-activity group categories:

Operation and Maintenance, Army

Land Forces: Divisions, Corps combat forces, Corps support forces, Echelon above corps forces, Land forces operations support; Land Forces Readiness: Land forces depot maintenance; Logistics operations: Ammunition management.

Operation and Maintenance, Navy

Air Operations: Mission and other flight operations, Fleet air training, Aircraft depot maintenance; Ship Operations: Mission and other ship operations, Ship operational support and training, Intermediate maintenance, Ship depot maintenance.

Operation and Maintenance, Marine Corps

Expeditionary Forces: Operational forces, depot maintenance.

Operation and Maintenance, Air Force

Air Operations: Primary combat forces, Primary combat weapons, Air operations training, Depot maintenance; Mobility Operations: Airlift operations, Depot maintenance, Payments to the transportation business area; Basic Skills and Advanced Training: Depot maintenance; Logistics Operations: Depot maintenance.

Further, the Department should follow prior approval reprogramming procedures for transfers in excess of $15,000,000 out of the following budget subactivities.

Operation and Maintenance

Depot maintenance

Operation and Maintenance, Navy:

Aircraft depot maintenance,
Ship depot maintenance

Operation and Maintenance, Marine Corps:

Depot maintenance

Operation and Maintenance, Air Force:

Air Operations, Depot maintenance,
Mobility Operations, Depot maintenance,
Basic Skills and Advanced Training, Depot maintenance, and
Logistics Operations, Depot maintenance.

OPERATION AND MAINTENANCE BUDGET EXECUTION DATA

The conferees support the position expressed in the House report accompanying the Defense Appropriations bill for fiscal year 1999 requiring the Department of Defense to provide the congressional defense committees with quarterly budget execution data. Such data should be provided not later than forty-five days past the close of each quarter of the fiscal year, and should be provided for each O–1 budget activity, activity group, and subactivity for each of the active, defense-wide, reserve and national guard components. For each O–1 budget activity, activity group and subactivity, these reports should include: the budget request and actual obligations; the DoD distribution of unallocated congressional adjustments to the budget request; all adjustments made by DoD during the process of rebaselining the O&M accounts; all adjustments resulting from below threshold reprogrammings; and all adjustments resulting from prior approval reprogramming requests.

In addition, the conferees require that the Department of Defense provide semiannual written notifications to the congressional defense committees which summarize Operation and Maintenance budget execution to include the effect of rebaselining procedures, other below threshold reprogrammings, and prior approval reprogrammings. The conferees further direct that the Department of Defense provide the House and Senate Committees on Appropriations written notification 30 days prior to executing procedures to rebaseline the Operation and Maintenance accounts.

PENTAGON RENOVATION TRANSFER FUND

The conferees agree to Senate language which establishes the Pentagon Renovation Transfer Fund, totaling $279,820,000 by transfer from the active component and Defense-Wide Operation and Maintenance accounts.

DOD OUTSOURCING AND PRIVATIZATION INITIATIVES

The conferees are aware of large scale efforts by DoD to privatize many of its support and infrastructure functions in order to reduce costs and free up resources for readiness and modernization. For example, the Defense Reform Initiative projected that DoD could save $6 billion from competing 150,000 civilian positions over the next five years. However, the conferees harbor significant concerns about DoD's privatization strategy, primarily due to the risk of building unrealistic savings estimates into the budget request. Specifically, these concerns include: 1) uncertainty as to the criteria used to select activities or functions as candidates for outsourcing; 2) the apparent lack of any method to validate savings assumed in DoD budget estimates; and, 3) the lack of any systems or methods to assess the impact of outsourcing on the readiness or combat power of DoD forces. Accordingly, the conferees direct that the Secretary of Defense submit a report, not later than March 31, 1999, which provides a detailed assessment of the results of DoD's privatization strategy to date. The report shall specify those functions or activities selected for outsourcing, and the criteria used select these functions or activities. The report shall also detail the net savings achieved by outsourcing in fiscal years 1996–1998. This element of the report shall also include estimates of the number of contractor workyears compared to the number of civilian workyears required to perform functions which have been privatized.

LIGHTWEIGHT MAINTENANCE ENCLOSURES

The conferees direct that $5,000,000 of the funds made available in Operation and Maintenance, Marine Corps be used only for the acquisition of lightweight maintenance enclosures.

COMPETITIVE BANKING PROCEDURES

It is the conferees' intent that the provision of banking services provided by any bank or credit union on military installations and at facilities in the United States shall include the broad range of services including at least all of the following: the receipt of money for deposit, check or draft cashing services, the origination of loans or other extensions of credit, the issuance of promissory notes, and the provision of electronic banking and automated teller machines. The conferees direct the Department of Defense to submit a report to the Committees on Appropriations by February 1, 1999, on the DoD and services policies and procedures for provision of banking services on the basis of full and open competition.

REPORT ON SECURITY IN THE TAIWAN STRAIT

On or before February 1, 1999, the Department of Defense shall provide to Congress a report, in both classified and unclassified form, detailing the security situation in the Taiwan Strait. Such report shall include an analysis of the military forces facing Taiwan from the People's Republic of China, evaluating recent additions to the offensive military capabilities of the People's Republic of China. It should also assess new challenges to the deterrent forces of the Republic of China on Taiwan, consistent with the commitments made by the United States in the Taiwan Relations Act, Public Law 96–8.

OPERATION AND MAINTENANCE, ARMY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
OPERATION AND MAINTENANCE, ARMY				
BUDGET ACTIVITY 1: OPERATING FORCES:				
LAND FORCES:				
DIVISIONS	1,091,232	1,152,432	1,098,732	1,172,932
CORPS COMBAT FORCES	299,739	299,739	299,739	299,739
CORPS SUPPORT FORCES	316,361	316,361	316,361	316,361
ECHELON ABOVE CORPS FORCES	434,579	434,579	434,579	434,579
LAND FORCES OPERATIONS SUPPORT	824,557	824,557	824,557	824,557
LAND FORCES READINESS:				
FORCE READINESS OPERATIONS SUPPORT	973,814	973,814	974,814	974,814
LAND FORCES SYSTEMS READINESS	375,038	375,038	375,038	375,038
LAND FORCES DEPOT MAINTENANCE	570,723	620,723	570,723	590,723
LAND FORCES READINESS SUPPORT:				
BASE SUPPORT	2,332,231	2,549,179	2,332,231	2,334,231
MAINTENANCE OF REAL PROPERTY	641,651	641,651	641,651	641,651
MANAGEMENT AND OPERATIONAL HEADQUARTERS	110,538	110,538	110,538	110,538
UNIFIED COMMANDS	71,990	71,990	71,990	71,990
MISCELLANEOUS ACTIVITIES	63,478	63,478	63,478	63,478
TOTAL, BUDGET ACTIVITY 1	8,105,931	8,434,079	8,114,431	8,210,631
BUDGET ACTIVITY 2: MOBILIZATION:				
MOBILITY OPERATIONS:				
STRATEGIC MOBILIZATION	314,541	314,541	314,541	314,541
ARMY PREPOSITIONED STOCKS	165,349	165,349	165,349	165,349
INDUSTRIAL PREPAREDNESS	78,645	58,845	78,645	58,845
MAINTENANCE OF REAL PROPERTY	66,100	66,100	66,100	66,100
TOTAL, BUDGET ACTIVITY 2	624,635	604,835	624,635	604,835
BUDGET ACTIVITY 3: TRAINING AND RECRUITING:				
ACCESSION TRAINING:				
OFFICER ACQUISITION	63,580	63,580	62,180	62,180

[In thousands of dollars]

	Budget	House	Senate	Conference
RECRUIT TRAINING	14,264	14,264	14,264	14,264
ONE STATION UNIT TRAINING	14,909	14,909	14,909	14,909
RESERVE OFFICER TRAINING CORPS (ROTC)	130,270	130,270	131,270	131,270
BASE SUPPORT (ACADEMY ONLY)	72,999	78,631	72,999	72,999
MAINTENANCE OF REAL PROPERTY (ACADEMY ONLY)	42,979	42,979	42,979	42,979
BASIC SKILL/ADVANCE TRAINING:				
SPECIALIZED SKILL TRAINING	215,964	215,964	215,964	215,964
FLIGHT TRAINING	226,501	226,501	226,501	226,501
PROFESSIONAL DEVELOPMENT EDUCATION	192,720	88,920	185,020	77,020
TRAINING SUPPORT	488,799	488,799	488,799	488,799
BASE SUPPORT (OTHER TRAINING)	782,265	842,622	782,265	782,265
MAINTENANCE OF REAL PROPERTY (OTHER TRAINING)	258,927	258,927	258,927	258,927
RECRUITING/OTHER TRAINING:				
RECRUITING AND ADVERTISING	234,154	234,154	234,154	234,154
EXAMINING	71,593	71,593	71,593	71,593
OFF-DUTY AND VOLUNTARY EDUCATION	100,203	101,203	100,203	100,203
CIVILIAN EDUCATION AND TRAINING	73,517	73,517	73,517	73,517
JUNIOR ROTC	73,423	73,423	73,423	73,423
BASE SUPPORT (RECRUITING LEASES)	178,496	178,496	178,496	178,496
TOTAL, BUDGET ACTIVITY 3	3,235,563	3,198,752	3,227,463	3,119,463
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES:				
SECURITY PROGRAMS:				
SECURITY PROGRAMS	404,340	404,340	404,340	404,340
LOGISTICS OPERATIONS:				
SERVICEWIDE TRANSPORTATION	398,473	398,473	398,473	398,473
CENTRAL SUPPLY ACTIVITIES	370,824	370,824	370,824	370,824
LOGISTIC SUPPORT ACTIVITIES	336,403	342,403	336,403	342,403
AMMUNITION MANAGEMENT	400,299	400,299	400,299	400,299
SERVICEWIDE SUPPORT:				
ADMINISTRATION	304,679	305,679	305,679	306,679
SERVICEWIDE COMMUNICATIONS	606,379	566,379	606,379	606,379
MANPOWER MANAGEMENT	142,081	142,081	142,081	142,081
OTHER PERSONNEL SUPPORT	150,483	150,483	150,483	150,483
OTHER SERVICE SUPPORT	618,384	618,384	525,384	621,384
ARMY CLAIMS ACTIVITIES	118,886	118,886	118,886	118,886
REAL ESTATE MANAGEMENT	68,815	68,815	68,815	68,815
BASE SUPPORT	700,689	754,752	700,689	708,689
COMMISSARY OPERATIONS	338,400	338,400	338,400	338,400
MAINTENANCE OF REAL PROPERTY	82,578	82,578	88,078	88,078
SUPPORT OF OTHER NATIONS:				
INTERNATIONAL MILITARY HEADQUARTERS	227,377	227,377	227,377	227,377
MISC SUPPORT OF OTHER NATIONS	37,844	34,144	37,844	34,314
TOTAL, BUDGET ACTIVITY 4	5,306,934	5,324,297	5,220,434	5,327,904
CLASSIFIED PROGRAMS UNDISTRIBUTED		4,500	−2,200	3,750
CIVILIAN PERSONNEL UNDERSTRENGTH		−164,000	−120,000	−62,700
GENERAL REDUCTION, NATIONAL DEFENSE STOCKPILE FUND	−50,000	−50,000	−50,000	−50,000
FOREIGN CURRENCY FLUCTUATION		−139,700	−81,300	
BASE SUPPORT			185,000	204,000
TDY EXPENSES		−31,600		−31,600
MEMORIAL EVENTS		400		400
HEADQUARTERS AND ADMIN ACTIVITIES		−38,500		
RENTS		−7,000		−7,000
COMMUNICATIONS PURCHASES		−4,400		−4,400
FUEL REPRICING		−22,300	−36,000	
CONTRACT AND ADVISORY SERVICES		−40,200		
MISC EQUIPMENT		−20,000		−15,000
CRIMINAL INVESTIGATORS COMPUTERS & TRAINING EFFICIENCY		−18,000		−18,000
ADP LEGACY SYSTEM EFFICIENCIES		−96,660		−96,660
REAL PROPERTY MAINTENANCE			130,000	
CONSEQUENCE MANAGEMENT		2,000		
TOTAL, OPERATION AND MAINTENANCE, ARMY	17,223,063	16,936,503	17,212,463	17,185,623
TRANSFER	(50,000)	(50,000)	(50,000)	(50,000)
TRANSFER TO QUALITY OF LIFE ENHANCEMENTS			(−130,000)	
TRANSFER TO PENTAGON RENOVATION TRANSFER FUND			(−96,000)	(−96,000)
TOTAL FUNDING AVAILABLE	(17,273,063)	(16,986,503)	(17,036,463)	(17,139,623)

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 1: Operating Forces:	
Readiness Training-National Training Center (NTC)	60,200
Soldier life support systems	18,000
Cold weather boots; 2ID	2,000
Parachute maintenance and repair	1,000
Ultra lightweight camouflage net system	500
Fort Chaffee Training Center	1,000
Depot Maintenance	20,000
Ft Irwin, George AFB	2,000
Budget Activity 2: Mobilization:	
Industrial Preparedness	−19,800
Budget Activity 3: Training and Recruiting:	
Service academic; foreign students	−1,400
Air Battle Captain Program	1,000
Foreign military students; Fort Leavenworth	800
National Defense University consolidation	−8,500
Defense Acquisition University	−108,000
Budget Activity 4: Administration and Servicewide Activities:	
Super computing Work	6,000
Advanced local emergency response team	1,000
Lewis & Clark	1,000
Army conservation and ecosystem management	3,000
UC–35A Basing and Sustainment	8,000
Rock Island bridge repairs	5,500
Program increase	170
Misc Support to Other Nations	−3,700
Undistributed:	
Classified Programs Undistributed	3,750
Civilian Personnel Underexecution	−62,700
Base support shortfalls	204,000
Temporary Duty Travel	−31,600
Memorial Events	400
Rents	−7,000
Communications Purchases	−4,400
Miscellaneous Equipment	−15,000
Criminal Investigators Computers & Training	−18,000
ADP Legacy System efficiencies	−96,660

DOMESTIC PREPAREDNESS SUSTAINMENT TRAINING

The conferees direct that of the funds provided in Operation and Maintenance, Army, $1,500,000 be used only to commence establishment of a Domestic Preparedness Sustainment Training Center at Pine Bluff Arsenal, as recommended in Senate Report 105–200.

ARMY ARSENALS

The conferees are concerned about the effect of DoD's outsourcing and privatization initiatives in certain critical defense functions. Accordingly, the conferees direct that the Army provide 90 days prior notice to the congressional defense committees before awarding any new contracts pursuant to A–76 related studies at Pine Bluff Arsenal, Pine Bluff, Arkansas; Rock Island Arsenal, Rock

Island, Illinois; or Watervliet Arsenal, Watervliet, New York.

ROTARY WING AIRCRAFT SUSTAINMENT PROJECT

The conferees direct that $3,500,000 shall be used for the rotary wing aircraft sustainment project at the Corpus Christi Army Depot, from within the funds provided in Operation and Maintenance, Army.

ARMY INSTITUTE FOR PROFESSIONAL DEVELOPMENT

The conferees agree that of the funds provided for Operation and Maintenance, Army, $1,000,000 should be used only for the Army Institute for Professional Development.

OPERATION AND MAINTENANCE, NAVY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
OPERATION AND MAINTENANCE, NAVY				
4300 BUDGET ACTIVITY 1: OPERATING FORCES:				
AIR OPERATIONS:				
MISSION AND OTHER FLIGHT OPERATIONS	2,089,630	2,134,630	2,142,130	2,098,630
FLEET AIR TRAINING	751,533	751,533	751,533	751,533
INTERMEDIATE MAINTENANCE	46,925	46,925	46,925	46,925
AIR OPERATIONS AND SAFETY SUPPORT	88,459	88,459	88,459	88,459
AIRCRAFT DEPOT MAINTENANCE	735,731	810,731	735,731	735,731
AIRCRAFT DEPOT OPERATIONS SUPPORT	20,249	20,249	20,249	20,249
BASE SUPPORT	772,678	772,678	772,678	772,678
MAINTENANCE OF REAL PROPERTY	283,600	283,600	283,600	283,600
SHIP OPERATIONS:				
MISSION AND OTHER SHIP OPERATIONS	1,987,873	1,987,873	1,987,873	1,987,873
SHIP OPERATIONAL SUPPORT AND TRAINING	541,069	541,069	541,069	541,069
INTERMEDIATE MAINTENANCE	388,408	388,408	388,408	388,408
SHIP DEPOT MAINTENANCE	1,947,424	2,037,424	1,977,424	1,977,424
SHIP DEPOT OPERATIONS SUPPORT	1,147,209	1,147,209	1,147,209	1,147,209
BASE SUPPORT	832,789	832,789	832,789	832,789
MAINTENANCE OF REAL PROPERTY	248,601	248,601	248,601	248,601
COMBAT OPERATIONS/SUPPORT:				
COMBAT COMMUNICATIONS	234,450	234,450	234,450	234,450
ELECTRONIC WARFARE	7,734	7,734	7,734	7,734
SPACE SYSTEMS AND SURVEILLANCE	138,271	138,271	138,271	138,271
WARFARE TACTICS	134,014	134,014	140,014	140,014
OPERATIONAL METEOROLOGY AND OCEANOGRAPY	228,159	228,159	242,659	242,659
COMBAT SUPPORT FORCES	444,072	444,072	444,072	444,072
EQUIPMENT MAINTENANCE	170,937	171,937	170,937	171,937
DEPOT OPERATIONS SUPPORT	694	694	694	694
BASE SUPPORT	312,259	312,259	312,259	312,259
MAINTENANCE OF REAL PROPERTY	52,603	52,603	52,603	52,603
WEAPONS SUPPORT:				
CRUISE MISSILE	121,192	116,292	121,192	116,292
FLEET BALLISTIC MISSILE	812,041	812,041	812,041	812,041
IN-SERVICE WEAPONS SYSTEMS SUPPORT	61,598	61,598	61,598	61,598
WEAPONS MAINTENANCE	389,469	394,469	419,469	419,469
BASE SUPPORT	119,868	119,868	119,868	119,868
MAINTENANCE OF REAL PROPERTY	31,675	31,675	31,675	31,675
WORKING CAPITAL FUND SUPPORT:				
NWCF SUPPORT	43,300	43,300	43,300	43,300
TOTAL, BUDGET ACTIVITY 1	15,184,514	15,395,614	15,317,514	15,270,114
BUDGET ACTIVITY 2: MOBILIZATION:				
READY RESERVE AND PREPOSITIONING FORCES:				
SHIP PREPOSITIONING AND SURGE	428,775	428,775	434,775	432,775
ACTIVATIONS/INACTIVATIONS:				
AIRCRAFT ACTIVATIONS/INACTIVATIONS	651	651	8,151	8,151
SHIP ACTIVATIONS/INACTIVATIONS	511,976	511,976	511,976	511,976
MOBILIZATION PREPAREDNESS:				
FLEET HOSPITAL PROGRAM	23,496	23,496	23,496	23,496
INDUSTRY READINESS	16,166	14,466	16,166	14,466
COAST GUARD SUPPORT	17,229	17,229	17,229	17,229
TOTAL, BUDGET ACTIVITY 2	998,293	996,593	1,011,793	1,008,093
BUDGET ACTIVITY 3: TRAINING AND RECRUITING:				
ACCESSION TRAINING:				
OFFICER ACQUISITION	75,643	75,643	74,243	74,243
RECRUIT TRAINING	4,556	4,556	4,556	4,556
RESERVE OFFICERS TRAINING CORPS (ROTC)	69,087	69,087	69,087	69,087
BASE SUPPORT	57,036	57,036	57,036	57,036
MAINTENANCE OF REAL PROPERTY	81,371	81,371	81,371	81,371
BASIC SKILLS AND ADVANCED TRAINING:				
SPECIALIZED SKILL TRAINING	237,916	237,916	237,916	237,916
FLIGHT TRAINING	315,874	315,874	315,874	315,874
PROFESSIONAL DEVELOPMENT EDUCATION	71,780	71,780	73,280	73,280
TRAINING SUPPORT	138,319	145,319	138,319	145,319
BASE SUPPORT	331,607	331,607	331,607	331,607
MAINTENANCE OF REAL PROPERTY	92,400	92,400	92,400	92,400
RECRUITING, AND OTHER TRAINING AND EDUCATION:				
RECRUITING AND ADVERTISING	130,415	151,215	130,415	130,415
OFF-DUTY AND VOLUNTARY EDUCATION	74,669	74,669	74,669	74,669
CIVILIAN EDUCATION AND TRAINING	37,425	37,425	37,425	37,425
JUNIOR ROTC	22,830	22,830	22,830	22,830
BASE SUPPOORT	451	451	451	451
MAINTENANCE OF REAL PROPERTY	61	61	61	61
TOTAL, BUDGET ACTIVITY 3	1,741,440	1,769,240	1,743,540	1,748,540
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES:				
SERVICEWIDE SUPPORT:				
ADMINISTRATION	565,193	565,193	565,193	565,193
EXTERNAL RELATIONS	21,456	21,456	21,456	21,456
CIVILIAN MANPOWER AND PERSON MANAGEMENT	140,247	103,847	140,247	122,247
MILITARY MANPOWER AND PERSON MANAGEMENT	125,125	125,125	125,125	125,125
OTHER PERSONNEL SUPPORT	201,014	201,014	201,014	201,014
SERVICEWIDE COMMUNICATIONS	244,766	244,766	244,766	244,766
BASE SUPPORT	228,046	228,046	228,046	228,046
MAINTENANCE OF REAL PROPERTY	44,827	44,827	44,827	44,827
COMMISSARY OPERATIONS	255,000	255,000	255,000	255,000
LOGISTICS OPERATIONS AND TECHNICAL SUPPORT:				
SERVICEWIDE TRANSPORTATION	144,245	144,245	144,245	144,245
PLANNING, ENGINEERING AND DESIGN	262,615	262,615	262,615	262,615
ACQUISITION AND PROGRAM MANAGEMENT	473,159	475,659	473,159	475,649
AIR SYSTEMS SUPPORT	280,437	280,437	280,437	280,437
HULL, MECHANICAL AND ELECTRICAL SUPPORT	55,467	55,467	55,467	55,467
COMBAT/WEAPONS SYSTEMS	41,700	41,700	41,700	41,700
SPACE AND ELECTRONIC WARFARE SYSTEMS	72,178	72,178	72,178	72,178
BASE SUPPORT	219,826	220,176	219,826	220,176

[In thousands of dollars]

	Budget	House	Senate	Conference
MAINTENANCE OF REAL PROPERTY	40,722	40,722	55,722	55,722
SECURITY PROGRAMS:				
SECURITY PROGRAMS	568,257	568,257	568,257	568,257
BASE SUPPORT	8,814	8,814	8,814	8,814
MAINTENANCE OF REAL PROPERTY	1,426	1,426	1,426	1,426
SUPPORT OF OTHER NATIONS:				
INTERNATIONAL HEADQUARTERS AND AGENCIES	8,435	8,435	8,435	8,435
TOTAL, BUDGET ACTIVITY 4	4,002,955	3,969,405	3,987,868	4,003,805
CLASSIFIED PROGRAMS UNDISTRIBUTED		17,367	500	17,867
GENERAL REDUCTION, NATIONAL DEFENSE STOCKPILE FUND	−50,000	−50,000	−50,000	−50,000
FOREIGN CURRENCY FLUCTUATION		−15,900	−7,900	
CIVILIAN PERSONNEL UNDERSTRENGTH		−95,000	−106,000	−14,300
BASE SUPPORT			35,000	39,000
REAL PROPERTY MAINTENANCE			48,000	
TDY EXPENSES		−22,900		−22,900
HEADQUARTERS AND ADMIN ACTIVITIES		−32,000		
EXCESS CARRY OVER (NCCOSC)		−52,000		−26,000
FUEL REPRICING		−108,700	−167,000	
FEDERAL EXCISE/STATE TAXES FOR FUELS		−3,000		−3,000
CONTRACT AND ADVISORY SERVICES		−31,000		
MISC EQUIPMENT		−15,000		−15,000
ADP LEGACY SYSTEMS EFFICIENCIES		−87,820		−87,820
NAVY ENVIRONMENTAL LEADERSHIP PROGRAM		4,000		3,000
EXECUTIVE EDUCATION DEMONSTRATION PRJECT		1,000		1,000
TOTAL, OPERATION AND MAINTENANCE, NAVY	21,877,202	21,638,999	21,813,315	21,872,399
TRANSFER	(50,000)	(50,000)	(50,000)	(50,000)
TRANSFER TO QUALITY OF LIFE ENHANCEMENTS			(−48,000)	
TRANSFER TO PENTAGON RENOVATION TRANSFER FUND			(−32,087)	(−32,087)
TOTAL FUNDING AVAILABLE	(21,927,202)	(21,688,999)	(21,783,228)	(21,890,312)

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 1: Operating Forces:	
ALQ–165 maintenance and repair	9,000
Ship depot maintenance	16,000
Shipyard Apprentice Program	14,000
PMRF	6,000
National Oceanography Partnering Program	7,500
Navy Meteorology and Oceanography Command	7,000
Reverse Osmosis Desalinators	1,000
Tactical Tomahawk	−4,900
Tomahawk recertification	15,000
Mk–45 overhaul line	10,000
CIWS overhaul	5,000
Budget Activity 2: Mobilization:	
6350 Dredging support inactive Reserve fleet	4,000
6450 Ship disposal initiative	7,500
6650 Industrial Preparedness	−1,700
Budget Activity 3: Training and Recruiting:	
Service academies; foreign students	−1,400
Experimental MBA Program	1,500
Interactive Distance Learning Courses-Electricity & Electronics	4,000
CNET	3,000
Budget Activity 4: Administration and Servicewide Activities:	
Pesonnel Management program growth	−18,000
NISE-East	1,000
ATIS	2,500
Removal of Docks at Sound Lab	350
Adak facilities remediation and disposal	15,000
Undistributed:	
9360 Classified Programs Undistributed	17,867
9390 Civilian Personnel Underexecution	−14,300
9395 Base support shortfalls	39,000
9430 Temporary Duty Travel	−22,900
9470 Excess Carryover (NCCOSC)	−26,000
9490 Federal Excise/State Sales Tax for fuels	−3,000
9510 Miscellaneous Equipment	−15,000
9520 ADP Legacy System efficiencies	−87,820
9540 Navy Environmental Leadership Program (East Coast)	3,000
9590 Executive Education Demonstration Project	1,000

SHIP DISPOSAL INITIATIVE

The conferees concur with the Senate allocation of $7,500,000 for a ship disposal initiative. This program is not related to Section 8124 of this Act regarding ship scrapping.

NAS LEMOORE QUALITY OF LIFE PROJECTS

The conferees agree that the Navy must place priority on constructing and upgrading quality of life facilities at Naval Air Station Lemoore. The lack of adequate support facilities at this location is having an adverse impact on F/A–18 pilot retention rates. The conferees direct the Secretary of the Navy to review the five-year plan for quality of life projects at this location and take appropriate actions to add new projects to the plan and to accelerate implementation of all quality of life projects at this location.

OPERATION AND MAINTENANCE, MARINE CORPS

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
OPERATION AND MAINTENANCE, MARINE CORPS				
BUDGET ACTIVITY 1: OPERATING FORCES:				
EXPEDITIONARY FORCES:				
OPERATIONAL FORCES	375,531	400,531	389,831	389,831
FIELD LOGISTICS	221,693	221,693	221,693	221,693
DEPOT MAINTENANCE	78,713	99,413	78,713	99,413
BASE SUPPORT	692,716	701,539	692,716	692,716
MAINTENANCE OF REAL PROPERTY	292,216	292,216	292,216	292,216
USMC PREPOSITIONING:				
MARITIME PREPOSITIONING	81,325	81,325	81,325	81,325
NORWAY PREPOSITIONING	4,328	4,328	4,328	4,328
TOTAL, BUDGET ACTIVITY 1	1,746,522	1,801,045	1,760,822	1,781,522
BUDGET ACTIVITY 3: TRAINING AND RECRUITING:				
ACCESSION TRAINING:				
RECRUIT TRAINING	10,202	10,202	10,202	10,202
OFFICER ACQUISITION	289	289	289	289
BASE SUPPORT	53,526	54,208	53,526	53,526
MAINTENANCE OF REAL PROPERTY	17,292	17,292	17,292	17,292
BASIC SKILLS AND ADVANCED TRAINING:				
SPECIALIZED SKILLS TRAINING	28,269	28,269	28,269	28,269
FLIGHT TRAINING	161	161	161	161
PROFESSIONAL DEVELOPMENT EDUCATION	6,478	6,478	6,478	6,478
TRAINING SUPPORT	81,338	81,338	88,338	87,338

[In thousands of dollars]

	Budget	House	Senate	Conference
BASE SUPPORT	55,771	56,481	55,771	55,771
MAINTENANCE OF REAL PROPERTY	24,009	24,009	24,009	24,009
RECRUITING AND OTHER TRAINING EDUCATION:				
RECRUITING AND ADVERTISING	80,798	92,798	80,798	80,798
OFF-DUTY AND VOLUNTARY EDUCATION	15,016	15,016	15,016	15,016
JUNIOR ROTC	9,201	10,616	9,201	10,616
BASE SUPPORT	8,496	8,496	8,496	8,496
MAINTENANCE OF REAL PROPERTY	2,440	2,440	2,440	2,440
TOTAL, BUDGET ACTIVITY 3	393,286	408,093	400,286	400,701
RECRUITING AND OTHER TRAINING EDUCATION:				
RECRUITING AND ADVERTISING	80,798	92,798	80,798	80,798
OFF-DUTY AND VOLUNTARY EDUCATION	15,016	15,016	15,016	15,016
JUNIOR ROTC	9,201	10,616	9,201	10,616
BASE SUPPORT	8,496	8,496	8,496	8,496
MAINTENANCE OF REAL PROPERTY	2,440	2,440	2,440	2,440
TOTAL, BUDGET ACTIVITY 3	393,286	408,093	400,286	400,701
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES:				
SERVICEWIDE SUPPORT:				
SPECIAL SUPPORT	224,668	224,668	215,155	224,668
SERVICEWIDE TRANSPORTATION	29,630	29,630	29,630	29,630
ADMINISTRATION	26,509	26,509	26,509	26,509
BASE SUPPORT	14,557	14,742	14,557	14,557
MAINTENANCE OF REAL PROPERTY	1,931	1,931	1,931	1,931
COMMISSARY OPERATIONS	86,600	86,600	86,600	86,600
TOTAL, BUDGET ACTIVITY 4	383,895	384,080	374,382	383,895
FOREIGN CURRENCY FLUCTUATION		−2,700	−2,300	
FUEL PRICING DIFFERENTIAL			−8,000	
REAL PROPERTY MAINTENANCE			36,000	
BASE SUPPORT			15,000	18,000
TDY EXPENSES		−400		−400
MISC EQUIPMENT		−5,000		−5,000
TOTAL, OPERATION AND MAINTENANCE, MARINE CORPS	2,523,703	2,585,118	2,576.190	2,578.71
TRANSFER TO QUALITY OF LIFE ENHANCEMENTS			(−36,000)	
TRANSFER TO PENTAGON RENOVATION TRANSFER FUND			(−9,513)	(−9,153)
TOTAL FUNDING AVAILABLE	(2,523,703)	(2,585,118)	(2,530,677)	(2,569,205)

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 1: Operating Forces:	
Initial Issue Gear	12,600
NBC defense equipment	1,700
Depot Maintenance	20,700
Budget Activity 3: Training and Recruiting:	
Distance learning	6,000
Marine Corps Junior ROTC	1,415
Undistributed:	
Base support shortfalls	18,000
Temporary Duty Travel	−400
Miscellaneous Equipment	−5,000

MARINE CORPS DEPOT MAINTENANCE

The conferees are concerned about the substantial reduction in the Marine Corps depot maintenance budget from fiscal year 1998 to 1999 and the impact that this will have on the backlog of Marine Corps equipment. The conferees are also concerned that the budgeted depot maintenance program may have caused the Marine Corps to prematurely consider initiating reductions-in-force among its civilian personnel at the Marine Corps Logistics Base at Barstow. Accordingly, the conferees agree to increase funding for the Marine Corps depot maintenance program by $20,700,000 above the budget request to address this shortfall, and hereby direct the Marine Corps to include adequate funding in future budget submissions.

OPERATION AND MAINTENANCE, AIR FORCE

The conference agreement on items addressed by either the House or the Senate is as follows:

[in thousands of dollars]

	Budget	House	Senate	Conference
OPERATION AND MAINTENANCE, AIR FORCE				
BUDGET ACTIVITY 1: OPERATING FORCES:				
AIR OPERATIONS:				
PRIMARY COMBAT FORCES	2,311,299	2,427,799	2,461,399	2,355,399
PRIMARY COMBAT WEAPONS	236,147	236,147	234,347	234,347
COMBAT ENHANCEMENT FORCES	196,036	196,036	196,036	196,036
AIR OPERATIONS TRAINING	562,839	563,839	567,939	567,939
DEPOT MAINTENANCE	958,706	958,706	958,706	958,706
COMBAT COMMUNICATIONS	1,022,087	1,068,366	1,022,087	1,035,387
BASE SUPPORT	1,538,126	1,620,152	1,538,126	1,538,126
MAINTENANCE OF REAL PROPERTY	575,656	575,656	575,656	575,656
COMBAT RELATED OPERATIONS:				
GLOBAL C3I AND EARLY WARNING	669,379	669,379	669,379	669,379
NAVIGATION/WEATHER SUPPORT	118,337	118,337	118,337	118,337
OTHER COMBAT OPS SUPPORT PROGRAMS	221,593	222,821	221,593	222,821
JCS EXERCISES	30,521	30,521	30,521	30,521
MANAGEMENT/OPERATIONAL HEADQUARTERS	117,540	117,540	117,540	117,540
TACTICAL INTEL AND OTHER SPECIAL ACTIVITIES	227,980	227,980	227,980	227,980
SPACE OPERATIONS:				
LAUNCH FACILITIES	221,046	221,046	216,046	216,046
LAUNCH VEHICLES	102,064	102,064	102,064	102,064
SPACE CONTROL SYSTEMS	246,940	246,940	257,940	253,940
SATELLITE SYSTEMS	36,152	36,152	36,152	36,152
OTHER SPACE OPERATIONS	85,292	85,292	90,292	90,292
BASE SUPPORT	309,406	325,906	309,406	309,406
MAINTENANCE OF REAL PROPERTY	122,525	122,525	122,525	122,525
TOTAL, BUDGET ACTIVITY 1	9,909,671	10,172,204	10,074,071	9,978,599
BUDGET ACTIVITY 2: MOBILIZATION:				
MOBILITY OPERATIONS:				
AIRLIFT OPERATIONS	1,326,774	1,383,774	1,326,774	1,326,774
AIRLIFT OPERATIONS C3I	21,676	21,676	21,676	21,676
MOBILIZATION PREPAREDNESS	134,807	111,107	136,607	121,107
DEPOT MAINTENANCE	316,485	330,815	316,485	316,485
PAYMENTS TO TRANSPORTATION BUSINESS AREA	470,000	470,000	470,000	470,000
BASE SUPPORT	390,876	411,721	390,876	390,876

[in thousands of dollars]

	Budget	House	Senate	Conference
MAINTENANCE OF REAL PROPERTY	148,331	148,331	148,331	148,331
TOTAL, BUDGET ACTIVITY 2	2,808,949	2,877,424	2,810,749	2,795,249
ACCESSION TRAINING: BUDGET ACTIVITY 3: TRAINING AND RECRUITING:				
OFFICER ACQUISITION	57,679	57,679	56,279	56,279
RECRUIT TRAINING	4,360	4,360	4,360	4,360
RESERVE OFFICER TRAINING CORPS (ROTC)	46,522	46,522	46,522	46,522
BASE SUPPORT (ACADEMIES ONLY)	58,828	61,965	58,828	58,828
MAINTENANCE OF REAL PROPERTY (ACADEMIES ONLY)	37,655	37,655	37,655	37,655
BASIC SKILLS AND ADVANCED TRAINING:				
SPECIALIZED SKILL TRAINING	215,477	218,477	215,477	218,477
FLIGHT TRAINING	406,940	406,940	406,940	406,940
PROFESSIONAL DEVELOPMENT EDUCATION	90,709	90,709	90,709	90,709
TRAINING SUPPORT	65,742	65,742	65,742	65,742
DEPOT MAINTENANCE	12,186	12,186	12,186	12,186
BASE SUPPORT (OTHER TRAINING)	370,961	370,961	370,961	370,961
MAINTENANCE OF REAL PROPERTY (OTHER TRAINING)	102,238	102,238	102,238	102,238
RECRUITING, AND OTHER TRAINING AND EDUCATION:				
RECRUITING AND ADVERTISING	54,775	54,775	54,775	54,775
EXAMINING	2,668	2,668	2,668	2,668
OFF DUTY AND VOLUNTARY EDUCATION	84,122	84,122	84,122	84,122
CIVILIAN EDUCATION AND TRAINING	61,124	61,124	61,124	61,124
JUNIOR ROTC	26,557	26,557	26,557	26,557
TOTAL, BUDGET ACTIVITY 3	1,698,543	1,725,015	1,697,143	1,700,143
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES:				
LOGISTICS OPERATIONS:				
LOGISTICS OPERATIONS	706,893	706,893	706,893	706,893
TECHNICAL SUPPORT ACTIVITIES	389,685	389,685	389,685	389,685
SERVICEWIDE TRANSPORTATION	196,178	196,178	196,178	196,178
DEPOT MAINTENANCE	69,344	72,484	69,344	69,344
BASE SUPPORT	916,165	953,863	916,165	916,165
SERVICEWIDE ACTIVITIES:				
ADMINISTRATION	140,879	140,879	140,879	140,879
SERVICEWIDE COMMUNICATIONS	234,065	235,065	234,065	234,065
PERSONNEL PROGRAMS	127,718	104,518	127,718	115,718
RESCUE AND RECOVERY SERVICES	48,466	48,466	48,466	48,466
ARMS CONTROL	30,005	30,005	30,005	30,005
OTHER SERVICEWIDE ACTIVITIES	517,780	517,780	465,580	517,780
OTHER PERSONNEL SUPPORT	31,828	31,828	31,828	31,828
CIVIL AIR PATROL CORPORATION	13,927	19,697	23,964	22,310
COMMISSARY OPERATIONS	302,071	302,071	302,071	302,071
BASE SUPPORT	180,221	189,832	180,221	185,221
MAINTENANCE OF REAL PROPERTY	26,067	26,067	26,067	26,067
SECURITY PROGRAMS:				
SECURITY PROGRAMS	557,256	557,256	557,256	557,256
SUPPORT TO OTHER NATIONS:				
INTERNATIONAL SUPPORT	13,608	13,608	13,608	13,608
TOTAL, BUDGET ACTIVITY 4	4,759,841	4,792,860	4,717,678	4,761,224
CLASSIFIED PROGRAMS UNDISTRIBUTED		−1,500	−1,000	2,000
CIVILIAN PERSONNEL UNDERSTRENGTH			−83,600	
GENERAL REDUCTION, NATIONAL DEFENSE STOCKPILE FUND	−50,000	−50,000	−50,000	−50,000
FOREIGN CURRENCY FLUCTATION		−29,400	−19,200	
INFORMATION RESOURCE MANAGEMENT			10,100	10,100
BASE SUPPORT			35,000	39,000
REAL PROPERTY MAINTENANCE			50,000	
TDY EXPENSES		−77,500		−77,500
HEADQUARTERS AND ADMIN ACTIVITIES		−105,200		
RENTS		−2,000		−2,000
COMMUNICATIONS PURCHASES		−13,600		−13,600
FUEL REPRICING		−116,000	−176,000	
CONTRACT AND ADVISORY SERVICES		−30,900		
MISC EQUIPMENT		−15,000		−20,000
ADP LEGACY SYSTEMS EFFICIENCIES		−95,620		−95,620
ELIMINATION OF FIRST PROGRAM		−7,000		−7,000
MINORITY AVIATION TRAINING		450		450
TOTAL, O&M, AIR FORCE	19,127,004	19,024,233	19,064,941	19,021,045
TRANSFER	(50,000)	(50,000)	(50,000)	(50,000)
TRANSFER TO QUALITY OF LIFE ENHANCEMENTS			−(50,000)	
TRANSFER TO PENTAGON RENOVATION TRANSFER FUND			−(52,200)	−(52,200)
TOTAL FUNDING AVAILABLE	(19,177,004)	(19,074,233)	(19,012,741)	(19,018,845)

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 1: Operating Forces:	
B–52 attrition reserve	40,100
Battelabs	4,000
LANTIRN PMA Offices	−1,800
Combat training ranges	5,100
Depot Maintenance-Air Operations	13,300
SIMVAL	1,228
Maintenance of Delta-1/Delta-9 facilities	5,000
Test launch delays	−10,000
SPECECOM Operations	7,000
University partnering for operational support	5,000
Budget Activity 2: Mobilization:	
Industrial Preparedness	−13,700
Budget Activity 3: Training and Recruiting:	
Service academies; foreign students	−1,400
Educational Satellite and Airspace Training System	3,000
Budget Activity 4: Administration and Servicewide Support:	
Personnel Management program growth	−12,000
Civil Air Patrol Corporation	5,770
CAP Counternarcotics OPTEMPO	2,613
Rail Easement	5,000
Undistributed:	
Classified Programs Undistributed	2,000
REMIS	10,100
Base support shortfalls	39,000
Temporary Duty Travel	−77,500
Rents	−2,000
Communications Purchases	−13,600
Miscellaneous Equipment	−20,000
ADP Legacy System efficiencies	−95,620
Elimination of First Program	−7,000
Minority Aviation Training	450

CIVIL AIR PATROL

The conferees recognize that changes have occurred in the relationship between the Air Force and the Civil Air Patrol Corporation, in that the principal source of support from the Air Force to the Civil Air Patrol Corporation is not excess supplies and equipment, but appropriated funds from the Air Force budget. Also, changes in the Civil Air Patrol Corporation headquarters staff have affected the relationship and funding between Air Force and the Civil Air Patrol. Of

the funds appropriated for the Civil Air Patrol Corporation, the conferees direct that no more than fifteen percent may be spent for the Civil Air Patrol Corporation headquarters staff and operations and the National Executive Committee and Board. Further, the Civil Air Patrol Corporation shall provide the Secretary of the Air Force with a quarterly execution report, detailing the utilization of appropriated funds.

FLOTATION DEVICES

The conferees direct that of the funds provided in Operation and Maintenance, Air Force $1,000,000 be used only to begin the planned acquisition of passive flotation devices.

FINLEY AIR FORCE STATION NORTH DAKOTA

The conferees direct the Air Force to expedite the abatement of hazardous substances in housing located at the Finley Air Force Station.

HAVRE AIR FORCE BASE

Of the funds available in Operation and Maintenance, Air Force, the conferees agree to provide the Bear Paw Development Council, Montana, $150,000 for redevelopment of the Havre Air Force Base and Training Site.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
OPERATION AND MAINTENANCE, DEFENSE-WIDE				
BUDGET ACTIVITY 1: OPERATING FORCES:				
JOINT CHIEFS OF STAFF	412,065	412,065	417,065	414,065
SPECIAL OPERATIONS COMMAND	1,149,328	1,154,978		1,159,978
TOTAL, BUDGET ACTIVITY 1	1,559,393	1,567,043	417,065	1,574,043
BUDGET ACTIVITY 2: MOBILIZATION:				
DEFENSE LOGISTICS AGENCY	38,934	38,934	38,934	38,934
BUDGET ACTIVITY 3: TRAINING AND RECRUITING:				
DEFENSE ACQUISITION UNIVERSITY		95,000		95,000
AMERICAN FORCES INFORMATION SERVICE	11,059	11,059	11,059	11,059
SPECIAL OPERATIONS COMMAND	42,408	42,408		42,408
TOTAL, BUDGET ACTIVITY 3	53,467	148,467	11,059	148,467
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES:				
AMERICAN FORCES INFORMATION SERVICE	93,815	93,815	93,595	93,815
CIVIL MILITARY PROGRAMS	44,894	44,894	88,394	87,394
CLASSIFIED AND INTELLIGENCE	3,803,561	3,845,018	3,767,161	3,798,361
DEFENSE CONTRACT AUDIT AGENCY	330,087	325,712	330,087	325,712
DEFENSE FINANCE AND ACCOUNTING SERVICE	83,277	48,711	83,277	83,277
DEFENSE HUMAN RESOURCES ACTIVITY	198,923	188,023	192,923	183,523
DEFENSE INFORMATION SYSTEMS AGENCY	771,106	751,706	763,706	751,706
DEFENSE LEGAL SERVICES AGENCY	9,027	9,027	9,027	9,027
DEFENSE LOGISTICS AGENCY	1,140,137	1,147,122	1,153,137	1,146,237
PROCUREMENT TECHNICAL ASSISTANCE PROGRAM			17,000	
DEFENSE POW/MISSING PERSONS OFFICE	14,110	14,110	14,110	14,110
DEFENSE SECURITY ASSISTANCE AGENCY	4,610		4,610	3,010
DEFENSE SECURITY SERVICE	83,419	81,219	83,419	83,419
DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY	304,745	290,345	251,445	276,945
DEPARTMENT OF DEFENSE DEPENDENTS EDUCATION	1,347,718	1,354,968	1,348,118	1,355,518
JOINT CHIEFS OF STAFF	139,616	134,816	112,716	137,916
OFFICE OF ECONOMIC ADJUSTMENT	31,233	32,733	31,233	56,733
OFFICE OF THE SECRETARY OF DEFENSE	369,836	356,086	375,836	359,736
SPECIAL OPERATIONS COMMAND	47,117	47,117		47,117
WASHINGTON HEADQUARTERS SERVICE	281,676	270,676	224,376	264,276
REPAIRS TO FEDERALLY-FUNDED SCHOOLS			10,000	10,000
TOTAL, BUDGET ACTIVITY 4	9,098,907	9,036,098	8,954,170	9,087,832
BUDGET ACTIVITY 5:				
SPECIAL OPERATIONS COMMAND			1,252,503	
LEGACY			10,000	10,000
CIVILIAN PERSONNEL UNDERSTRENGTH			−349,000	−5,200
FOREIGN CURRENCY FLUCTUATION		−6,000	−8,500	
UNDISTRIBUTED REDUCTION	−100			
IMPACT AID		35,000		35,000
ADP LEGACY SYSTEMS EFFICIENCIES		−18,000		−18,000
ADMINISTRATIVE AND CONTRACTOR SUPPORT		−40,000		
FUEL SAVINGS			−67,000	
MILITARY PERSONNEL INFORMATION SYSTEM		38,000		38,000
NIPC TECHNICAL SUPPORT		5,000		5,000
TOTAL, OPERATION AND MAINTENANCE, DEFENSE-WIDE	10,750,601	10,804,542	10,259,231	10,914,076
TRANSFER TO PENTAGON RENOVATION TRANSFER FUND			(−90,020)	(−90,020)
TOTAL FUNDING AVAILABLE	(10,750,601)	(10,804,542)	(10,169,211)	(10,824,056)

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 1: Operating Forces:	
JCS—Mobility Enhancements	10,000
JCS—Exercise Northern Edge	7,000
JCS—Joint Exercises	−13,000
SOCOM—Joint Threat Warning System	1,000
SOCOM—Counter Proliferation/WMD	7,650
SOCOM—Patrol Coastal Operations	−4,000
SOCOM—Maritime Training	5,000
SOCOM—Language Training	1,000
Budget Activity 3: Training and Recruiting:	
DAU—Tranfer	95,000
Budget Activity 4: Administration and Servicewide Activities:	
Civil-Military Programs	42,500
Classified and Intelligence	−5,200
DCAA—Within Grade Increases	−2,375
DCAA—Price Growth Error	−2,000
DHRA—DCPDS	−7,000
DHRA—Field Activity Consolidation	−4,500
DHRA—Pay Rate Error	−3,900
DISA—GCSS	−10,900
DISA—Lower Priority Program Increases	−6,700
DISA—Management Headquarters Reduction	−1,800
DLA—Equipment and Misc. Purchases	−17,900
DLA—Warstopper Increase	−3,000
DLA—Improved Cargo Methods and Technologies	2,000
DLA—Automated Document Conversion	25,000
Defense Security Assistance Agency	−1,600
DTRA—Partnership for Peace (National Guard)	1,000
DTRA—Partnership for Peace excess growth	−15,400
DTRA—PfP Information Management System	2,000
DTRA—OSIA	−15,400
DoDEA—Facility Maintenance Contract	−3,850
DoDEA—Math Leadership Program	400
DoDEA—New Parent Support Program	8,000
DoDEA—Family Counseling and Crisis Services	2,000
DoDEA—Desiccant Demo	1,250
JCS—JMEANS	3,100

JCS—Management Headquarters Reduction	−4,800
OEA—Agile Port Capability Study	500
OEA—Fitzsimmons Army Hospital	10,000
OEA—Shipyard Infrastructure Repair	10,000
OEA—Pico Rivera	4,000
OEA—Planning	1,000
OSD—Youth Development and Leadership Program	400
OSD—Lower Priority Program Increases	−10,500
WHS—Defense Travel Schedule Slip	−6,400
WHS—Lower Priority Program Increases	−10,000
WHS—White House Defense Fellows	−1,000
Repairs to Federally Funded Schools	10,000
Undistributed:	
Legacy	10,000
Civilian Personnel Underexecution	−5,200
Impact Act	35,000
ADP Legacy Systems efficiencies	−18,000
Military Personnel Information System	38,000
NIPC Technical Support	5,000

CIVIL/MILITARY PROGRAMS

The conferees recommend a total of $87,394,000 for the Department's civil/military programs. In addition, the conferees recommend a new general provision, Section 8131, which waives the limitation on expenditures for the National Guard Challenge Program for fiscal year 1999. The conferees recognize that both the Department of Justice and Department of Defense have taken steps in developing programs for at-risk youth. The National Guard's highly effective Youth Challenge Program is an example of 22 states working to make productive citizens out of high school drop-outs. The conferees encourage both Departments to work together, combining strengths and successes of each program, exchange ideas, and, when possible, share available resources to enhance and expand the effectiveness of these initiatives. The funding for the civil/military programs for fiscal year 1999 follows:

[In thousands of dollars]

National Guard Youth Challenge Program	62,394
Innovative Readiness Training Program	20,000
Starbase Program	5,000
Total	87,394

OEA—SHIPYARD INFRASTRUCTURE REPAIRS

The conferees have agreed to provide $10,000,000 only for shipyard infrastructure repairs as recommended by the Senate under the Operation and Maintenance, Navy appropriation account.

H.L. HUNLEY

Of the funding provided for the Legacy Program, the conferees agree to provide $300,000 to prepare conservation plans to preserve the H.L. Hunley, and to develop an emergency recovery plan associated with raising the ship.

ON-SITE INSPECTION AGENCY

The conferees have agreed to reduce funding for the On-Site Inspection Agency. If additional funds prove necessary to meet emergent requirements stemming from valid treaty obligations, the conferees expect the Department of Defense to submit a reprogramming request subject to normal, prior approval reprogramming procedures.

SECURITY LOCKS

The conferees agree with the Senate report language directing the Department of Defense to provide a report on their security locks retrofit program by December 15, 1998. Furthermore, the conferees agree that of the funds provided in this account $15,000,000 is for the purchase of additional security locks which meet federal specification FF–L–2740A.

JOB PLACEMENT PROGRAM

The conferees are disappointed with the Department's lack of responsiveness to last year's direction to implement a job placement and community outreach services program. Therefore, the conferees again direct the Department to provide at least $6,000,000 from within available funds for the implementation of this effort which would market and coordinate involvement of existing qualified service providers through the Job Training Partnership Act, facilitate municipal offering of community outreach services and provide data for the evaluation of federal job placement programs.

OPERATION AND MAINTENANCE, ARMY RESERVE

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
OPERATION AND MAINTENANCE, ARMY RESERVE				
BUDGET ACTIVITY 1: OPERATING FORCES:				
LAND FORCES:				
DIVISION FORCES	10,918	10,918	10,918	10,918
CORPS COMBAT FORCES	17,890	17,890	17,890	17,890
CORPS SUPPORT FORCES	165,897	165,897	165,897	165,897
ECHELON ABOVE CORPS FORCES	86,565	86,565	86,565	86,565
MISSION OPERATIONS:				
LAND FORCES OPERATIONS SUPPORT	227,856	227,856	227,856	227,856
LAND FORCES READINESS:				
FORCES READINESS OPERATIONS SUPPORT	123,824	123,824	123,824	123,824
LAND FORCES SYSTEM READINESS	13,757	13,757	13,757	13,757
DEPOT MAINTENANCE	47,342	47,342	47,342	47,342
LAND FORCES READINESS SUPPORT:				
BASE SUPPORT	305,760	305,760	305,760	305,760
MAINTENANCE OF REAL PROPERTY	61,177	61,177	61,177	61,177
UNIFIED COMMANDS	107	107	107	107
MISCELLANEOUS ACTIVITIES	1,383	1,383	1,383	1,383
TOTAL, BUDGET ACTIVITY 1	1,062,476	1,062,476	1,062,476	1,062,476
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES:				
ADMINISTRATINO AND SERVICEWIDE ACTIVITIES:				
STAFF MANAGEMENT HEADQUARTERS	27,465	27,465	27,465	27,465
INFORMATION MANAGEMENT	23,601	23,601	23,601	23,601
PERSONNEL/FINANCIAL ADMINISTRATION	47,327	47,327	47,327	47,327
RECRUITING AND ADVERTISING	41,753	41,753	41,753	41,753
FUEL REPRICING		−1,400		
TOTAL, BUDGET ACTIVITY 4	140,146	138,746	140,146	140,146
TOTAL, OPERATION AND MAINTENANCE, ARMY RESERVE	1,202,622	1,201,222	1,202,622	1,202,622

ARMY/NAVY RESERVE CENTERS

The conferees understand that there are two Army Reserve Centers in Florida and one in Youngstown, Ohio which are in extensive need of repair and renovation. In addition, the Navy Reserve has a facility located in Youngstown, Ohio, which is vacant and needs remediation. The conferees have provided additional funds for Real Property Maintenance for the Army Reserve and Navy Reserve, and directs that $2,000,000 be designated to each component to meet these requirements.

JOINT MILITARY TRAINING COMPLEX

The conferees understand that several Reserve units in central Florida have been impacted by the closure of the Orlando Naval Training Center, and the Department is considering the possibility of developing a joint complex in the Orlando area. The conferees recommend that $300,000 of the funds provided for ''Operation and Maintenance, Army Reserve'' be used for feasibility studies and environmental assessments in the support of the joint complex.

OPERATION AND MAINTENANCE, NAVY RESERVE

The conference agreement on items addressed by either the House or the Senate is as follows:

In thousands of dollars]

	Budget	House	Senate	Conference
OPERATION AND MAINTENANCE, NAVY RESERVE				
BUDGET ACTIVITY 1: OPERATION FORCES:				
RESERVE AIR OPERATIONS				
MISSION AND OTHER FLIGHT OPERATIONS	300,682	300,682	300,682	300,682
FLEET AIR TRAINING	484	484	484	484
INTERMEDIATE MAINTENANCE	17,271	17,271	17,271	17,271
AIR OPERATION AND SAFETY SUPPORT	3,044	3,044	3,044	3,044
AIRCRAFT DEPOT MAINTENANCE	121,740	132,740	121,740	132,740
AIRCRAFT DEPOT OPS SUPPORT	323	323	323	323
BASE SUPPORT	101,963	101,963	101,963	101,963
MAINTENANCE OF REAL PROPERTY	24,370	24,370	24,370	24,370
RESERVE SHIP OPERATIONS				
MISSION AND OTHER SHIP OPERATIONS	61,924	71,924	61,924	71,924
SHIP OPERATIONAL SUPPORT AND TRAINING	611	611	611	611
INTERMEDIATE MAINTENANCE	9,472	9,472	9,472	9,472
SHIP DEPOT MAINTENANCE	79,257	79,257	79,257	79,257
SHIP DEPOT OPERATIONS SUPPORT	1,459	1,459	1,459	1,459
RESERVE COMBAT OPERATIONS SUPPORT				
COMBAT SUPPORT FORCES	28,355	28,355	28,355	28,355
BASE SUPPORT	34,411	34,411	34,411	34,411
MAINTENANCE OF REAL PROPERTY	9,606	9,606	9,606	9,606
RESERVE WEAPONS SUPPORT				
WEAPONS MAINTENANCE	5,217	5,217	5,217	5,217
TOTAL, BUDGET ACTIVITY 1	800,189	821,189	800,189	821,189
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES:				
ADMINISTRATION AND SERVICEWIDE ACTIVITIES				
ADMINISTRATION	6,209	6,209	6,209	6,209
CIVILIAN MANPOWER AND PERSONNEL MANAGEMENT	1,015	1,015	1,015	1,015
MILITARY MANPOWER AND PERSONNEL MANAGEMENT	25,420	25,420	25,420	25,420
SERVICEWIDE COMMUNICATIONS	50,534	50,534	50,534	50,534
BASE SUPPORT	29,571	29,571	29,571	29,571
MAINTENANCE OF REAL PROPERTY	7,182	7,182	7,182	7,182
COMBAT/WEAPONS SYSTEMS	5,398	5,398	5,398	5,398
GENERAL DEFENSE INTELLIGENCE PROGRAM	587	587	587	587
LOGISTICS OPERATIONS AND TECHNICAL SUPPORT:				
AIR SYSTEMS SUPPORT	2,534	2,534	2,534	2,534
TOTAL, BUDGET ACTIVITY 4	128,450	128,450	128,450	128,450
FUEL REPRICING	---	−8,200	---	---
P–3 SQUADRONS	---	7,600	---	7,600
TOTAL, OPERATION AND MAINTENANCE, NAVY RESERVE	928,639	949,039	928,639	957,239

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 1: Operating Forces:	
Aircraft Depot Maintenance/C–20 Repair	11,000
Mission and Other Ship Operations/MCM Steaming Days	10,000
Undistributed:	
P–3 Squadrons	7,600

NAVY RESERVE FORCES

The conferees concur in the House direction of House Report 105–591, page 81, regarding Navy Reserve force structure and operations.

NAVY RESERVE TRAINING CENTER

The conferees understand the City of Gary, Indiana objects to the current leasing arrangement between the Navy and the City of Gary relating to the presence of a Naval Reserve Training Center on city-owned property. The conferees urge the Navy to negotiate with the City of Gary the relocation of its facility.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
OPERATION AND MAINTENANCE, MARINE CORPS RESERVE				
BUDGET ACTIVITY 1: OPERATING FORCES:				
MISSION FORCES:				
TRAINING	14,435	14,435	14,435	14,435
OPERATING FORCES	33,823	33,823	33,823	33,823
BASE SUPPORT	16,272	16,272	16,727	16,272
MAINTENANCE OF REAL PROPERTY	6,976	6,976	6,976	6,976
DEPOT MAINTENANCE	2,821	2,821	2,821	2,821
TOTAL, BUDGET ACTIVITY 1	74,327	74,327	74,327	74,327
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES:				
ADMINISTRATION AND SERVICEWIDE ACTIVITIES:				
RECRUITING AND ADVERTISING	7,920	9,120	7,920	7,920
SPECIAL SUPPORT	11,080	11,080	11,080	11,080
SERVICEWISE TRANSPORTATION	4,714	4,714	4,714	4,714
ADMINISTRATION	8,763	8,763	8,763	8,763
BASE SUPPORT	7,789	7,789	7,789	7,789
INCREASED USE OF GUARD AND RESERVE	.....	1,200	.....	1,200
ACTIVE DUTY FOR SPECIAL WORK	.....	2,100	.....	2,100
TOTAL, BUDGET ACTIVITY 4	40,266	44,766	40,266	43,566
TOTAL, O&M, MARINE CORPS RESERVE	114,593	119,093	114,593	117,893

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 4: Administration and Servicewide Activities:	
Increased Use of Guard and Reserve	1,200
Active Duty for Special Work	2,100

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
OPERATION AND MAINTENANCE, AIR FORCE RESERVE				
BUDGET ACTIVITY 1: OPERATING FORCES:				
AIR OPERATIONS:				
AIRCRAFT OPERATIONS:	1,038,509	1,038,509	1,038,509	1,038,509
MISSION SUPPORT OPERATIONS	40,926	40,926	40,926	40,926
BASE SUPPORT	223,606	223,606	223,606	223,606
MAINTENANCE OF REAL PROPERTY	61,616	61,616	61,616	61,616
DEPOSIT MAINTENANCE	298,493	298,493	298,493	298,493
TOTAL, BUDGET ACTIVITY 1	1,663,150	1,663,150	1,663,150	1,663,150
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES:				
ADMINISTRATION AND SERVICEWIDE ACTIVITIES:				
ADMINISTRATION	46,002	46,002	46,002	46,002
MILITARY MANPOWER AND PERSONNEL MANAGEMENT	20,205	20,205	20,205	20,205
RECRUITING AND ADVERTISING	8,360	11,360	8,360	11,360
OTHER PERSONNEL SUPPORT	6,366	6,366	6,366	6,366
AUDIOVISUAL	613	613	613	613
FUEL REPRICING	.....	−11,700	.....	.....
TOTAL, BUDGET ACTIVITY 4	81,546	72,846	81,546	84,546
TOTAL, O&M AIR FORCE RESERVE	1,744,696	1,735,996	1,744,696	1,747,696

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustment to the budget activities is as follows:

[In thousands of dollars]

Budget Activity 4: Administration and Servicewide Activities:	
25400 Recruiting and Advertising	3,000

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD				
BUDGET ACTIVITY 1: OPERATING FORCES:				
MISSION OPERATIONS				
LAND FORCES	1,302,542	1,402,542	1,361,042	1,402,542
LAND FORCES READINESS	144,113	144,113	144,113	144,113
LAND FORCES READINESS SUPPORT	839,066	843,266	853,066	843,266
DEPOT MAINTENANCE	.....	.....	32,500	.....
MAINTENANCE OF REAL PROPERTY	.....	.....	65,000	45,000
TOTAL, BUDGET ACTIVITY 1	2,285,721	2,389,921	2,455,721	2,454,921
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES:				
ADMINISTRATION AND SERVICEWIDE ACTIVITIES:				
PERSONNEL ADMINISTRATION	59,249	59,249	59,249	59,249
STAFF MANAGEMENT	33,490	33,490	33,490	33,490
INFORMATION MANAGEMENT	21,793	24,593	76,793	66,793
RECRUITING AND ADVERTISING	36,562	36,562	36,562	36,562
TOTAL, BUDGET ACTIVITY 4	151,094	153,894	206,094	196,094
FUEL REPRICING	.....	−3,500	.....	.....
MILITARY (CIVILIAN) TECHNICIANS	.....	27,000	.....	27,000
CONSEQUENCE MANAGEMENT	.....	3,000	.....	.....

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 1: Operating Forces:	
Land Forces/Ground Optempo	100,000
Land Forces Readiness/Depot Maintenance	20,000
Land Forces Readiness Support/Angel Gate Academy	4,200
Maintenance of Real Property	45,000
Budget Activity 4: Administration and Servicewide Activities:	
Information Management/Distance Learning	35,000
Information Management/Communications Shortfall	10,000
Undistributed:	
Military (civilian) Technicians	27,000

ARMY NATIONAL GUARD DISTANCE LEARNING

The conferees agree to provide an increase of $25,000,000 in Operation and Maintenance, Army National Guard and an increase of $28,000,000 in Other Procurement, Army for distance learning and information management requirements.

Of this amount, $2,800,000 is only to continue efforts to demonstrate cost effective ways to use the National Guard Distance Learning Network to meet DoD training requirements as provided for in House Report 105–591. In addition, $4,600,000 is only for the Montana Army Guard for a distance learning demonstration project as described in Senate Report 105–200.

CHICAGO MILITARY ACADEMY

The conferees recommend that $10,000,000 of the funds provided for Operation and Maintenance, Army National Guard are for the conversion of the Eighth Regiment National Guard Armory into a Chicago Military Academy, in order to provide a JROTC instruction program.

CAMP DAWSON, WEST VIRGINIA

The conferees urge the Army National Guard to develop a concept plan for the future of Camp Dawson.

CAMP DODGE, IOWA

The conferees recommend that $6,000,000 of the funds available for Real Property Maintenance in Operation and Maintenance, Army National Guard be used for repair of storm damage at Camp Dodge, Iowa.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
OPERATION AND MAINTENANCE, AIR NATIONAL GUARD				
BUDGET ACTIVITY 1: OPERATION FORCES:				
AIR OPERATIONS:				
AIRCRAFT OPERATIONS	1,935,880	1,937,380	1,945,880	1,945,880
MISSION SUPPORT OPERATIONS	340,884	340,884	340,884	340,884
BASE SUPPORT	295,163	295,163	295,163	295,163
MAINTENANCE OF REAL PROPERTY	82,633	82,633	82,633	82,633
DEPOT MAINTENANCE	428,708	428,708	438,708	428,708
TOTAL, BUDGET ACTIVITY 1	3,083,268	3,084,768	3,103,268	3,093,268
BUDGET ACTIVITY ADMIN & SERVICEWIDE ACTIVITIES:				
SERVICEWIDE ACTIVITIES:				
ADMINISTRATION	2,913	2,913	2,913	2,913

[In thousands of dollars]

	Budget	House	Senate	Conference
RECRUITING AND ADVERTISING	7,752	10,751	7,752	10,752
FUEL REPRICING		−23,200		
TOTAL, BUDGET ACTIVITY 4	10,665	−9,535	10,665	13,665
TOTAL, O&M AIR, NATIONAL GUARD	3,093,933	3,075,233	3,113,933	3,106,933

SEARCH AND RESCUE SUPPORT

The conferees direct that the Air National Guard provide support for Coast Guard seasonal search and rescue mission requirements at the Francis S. Gabreski Airport in Hampton, New York. Assistance to the Coast Guard will include access to necessary facilities, runway, hangar, operations center, berthing, and maintenance spaces. Seasonal Coast Guard access will be maintained between April 15 and October 15, 1999. The Director of the Air National Guard and the Commandant of the Coast Guard shall enter into a memorandum of agreement (MOA) for use of these facilities and shall provide copies of that agreement to the Committees on Appropriations not later than December 1, 1998.

DEFENSE SYSTEMS EVALUATION PROGRAM

The conferees direct that $2,250,000 of the funds provided for Operation and Maintenance, Air National Guard be for the Defense Systems Evaluation program for support of test and training operations at White Sands Missile Range, New Mexico, and Fort Bliss, Texas.

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

The conferees agree to provide $439,400,000 for the Overseas Contingency Operations Transfer Fund. This amount covers estimated DoD costs of continuing operations in Southwest Asia.

UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES

The conference agreement provides $7,324,000 for the United States Court of Appeals for the Armed Forces as requested in the budget.

ENVIRONMENTAL RESTORATION, ARMY

The conferees agree to provide $370,640,000 for Environmental Restoration, Army.

ENVIRONMENTAL RESTORATION, NAVY

The conferees agree to provide $274,600,000 for Environmental Restoration, Navy.

ENVIRONMENTAL RESTORATION, AIR FORCE

The conferees agree to provide $372,100,000 for Environmental Restoration, Air Force.

ENVIRONMENTAL RESTORATION, DEFENSE-WIDE

The conferees agree to provide $26,091,000 for Environmental Restoration, Defense-Wide

ENVIRONMENTAL RESTORATION, FORMERLY USED DEFENSE SITES

The conferees agree to provide $225,000,000 for Environmental Restoration, Formerly Used Defense Sites.

BUILDING DEMOLITION AND DEBRIS REMOVAL

To minimize mobilization costs at remote sites, the Department may perform building demolition and debris removal at formerly used defense sites (FUDS) using fiscal year 1999 funds available under this heading. The conferees direct the Department to conduct building demolition and debris removal at the following formerly used defense sites: Collision Point, Nuvagapak Point and Cape Sarichef, Alaska, or alternative sites in Alaska to optimize cost effectiveness on a regional basis.

CHARLESTON MACALLOY SITE

The conferees concur with the Senate's recommended reporting requirements regarding the Defense Logistics Agency inventory location in Charleston, South Carolina. The conferees expect that, if the Department determines that this site is eligible for formerly used defense sites (FUDS) funding, $10,000,000 shall be made available as expeditiously as possible considering departmental policies on the allocation of such funds.

GOVERNMENT OWNED CONTRACTOR OPERATED (GOCO) FACILITIES

The conferees are concerned about the Army's limited progress in recovering the costs associated with environmental restoration at former ammunition production GOCO facilities. Therefore, the conferees direct the Army to take the following actions and, by the dates noted, report on their findings to the congressional defense committees.

No later than March 30, 1999, the Army should (1) identify all GOCO ammunition production facilities, the contractors that operated the facilities, and the prime contract numbers of each contract for the operation of the facilities (2) document the current environmental cleanup status, including past and projected clean up costs, for each GOCO facility (3) compile a summary of historical third-party insurance coverage for each GOCO facility, including the names of all the insurers, policy numbers, policy periods, and terms, conditions, and limits of coverage (4) ascertain whether notices of accidents or occurrences, or other appropriate notices, have been given to each of the insurers, including any notices provided by the operating contractor, and (5) determine if any of the GOCO facilities was placed on a standby status and whether insurance coverage remained in force during that period.

Not later than June 15, 1999, the conferees expect the Department to (1) file notices of claims with as many of the insurers as possible and to provide a timetable for filing all remaining notices of claims (2) prepare a detailed legal analysis of the potential claims for each of the GOCO facilities including an assessment of applicable case law, potential effect of specific indemnification provisions, pollution exclusion and limitations in the scope of coverage (3) analyze alternative approaches, such as pursuing claims in groups, to maximize insurance recovery, including legal strategy and timetables, and decide on a recommended course of action.

NOTIFICATION OF ENVIRONMENTAL CONTRACT AWARDS

The conferees direct each military service to notify interested State and local authorities and interested Members of Congress upon release of draft solicitations for contracts anticipated to exceed $5,000,000. The conferees further direct that this requirement shall also apply to all increments of indefinite delivery indefinite quantity-type contracts which meet this threshold.

TOTAL ENVIRONMENTAL REMEDIATION CONTRACTS (TERC)/REMEDIAL ACTION CONTRACTS (RAC)

The conferees direct that not more than twenty-five percent of funding obligated by the Corps of Engineers for environmental remediation shall be executed through TERC contracts. Additionally, the conferees are concerned with the Navy's increasing reliance on the RAC to accomplish environmental remediation. Accordingly, the conferees direct the Secretary of the Navy to report to the congressional defense committees no later than January 15, 1999, on their use of RAC during fiscal year 1998. The conferees further direct that this information be provided quarterly throughout fiscal year 1999.

MITIGATION OF ENVIRONMENTAL DAMAGE

In entering into contracts for the mitigation of environmental damage on Indian lands, the Department is encouraged to extend a preference to Native American owned or operated businesses with experience in the mitigation of environmental damage or environmental technology.

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

The conferees agree to provide $50,000,000 for Overseas Humanitarian, Disaster, and Civic Aid.

FORMER SOVIET UNION THREAT REDUCTION

The conferees agree to provide $440,400,000, for the Former Soviet Union Threat Reduction program.

QUALITY OF LIFE ENHANCEMENT, DEFENSE

The conferees agree to provide a total of $455,000,000 for Quality of Life Enhancement, Defense. Given the substantial backlog of real property maintenance in the areas of barracks, dormitories and related facilities, the conferees direct that these funds be applied to workload for such projects within the United States and its territories. In the case of the Reserve components, these additional funds should be utilized to reduce the backlog in mission and support facilities. The conferees further direct the Secretaries of each of the Military Services to provide the congressional defense committees with a report on each additional project to be funded from funds available in this account prior to solicitation for these projects. This report shall include the location, estimated cost and projected commencement and completion dates for each project.

TITLE III—PROCUREMENT

The conference agreement is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
SUMMARY				
ARMY:				
AIRCRAFT	1,325,943	1,400,338	1,408,652	1,388,268
MISSILES	1,205,768	1,140,623	1,188,739	1,226,335

[In thousands of dollars]

	Budget	House	Senate	Conference
WEAPONS, TRACKED COMBAT VEHICLES	1,433,608	1,513,540	1,484,055	1,548,340
AMMUNITION	1,008,855	1,099,155	998,655	1,065,955
OTHER	3,198,811	3,101,130	3,395,729	3,339,486
TOTAL, ARMY	8,172,985	8,254,786	8,475,830	8,568,384
NAVY:				
AIRCRAFT	7,466,734	7,599,968	7,473,403	7,541,709
WEAPONS	1,327,545	1,191,219	1,324,045	1,211,419
AMMUNITION	429,539	473,803	488,939	484,203
SHIPS	6,252,672	5,973,452	6,067,272	6,035,752
OTHER	3,937,737	3,990,553	3,886,475	4,072,662
MARINE CORPS	745,858	812,618	954,177	874,216
TOTAL, NAVY	20,160,085	20,041,613	20,194,311	20,219,961
AIR FORCE:				
AIRCRAFT	7,756,475	8,384,735	7,967,023	8,095,507
MISSILES	2,359,803	2,191,527	2,219,299	2,069,827
AMMUNITION	384,161	388,925	384,161	379,425
OTHER	6,974,387	7,034,217	6,904,164	6,960,483
TOTAL, AIR FORCE	17,474,826	17,999,404	17,474,647	17,505,242
DEFENSE-WIDE	2,041,650	2,055,432	1,932,250	1,944,833
NATIONAL GUARD AND RESERVE EQUIPMENT		120,000	500,000	352,000
TOTAL PROCUREMENT	47,849,546	48,471,235	48,577,038	48,590,420

AIRCRAFT PROCUREMENT ARMY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
AIRCRAFT PROCUREMENT, ARMY					
C–XX (MEDIUM RANGE) AIRCRAFT			30,000	5	27,000
UH–60 BLACKHAWK (MYP)	218,820	297,320	292,765	29	272,365
AH–634 MODS	52,902	55,902	54,402		56,902
CH–47 CARGO HELICOPTER MODS (MYP)	101,176	88,476	73,876		81,176
C–12 CARGO AIRPLANE MODS	2,658	9,658	8,658		8,658
KIOWA WARRIOR	40,466	56,446	52,646		52,646
EH–60 QUICKFIX MODS	3,015	3,015			
AIRCRAFT SURVIVABILITY EQUIPMENT	5,144	12,544	18,944		12,544
COMMON GROUND EQUIPMENT	30,107	31,307	30,107		31,307
ADVISORY AND ASSISTANCE SERVICES		−1,584			−1,584

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousand of dollars]

	Budget	House	Senate	Conference
UH–60 BLACKHAWK (MYP):	218,820	297,320	292,765	272,365
Additional aircraft	0	78,500	78,500	58,100
Engineering change orders	0	0	−4,555	−4,555
AH–64 MODS:	52,902	55,902	54,402	56,902
VMEP for National Guard	0	3,000	0	3,000
AH–64 T701C engine upgrade	0	0	1,500	1,000
KIOWA WARRIOR:	40,446	56,446	52,646	52,646
System safety enhancement	0	16,000	9,600	9,600
Crew station mission equipment trainer	0	0	2,600	2,600

MISSILE PROCUREMENT, ARMY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
MISSILE PROCUREMENT, ARMY					
HELLFIRE SYS SUMMARY	360,625	313,325	360,625	2,000	360,625
JAVELIN (AAWS–M) SYSTEM SUMMARY	319,988	319,988	349,988	3,316	339,988
MLRS ROCKET	16,513	3,413			
MLRS LAUNCHER SYSTEMS	85,387	110,387	143,787	24	123,787
ATACMS/BAT	49,083	49,083	24,083	30	49,083
BAT	100,425	100,425	50,225	420	100,425
AVENGER MODS	8,425		8,425		8,425
ADVISORY AND ASSISTANCE SERVICES		−7,604			−7,604

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
MLRS LAUNCHER SYSTEMS:	85,387	110,387	143,787	123,787
National Guard launchers	0	25,000	50,000	0
COTS to procure joint technical architecture	0	0	8,400	8,400
National Guard MLRS support equipment				30,000

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
PROCUREMENT OF W&TCV, ARMY					
BRADLEY BASE SUSTAINMENT	285,844	371,844	283,844		356,844
BFVS SERIES (MOD)	58,998	58,998	78,998		75,498
IMPROVED RECOVERY VEHICLE (M88 MOD)	38,175	38,175	55,075	21	51,075
HEAVY ASSAULT BRIDGE (HAB) SYS (MOD)	50,401	50,401	43,748		50,401
M1 ABRAMS TANK (MOD)	53,301	58,301	46,601		36,301
ABRAMS UPGRADE PROGRAM	412,661	403,661	408,061		419,061

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
ARMOR MACHINE GUN, 7.62MM M240 SERIES	6,496	6,496	12,996	673	11,496
GRENADE LAUNCHER, AUTO, 40MM, MK19–3	12,191	12,191	15,191	697	15,191
M16 RIFLE MODS	6,241	6,241	5,241		5,241
DIRECT SUPPORT ELECTRICAL TEST SETS (DSETS)			25,000		20,000
ADVISORY AND ASSISTANCE SERVICES		−2,068			−2,068

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
BRADLEY BASE SUSTAINMENT:	285,844	371,844	283,844	356,844
A0 to ODS variant	0	80,000	0	70,000
AN/VIC–3	0	6,000	0	3,000
Software delays	0	0	−2,000	−2,000
BFVS SERIES (MOD):	58,998	58,998	78,998	75,498
Reactive armor tiles	0	0	20,000	16,500
M1 ABRAMS TANK (MOD):	53,301	58,301	46,601	36,301
AN/VIC–3	0	5,000	0	3,000
M1A1D program savings	0	−6,700	0	−20,000
ABRAMS UPGRADE PROGRAM:	412,661	403,661	408,061	419,061
M1A1D termination	0	−20,000	0	0
Tank upgrades	0	11,000	0	11,000
Overhead rates—M1A2 program	0	−4,600	0	−4,600
DIRECT SUPPORT ELECTRICAL TEST SETS (DSETS):	0	0	25,000	20,000
Abrams upgrade program	0	0	5,000	4,000
BFIST	0	0	5,000	4,000
Bradley C2 vehicle	0	0	5,000	4,000
Bradley legacy fleet	0	0	5,000	4,000
Bradley stinger	0	0	5,000	4,000

PROCUREMENT OF AMMUNITION, ARMY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
PROCUREMENT OF AMMUNITION, ARMY					
CTG, 5.56MM, ALL TYPES	91,620	97,220	77,620		94,420
CTG, 7.62MM ALL TYPES	10,463	14,463	7,263		12,463
CTG, 25MM, ALL TYPES	59,618	80,418	71,618		80,418
CTG MORTAR 60MM PRACTICE M766		5,000			2,500
CTG MORTAR 120MM HE M934 W/MO FUZE	29,087	38,087	29,087	33	37,087
CTG MORTAR 120MM ILLUM XM930 W/MTSQ FZ		8,500			5,000
CTG 120MM APFSDS–T M829A2/M829E3	9,732	19,732	9,732	2	14,732
CTG 120MM HEAT–MP–T M830A1		10,000	15,000		10,000
CTG ARTY 105MM DPICM XM915		7,500			
CTG ARTY 105 M927		5,000			5,000
PROJ ARTY 155MM SADARM M898	56,542	36,542	31,542	550	31,542
PROJ ARTY 155MM HE M107	25,650	35,650	25,650	124	32,650
FUZE ARTY ELEC TIME M767			5,000		4,000
MINE AT M87 (VOLCANO)			15,000		12,000
BUNKER DEFEATING MUNITION (BDM)		10,000			10,000
PROVISION OF INDUSTRIAL FACILITIES	47,660	52,560	47,660		50,660
CONVENTIONAL AMMO DEMILITARIZATION	97,983	97,983	82,983		82,983

KINETIC ENERGY TANK AMMUNITION

The conferees direct the Army to submit by December 1, 1998, their plan for funding the M829A2 at a minimum sustaining rate until the M829E3 enters production.

M830A1 TANK AMMUNITION

The conferees encourage the Army to include funding for the M830A1 and M830A1 to XM908 conversion programs in its fiscal year 2000 budget submission.

OTHER PROCUREMENT, ARMY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
OTHER PROCUREMENT, ARMY					
TACTICAL TRAILERS/DOLLY SETS	11,948	11,948	19,448		17,948
HI MOB MULTI–PURP WHLD VEH (HMMWV)	12,144	58,476	77,844	110	67,144
FAMILY OF MEDIUM TACTICAL VEH (FMTV)	332,044	312,424	382,044	2,038	332,044
MEDIUM TRUCK EXTENDED SVC PGM (ESP)	37,247	37,247	63,647	1,085	50,447
LINE HAUL ESP	4,883	4,983	4,883	62	4,983
HEAVY ARMORED SEDAN	5,956	5,956		54	5,956
PASSENGER CARRYING VEHICLES	867	867		37	867
GENERAL PURPOSE VEHICLES	1,059	1,059			1,059
PROJECT MANAGEMENT SUPPORT	2,437	2,437	1,437		1,437
SYSTEM FIELDING SUPPORT (TACOM)	4,166	4,166	3,166		3,166
SMART–T (SPACE)	57,743	33,143	57,743		57,743
ARMY DATA DISTRIBUTION SYSTEM (ADDS)	24,048	27,048	52,048		47,048
SINCGARS FAMILY	13,212	51,212	63,212		57,212
ACUS MOD PROGRAM (WIN–T/T)	97,080	97,080	132,080		129,830
INFORMATION SYSTEM SECURITY PROGRAM—ISSP	29,714	31,714	33,714		33,714
INFORMATION SYSTEMS	91,213	91,213	122,213		119,213
ALL SOURCE ANALYSIS SYS (ASAS) (TIARA)	24,117	24,117	24,117		30,867
JTT/CIBS–M (TIARA)	5,340	10,340	5,340	56	10,340
IEW—GND BASE COMMON SENSORS (TIARA)	25,388	14,188			12,071
JOINT STARS (ARMY) (TIARA)	87,229	90,229	87,229		87,229
TACTICAL EXPLOITATION OF NATIONAL CAPABILITY	1,690	1,690	1,690		6,090
COMMON IMAGERY GRD/SURFACE SYS		2,508			2,508
ITEMS LESS THAN $2.0M (TIARA)	530	530	2,530		1,530
SHORTSTOP		15,000			10,000
NIGHT VISION DEVICES	29,636	38,636	53,136		43,636
LTWT VIDEO RECON SYSTEM (LWVRS)	3,364	3,364	9,364	110	8,364
MOD OF IN–SVC EQUIP (TAC SURV)	5,477	23,227	5,477		16,477
LOGTECH	3,238	3,238	9,238		8,238
GUN LAYING AND POS SYS (GLPS)	11,781	6,331	11,781	126	6,331
ISYSCON EQUIPMENT	34,175	10,175	34,175		15,175
ARMY TRAINING XX1 MODERNIZATION	32,635		32,635		32,635
AUTOMATED DATA PROCESSING EQUIP	130,712	120,712	130,712		123,712

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
ITEMS LESS THAN $2.0M (CSS–EQ)	4,749	4,749	4,749		5,749
HYDRAULIC EXCAVATOR	6,402	8,902	6,402	26	6,402
CRANE, WHEEL MTD, 25T, ¾ CU YD, RT	11,553	11,553	11,553	47	19,553
PUSHER TUG, SMALL	4,269	8,569	4,269	3	8,569
FLOATING CRANE, 100–250 TON		15,000		1	15,000
GENERATORS AND ASSOCIATED EQUIP	82,749	69,049	82,749		69,049
ROUGH TERRAIN CONTAINER CRANE	13,615	3,615	13,615	30	8,615
TRAINING DEVICES, NONSYSTEM	56,755	67,755	44,655		60,755
SIMNET/CLOSE COMBAT TACTICAL TRAINER	113,927	76,527	88,927		88,927
FIRE SUPPORT COMBINED ARMS TACTICAL TRAINER	28,124		28,124		16,000
INTEGRATED FAMILY OF TEST EQUIPMENT (IFTE)	54,051	69,051	64,051		66,551
BASE LEVEL COM'L EQUIPMENT	9,697	9,697	9,697		12,697
MODIFICATION OF IN–SVC EQUIPMENT (OPA–3)	17,667	22,467	17,667		22,667
VEHICLE LEASES			400		
ADVISORY AND ASSISTANCE SERVICES		4,030			4,030
R–2000 ENGINE FLUSH SYSTEM		5,000			

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
ACUS MOD PROGRAM (WIN–T/T)	97,080	97,080	132,080	129,830
Program increase	0	0	35,000	30,000
High speed multiplexer (moved from 203761A)	0	0	0	2,750
INFORMATION SYSTEM SECURITY PROGRAM—ISSP	29,714	31,714	33,714	33,714
''Uninterruptible'' universal power supply sys	0	2,000	0	1,000
Tactical Secure Terminal Equipment	0	0	4,000	3,000
ALL SOURCE ANALYSIS SYS (ASAS) (TIARA)	24,117	24,117	24,117	30,867
Analysis control team (Note: Transferred from 0203761A)	0	0	0	6,750
JOINT STARS (ARMY) (TIARA)	87,229	90,229	87,229	87,229
Common Ground Station (Note: Of the available funds, $2,000,00 is only to procure additional workstations for field units in Korea and Bosnia)	0	3,000	0	0
TACTICAL EXPLOITATION OF NATIONAL CAPABILITY	1,690	1,690	1,690	6,090
Grendier Brat (Note: Transferred from 0203761A)	0	0	0	4,400
NIGHT VISION DEVICES	29,636	38,636	53,136	43,636
Increase procurement—various sytems	0	9,000	0	6,000
25mm gen III image intensifier	0	0	10,000	8,000
LTWT VIDEO RECON SYSTEM (LWVRS)	3,364	3,364	9,364	8,364
Increase procurement	0	0	6,000	5,000
MOD OF IN–SVC EQUIP (TAC SURV)	5,477	23,227	5,477	16,477
Firefinder	0	16,000	0	10,000
Automated Integrated Surveying Instrument	0	1,750	0	1,000
AUTOMATED DATA PROCESSING EQUIP	130,712	120,712	130,712	123,172
Ammo AIT	0	10,000	0	10,000
JCALS	0	−20,000	0	−17,000
ITEMS LESS THAN $2.0M (CSS–EQ)	4,749	4,749	4,749	5,749
Lightweight maintenance shelters	0	0	[2,000]	1,000
HYDRAULIC EXCAVATOR	6,402	8,902	6,402	6,402
Hydraulic excavator—active	0	1,000	0	0
Hydraulic excavator—reserves (Note: Funds are provided under Modification of In-service Equipment)	0	1,500	0	0
CRANE, WHEEL MTD, 25T, 3/4 CU YD, RT	11,553	11,553	11,553	19,553
All terrain crates for the Army reserves	0	0	0	8,000
TRAINING DEVICES, NONSYSTEM	56,755	67,755	44,655	60,755
Firefighter trainers	0	3,000	4,000	3,000
Aerial weapons scoring system	0	3,000	0	2,000
Engagement skills trainers—NTL GRD	0	5,000	0	3,000
MILES	0	0	−16,100	−8,000
MILES—Cope Thunder exercise	0	0	[4,000]	4,000
BASIC LEVEL COM'L EQUIPMENT	9,697	9,697	9,697	12,697
R–2000 Engine Flush System (Note: House provided funds under R–2000 Engine Flush System project)	0	0	0	3,000
MODIFICATION OF IN–SVC EQUIPMENT (OPA–3)	17,667	22,467	17,667	22,667
Laser leveling systems	0	4,800	0	3,500
Laser leveling systems for hydraulic excavator systems (Note: House provided funds under Hydraulic Excavator Systems)	0	0	0	1,500
R–2000 ENGINE FLUSH SYSTEM (Note: Project is funded under base level com' equipment)	0	5,000	0	0

TACTICAL RADIOS

The conferees encourage FORSCOM to procure off-the-shelf radios such as the AN/PRC–138 and AKLR/MIBTR to mee tthe 82nd Airborne Division's requirement to replace its aging non-secure radios.

AIRCRAFT PROCUREMENT, NAVY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
AIRCRAFT PROCUREMENT, NAVY:					
AV–8B (V/STOL) HARRIER	282,713	279,513	282,713	12	279,513
F/A–18E/F (FIGHTER) HORNET	2,787,783	2,568,083	2,787,783	30	2,772,783
V–22 (MEDIUM LIFT)	610,766	696,266	610,766	7	610,766
CH–60	106,027	144,027	106,027	5	125,027
T–45TS (TRAINER) GOSHAWK	282,667	267,167	282,667	15	293,567
T–45TS (TRAINER) GOSHAWK (AP–CY)	60,159	60,159	8,000		8,000
KC–130J		112,400		2	112,400
EA–6 SERIES	75,735	114,735	80,735		95,735
AV–8 SERIES	99,109	112,409	99,109		86,509
F–14 SERIES	223,661	224,361	223,661		216,361
F–18 SERIES	198,049	211,149	198,049		194,149
AH–1W SERIES	22,394	27,894	33,394		27,894
H–1 SERIES	18,220	30,220	18,220		26,220
EP–3 SERIES	5,437	6,937	7,437		7,437
P–3 SERIES	268,633	341,033	279,133		291,633
S–3 SERIES	45,997	69,797	45,997		45,997
E–2 SERIES	91,502	96,502	91,502		93,502
CARGO/TRANSPORT A/C SERIES	27,179	27,179	38,179		27,179
E–6 SERIES	64,660	60,060	64,660		64,660
COMMON ECM EQUIPMENT	37,375	33,075	58,875		37,075
COMMON AVIONICS CHANGES	104,697	109,197	104,697		102,697
SPARES AND REPAIR PARTS	727,838	719,438	727,838		727,838
COMMON GROUND EQUIPMENT	330,952	315,552	333,952		321,952
AIRCRAFT INDUSTRIAL FACILITIES	13,753	11,953	13,753		11,953
ADVISORY AND ASSISTANCE SERVICES		−15,394			−15,394

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
F/A–18E/F (FIGHTER) HORNET	2,787,783	2,568,083	2,787,783	2,772,783

[In thousands of dollars]

	Budget	House	Senate	Conference
Reduction of aircraft	0	−204,700	0	0
Program Reduction	0	−15,000	0	−15,000
T–45TS (TRAINER) GOSHAWK	282,667	267,167	282,667	293,567
Authorization reduction, GSE/training equip	0	−15,500	0	0
Aircraft pricing	0	0	0	10,900
AV–8 SERIES	99,109	112,409	99,109	86,509
Transfer from RDT&E	0	11,000	0	0
ALR-67 antennas	0	2,300	0	2,300
OSCAR	0	0	0	−14,900
F–14 SERIES	223,661	224,361	223,661	216,361
LANTIRN	0	8,000	0	0
Authorization reduction, structural mods	0	−7,300	0	−7,300
F–18 SERIES	198,049	211,149	198,049	194,149
Modification of Naval Reserve aircraft	0	17,000	0	0
Authorization reduction, installation costs	0	−3,900	0	−3,900
EP–3 SERIES	5,437	6,937	7,437	7,437
Flat panel displays	0	1,500	0	800
JSAF test	0	0	2,000	1,200
P–3 SERIES	268,633	341,033	279,133	291,633
Transfer from RDT&E	0	28,700	0	0
Lightweight environmentally sealed parachute assembly	0	10,000	7,400	7,400
One additional AIP kit	0	12,200	12,200	12,200
Specific emitter identification	0	15,000	0	7,500
Advanced digital recorders	0	6,500	0	5,000
Weapon system trainer	0	0	−9,100	−9,100
COMMON ECM EQUIPMENT	37,375	33,075	58,875	37,075
AN/ALR–67(V)2 radar warning receiver upgrades	0	5,000	5,000	5,000
IDECM, transfer to RDT&E	0	−9,300	0	−9,300
AN/APR–39 radar warning receivers	0	0	6,500	4,000
ALQ–165 suites	0	0	10,000	0
COMMON AVIONICS CHANGES	104,697	109,197	104,697	102,697
Transfer from RDT&E	0	6,500	0	0
Authorization reduction, ARC–210 radio installs	0	−2,000	0	−2,000
COMMON GROUND EQUIPMENT	330,952	315,552	333,952	321,952
Authorization reduction, CASS cost growth	0	−15,400	0	−12,000
Naval Reserve direct support squadron readiness training	0	0	3,000	3,000

(Note: The conferees agree to the Senate direction that up to $5,000,000 is available for the replacement data storage system.)

WEAPONS PROCUREMENT, NAVY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
WEAPONS PROCUREMENT, NAVY:					
TRIDENT II (AP–CY)	62,800	62,800	42,800		52,800
TOMAHAWK	129,758	33,258	129,758		33,258
AMRAAM	62,641	55,641	51,641	115	51.641
JSOW	125,207	110,207	125,207	328	117,707
SLAM–ER		39,506		54	39,506
STANDARD MISSILE	225,702	205,702	210,702	120	215,602
PENGUIN		10,000	7,500		
AERIAL TARGETS	75,474	72,774	75,474		72,774
DRONES AND DECOYS	298	298	10,298		8,298
HARPOON MODS	39,506		39,506		
WEAPONS INDUSTRIAL FACILITIES	27,133	24,333	27,133		26,133
MK–48 TORPEDO ADCAP MODS	52,813	50,613	52,813		50,163
CIWS MODS	2,778	6,778	12,778		10,778
5/54 GUN MOUNT MODS	909	909	15,909		13,909
ADVISORY AND ASSISTANCE SERVICES		−4,126			−4,126

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
Amraam	62,641	55,641	51,641	51.641
Program Reduction/Merger Savings	0	−7,000	−11,000	−11,000
STANDARD MISSILE	225,702	205,702	210,702	215,602
Support costs	0	−20,000	0	−4,000
Block IVA support costs	0	0	−8,900	0
Program reduction/merger savings	0	0	−6,100	−6,100

PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
PROCUREMENT OF AMMUNITION, NAVY & MARINE CORP:					
GENERAL PURPOSE BOMBS	22,904	22,904	34,904		31,904
JDAM	41,363	41,363	41,363	747	38,063
PRACTICE BOMBS	40,134	60,134	40,134		55,134
EXTENDED RANGE GUIDED MUNITIONS (ERGM)	27,452	27,452	37,452		27,452
5.56 MM, ALL TYPES	25,750	26,350	26,250		26,250
.50 CALIBER	1,180	1,180	1,680		1,680
60 MM. ALL TYPES			8,200		7,000
120MM. ALL TYPES	14,054	14,054	18,054		16,054
120MM TPCSDS–T M865		500			500
120 MM TP–T M831		700			700
CTG 25MM, ALL TYPES	3,860	4,760	4,860		4,760
9 MM ALL TYPES	2,332	3,132	3,332		3,132
GRENADES, ALL TYPES	4,893	8,093	5,893		5,893
ROCKETS, ALL TYPES	21,346	38,346	39,346		39,346
DEMOLITION MUNITIONS, ALL TYPES	7,737	8,337	7,737		8,337
FUZE, ALL TYPES	13,645	13,645	16,145		15,145
ADVISORY AND ASSISTANCE SERVICES		−736			−736

SHIPBUILDING AND CONVERSION, NAVY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
SHIPBUILDING & CONVERSION, NAVY:					
DDG–51	2,672,078	2,662.078	2,672,078	3	2,667,078

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
LHD–8 ADVANCE PROCUREMENT			50,000		45,000
OUTFITTING	95,680	80,680	95,680		90,680
POST DELIVERY	123,277	114,977	123,277		117,277
ADVISORY AND ASSISTANCE SERVICES		−10,520			−10,520

NIMITZ OVERHAUL

The conferees withdraw direction in the fiscal year 1998 conference report that $20,000,000 of the amount budgeted for the Nimitz overall is only for the ship self-defense system, since the Navy has requested and this Act provides funds in the fiscal year 1999 Other Procurement, Navy appropriation for the same purpose.

LPD–17

The Navy desires to move to the more capable advanced enclosed mast system (EMS) for the LPD–17 class ships and has informed the Appropriations Committees it has sufficient funds for this program. The conferees direct the Navy to include the AEMS on LPD 17 and 18 and to provide sufficient funds for the AEMS on subsequent ships. Should additional funding be required the Navy is directed to request reprogramming or ship cost adjustments next year. The conferees concur with the House direction regarding the evaluation of combat systems and ship self defense alternatives for the LPD–17 class ships. Currently planned systems are not sufficient to meet the anti-ship cruise missile and other threat scenarios. The report to the Appropriations Committees shall include, but not be limited to, alternatives such as multi-function radars together with an evolved sea sparrow to enhance cruise missile defense and Navy plans to ensure the post delivery availability or backfit of enhanced combat system and ship self defense alternatives for the LPD–17 class ships.

OTHER PROCUREMENT, NAVY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
OTHER PROCUREMENT, NAVY					
OTHER GENERATORS	9,637	9,637	8,437		8,437
OTHER NAVIGATION EQUIPMENT	45,259	63,259	57,259		59,259
POLLUTION CONTROL EQUIPMENT	149,669	130,269	123,669		130,269
HM&E ITEMS UNDER $2.0 MILLION	58,121	55,021	58,121		56,121
REACTOR POWER UNITS	227,338	200,038	227,338		227,338
REACTOR COMPONENTS	211,382	200,882	211,382		211,382
NUCLEAR ALTERATIONS	96,752	90,752	96,752		96,752
RADAR SUPPORT	1,260	23,260	10,260		23,260
FFG UPGRADES					11,000
AN/SQQ–89 SURF ASW COMBAT SYSTEM	27,432	18,732	27,432		23,432
SSN ACOUSTICS	133,535	132,335	148,535		144,735
SONAR SWITCHES AND TRANSDUCERS	12,785	11,785	12,785		12,785
C–3 COUNTERMEASURES	6,080	12,580	6,080		10,080
BATTLE GROUP PASSIVE HORIZON EXTEN	73,542	73,542	65,328		65,328
NAVY TACTICAL DATA SYSTEM	34	10,034	34		8,034
COOPERATIVE ENGAGEMENT CAPABILITY	47,332	82,332	19,432		82,332
COMMON IMAGERY GRD/SURFACE SYS		65,827			65,827
MINESWEEPING SYSTEM REPLACEMENT	32,934	17,034	17,039		17,039
STRATEGIC PLATFORM SUPPORT EQUIP	12,687	11,687	12,687		12,687
NATIONAL AIR SPACE SYSTEM	28,201		28,201		8,018
ID SYSTEMS	15,330	13,430	15,330		13,430
JMCIS TACTICAL/MOBILE	3,982	25,982	3,982		23,982
INTEG COMBAT SYSTEM TEST FACILITY	4,482	4,482	6,482		6,482
SHORE ELEC ITEMS UNDER $2.0 MILLION	2,559	10,559	2,559		10,559
SHIPBOARD TACTICAL COMMUNICATIONS	34,397	34,397	38,397		37,397
SHIP COMM ITEMS UNDER $2.0 MILLION	24,220	22,320	24,220		22,320
SUBMARINE COMMUNICATION EQUIPMENT	64,583	64,583	50,283		60,583
SATCOM SHIP TERMINALS (SPACE)	145,193	155,193	145,193		152,193
INTEGRATED BROADCAST SERVICE		10,271			10,271
JEDMICS		5,000	10,000		7,000
NAVAL SHORE COMMUNICATIONS	113,546	110,546	113,546		110,546
WEAPONS RANGE SUPPORT EQUIPMENT	8,064	13,064	23,064		26,064
AIRCRAFT LAUNCH & RECOVERY EQUIPMENT	39,749	35,649	39,749		35,649
METEOROLOGICAL EQUIPMENT	32,892	28,492	32,892		28,492
GUN FIRE CONTROL EQUIPMENT	20,203	35,203	20,203		31,203
ENGAGEMENT SYSTEMS SUPPORT	307		307		
SHIP SELF DEFENSE SYSTEM	22,944	43,944	22,944		38,944
AEGIS SUPPORT EQUIPMENT	83,169	85,169	95,169		94,169
SURFACE TOMAHAWK SUPPORT EQUIPMENT	90,209	103,009	90,209		98,009
STRATEGIC MISSILE SYSTEMS EQUIP	283,612	278,612	283,612		278,612
ANTI-SHIP MISSILE DECOY SYSTEM	21,504	8,004	22,504		22,504
SURFACE TRAINING DEVICE MODS	5,891	6,891	5,891		6,891
ARMORED SEDANS	255	255			255
PASSENGER CARRYING VEHICLES	3,224	3,224	246		2,540
POLLUTION CONTROL EQUIPMENT	28,039	22,539	28,039		21,039
VEHICLE LEASING			806		684
TRAINING SUPPORT EQUIPMENT	2,174	7,174	2,174		5,174
COMMAND SUPPORT EQUIPMENT	17,916	19,916	17,916		19,916
OPERATING FORCES SUPPORT EQUIPMENT	4,684	6,184	4,684		6,184
SPARES AND REPAIR PARTS	279,028	247,528	271,028		247,528
ADVISORY AND ASSISTANCE SERVICES		−4,594			−4,594

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
OTHER NAVIGATION EQUIPMENT:	45,259	63,259	57,259	59,259
WSN–7 ring laser gyro	0	12,000	12,000	10,000
WQN–2 doppler sonar velocity log	0	6,000	0	2,000
Doppler sonar velocity log alternate competitive source	0	0	0	2,000
(Note: This item was funded in RDT&E, Navy in the Senate bill)				
POLLUTION CONTROL EQUIPMENT	149,669	130,269	123,669	130,269
Authorization reduction	0	−19,400	0	−19,400
Shore-based program	0	0	−15,000	0
Ship-based program	0	0	−11,000	0
(Note: The conferees direct that none of the reduction be applied to ship conversions of refrigeration equipment from refrigerant CFC–114 to ozone-friendly CFC substitutes)				
FFG UPGRADES	0	0	0	11,000
(Note: These funds are only for FFG upgrades to support the Naval Reserve Force Western Hemisphere mission. Funding will allow for upgrades that include, but are not limited to, consoles, radar, and tracking software as well as maintenance logistics costs)				
SSN ACOUSTICS	133,535	132,335	148,535	144,735
Authorization reduction	0	−1,200	0	0
Acoustic rapid COTS insertion	0	0	15,000	11,200
C–3 COUNTERMEASURES	6,080	12,580	6,080	10,080
Outlaw Bandit ship signature reduction kits	0	6,000	0	4,000
(Note: Outlaw Bandit funds provided in this Act in both RDT&E and OPN are of special interest)				
Cancelled MK–12 field changes	0	−1,900	0	−1,900

[In thousands of dollars]

	Budget	House	Senate	Conference
JMCIS TACTICAL/MOBILE	3,982	25,982	3,982	23,982
Littoral surveillance system	0	12,000	0	12,000
(Note: Funds are only to procure an engineering development model for operational use to support Naval Reserve operations of the Pacific Disaster Center).				
Mobile inshore undersea warfare van improvements	0	10,000	0	8,000
(Note: $4,000,000 is for MIUW improvements and $4,000,000 is only to establish integrated logistics support for the MIUW system)				
Submarine high data rate communications	0	0	−14,300	−4,000
WEAPONS RANGE SUPPORT EQUIPMENT	8,064	13,064	23,064	26,064
Rangeless air combat training	0	5,000	0	5,000
Mobile remote emitter simulator for 2nd location	0	0	5,000	3,000
PMRF upgrades	0	0	10,000	10,000
AEGIS SUPPORT EQUIPMENT	83,169	85,169	95,169	94,169
Wireless sensors	0	2,000	0	1,000
Smart ship equipment	0	0	12,000	10,000
SURFACE TOMAHAWK SUPPORT EQUIPMENT	90,209	103,009	92,209	98,009
Afloat planning system	0	10,000	0	5,000
Tactical Tomahawk	0	2,800	0	2,800

PROCUREMENT, MARINE CORPS

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
PROCUREMENT, MARINE CORPS					
MODIFICATION KITS (TRKD VEH)	5,726	5,726	25,326		7,726
MOD KITS (ARTILLERY)	1,809	1,809	4,309		2,809
155MM LIGHTWEIGHT TOWED HOWITZER	10,002	10,002	10,002		
PEDESTAL MOUNTED STINGER (PMS) (MYP)	218	218	5,218		3,218
AUTO TEST EQUIP SYS	19,312	19,312	34,312		29,312
MOD KITS (INTEL)	4,791	4,791	7,891		7,391
ITEMS LESS THAN $2.0M (INTELL)		2,000			2,000
NIGHT VISION EQUIPMENT	11,563	11,563	50,063		33,663
COMMAND POST SYSTEMS	7,134	12,134	7,134		17,134
COMM & ELEC INFRASTRUCTURE SUPPORT	57,862	89,862	131,962		105,862
MOD KITS MAGTF C41	27,427	27,427	27,427		33,927
COMMERCIAL PASSENGER VEHICLES	1,248	1,248	53	37	1,248
COMMERCIAL CARGO VEHICLES	8,821	8,821	7,624		8,821
VEHICLE LEASES			611		
MEDIUM TACTICAL VEHICLE REPLACEMENT	83,717	69,717	83,717	240	69,717
LT TACTICAL VEHICLE REMANUFACTURE (LTRV)	39,263	72,763	66,263		69,263
POWER EQUIPMENT ASSORTED	5,097	5,097	14,597		9,597
SHOP EQ CONTACT MAINTENANCE (SECM)	5,972	5,972	11,372		8,372
COMMAND SUPPORT EQUIPMENT	514	4,914	514		4,914
MATERIAL HANDLING EQUIP	6,453	11,453	16,853		11,453
ADVISORY AND ASSISTANCE SERVICES		−1,140			−1,140

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
MODIFICATION KITS (TRKD VEH)	5,726	5,726	25,326	7,726
Mod kits for tracked vehicles	0	0	4,600	2,00
JTF enhanced core communications	0	0	15,000	0
(Note: Funds are provided under Command Post Systems)				
AUTO TEST EQUIPMENT SYSTEM	19,312	19,312	34,312	29,312
DSESTS-LAV, TOW2 and Abrams	0	0	15,000	10,000
NIGHT VISION EQUIPMENT	11,563	11,563	50,063	33,663
Borelights	0	0	1,000	1,000
Medium power laser illuminator	0	0	3,800	2,000
Laser aiming modules	0	0	5,000	3,000
Gen III tubes	0	0	6,100	6,100
AN/AVS-6 night vision goggle OMNI retrofit	0	0	22,600	10,000
COMMAND POST SYSTEMS	7,134	12,134	7,134	17,134
JTF Enhanced Core Communications	0	5,000	0	10,000
(Note: Senate added $15,000,000 under Modification Kits (Trked Vehicles))				
COMM & ELEC INFRASTRUCTURE SUPPORT	57,862	89,862	131,962	105,862
Upgrades—Quantico, 29 Palms, Barstow	0	32,000	0	32,000
Upgrades non-specific	0	0	74,100	16,000
(Note: Funds are provided for Quantico MCB, 29 Palms MCB, Barstow MCB, and Albany MCB)				
MOD KITS MAGTF C41	27,427	27,427	27,427	33,927
MEWSS	0	0	0	6,500

DIRECT SUPPORT ELECTRICAL SYSTEM TEST SETS

The conferees urge the DoD to include the general purpose Direct Support Electrical System Test Sets (DSESTS) in the DoD automatic test system family. DSESTS are currently in use by the Army and Marine Corps as automatic test equipment (ATE) on several wheeled and tracked combat vehicles. DSESTS are proven test equipment that are comparable to other ATE included in the ATE family.

AIRCRAFT PROCUREMENT, AIR FORCE

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
AIRCRAFT PROCUREMENT, AIR FORCE					
ADVANCED TACTICAL FIGHTER (F–22)	595.094	525.094	595.094	2	581,094
F–16 C/D (MYP)		60,000		1	30,000
EC–130J		51,500		1	85,000
C–130J	63,782	237,782	30,000		30,000
WC–130		59,700	75,400	1	75,400
JPATS	107,086	102,186	97,186	22	106,186
CIVIL AIR PATROL A/C	2,619	3,000	2,619	27	3,000
SMALL VCX			79,600	1	39,800
E–8C (AP–CY)		72,000			36,000
B–1B	91,614	91,614	58,514		91,614
B–52	38,308	38,308	48,608		46,608
F–15	196,579	241,579	236,579		241,579
F–16	229,319	235,319	239,219		239,119
C–5	63,635	98,635	63,635		78,635
T–38	53,570	46,570	53,570		50,570
C–130	119,592	148,292	119,592		120,592
C–135	291,070	341,070	381,070		291,070
DARP	139,242	139,242	83,942		139,242
E–3	114,181	107,181	114,181		114,181
E–4	13,987	13,987	9,317		9,317

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
E–8	44,179	44,179	50,179		44,179
PASSENGER SAFETY MODIFICATIONS		50,000	50,000		30,000
SPARES AND REPAIR PARTS	524,829	522,398	551,829		522,398
COMMON SUPPORT EQUIPMENT	152,109	158,109	152,109		158,109
B–2A	189,869	275,869	159,869		239,869
F–16 POST PRODUCTION SUPPORT	27,289	42,289	27,289		37,289
WAR CONSUMABLES	49,396	49,396	49,396		34,720
MISC PRODUCTION CHARGES	221,464	207,864	210,564		207,064
COMMON ECM EQUIPMENT	4,963	20,663	4,963		11,963
DARP	152,113	141,813	152,113		141,813
ADVISORY AND ASSISTANCE SERVICES		−11,490			−11,490

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
EC–130J	0	51,500	0	85,000
(Note: USAF will utilize all remaining unobligated EC–130J appropriations, regardless of fiscal year, to perform three Commndo Solo (EC–130J) modifications)				
C–130J	63,782	237,782	30,000	30,000
Additional aircraft for Air National Guard	0	174,000	0	0
C–130J aircraft trainer	0	0	30,000	30,000
Active aircraft reduction	0	0	−63,782	−63,782
JPATS	107,086	102,186	97,186	106,186
Three additional aircraft	0	9,100	9,100	9,100
GBTS concurrency	0	−14,000	0	−10,000
GBTS delays	0	0	−15,000	0
Other government cost growth	0	0	−4,000	0
B–52	38,308	38,308	48,608	46,608
Modifications for 94 aircraft fleet	0	0	10,300	10,300
Program reduction	0	0	0	−2,000
F–15	196,579	241,579	236,579	241,579
''E'' kit engine upgrades	0	20,000	25,000	20,000
ALQ–135 jammer	0	25,000	15,000	25,000
F–16	229,319	235,319	239,219	239,119
600 gal fuel tanks	0	6,000	4,000	4,000
Digital terrain system	0	0	5,900	4,000
ALR–56M	0	0	0	1,800
C–130	119,592	148,292	119,592	120,592
EC–130 modifications	0	24,700	0	0
Aluminum mesh system	0	4,000	0	1,000
C–135	291,070	341,070	381,070	291,070
Reengine 2 KC–135 aircraft	0	50,000	0	0
C–135 engine lease program	0	0	90,000	0
SPARES AND REPAIR PARTS	524,829	522,398	551,829	522,398
PACER COIN	0	−2,431	0	−2,431
WC–130J modifications	0	0	27,000	0
B–2A	189,869	275,869	159,869	239,869
B–2 upgrades	0	86,000	0	50,000
Software investment	0	0	−20,000	0
Initial spares	0	0	−10,000	0
WAR CONSUMABLES	49,396	49,396	49,396	34,720
LAU–117 contract savings	0	0	0	−14,676
MISC PRODUCTION CHARGES	221,464	207,864	210,564	207,064
Harm Targeting System	0	−10,100	0	0
JTCTS	0	−3,500	0	−3,500
GPS user equipment production testing	0	0	−3,000	−3,000
GPS undefined hardware	0	0	−2,700	−2,700
Program reduction	0	0	−5,200	−5,200
COMMON ECM EQUIPMENT	4,963	20,663	4,963	11,963
ALQ–184 sustainment	0	10,000	0	5,000
ALE–50 decoys	0	5,700	0	2,000

DEFENSE AIRBORNE RECONNAISSANCE PROGRAM

The conferees direct that the Air Force use the previously appropriated funds and, if necessary, a below threshold reprogramming to complete the demonstration and test of the Theater Airborne Warning System (TAWS). The conferees believe that any continuation of this program should be budgeted for in the Air Force's fiscal year 2000 request.

MISSILE PROCUREMENT AIR FORCE

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Confernece
MISSILE PROCUREMENT, AIR FORCE					
AMRAAM	114,627	93,727	87,323	180	93,727
TARGET DRONES	36,263	36,263	26,263		26,263
MM III MODIFICATIONS	90,618	136,618	120,618		120,618
AGM–65H MAVERICK		3,000			3,000
GLOBAL POSITIONING (MYP) SPACE (AP–CY)	77,400		77,400		
INERITIAL UPPER STAGES SPACE	48,012	46,012	37,812		44,012
TITAN SPACE BOOSTERS SPACE	578,540	550,540	548,540		548,540
MEDIUM LAUNCH VEHICLE SPACE	188,406	177,406	188,406	5	177,406
DEFENSE SUPPORT PROGRAM SPACE	89,904	82,904	89,904		89,904
SPECIAL UPDATE PROGRAMS	224,299	204,999	131,299		151,299
SPECIAL PROGRAMS	616,271	576,271	616,271		531,271
ADVISORY AND ASSISTANCE SERVICES		−11,676			−11,676

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
AMRAAM:	114,627	93,727	87,323	93,727
Merger savings/program reduction	0	−20,900	−27,304	−20,900
Restructured program	0	0	−10,000	−10,000

PROCUREMENT OF AMMUNITION, AIR FORCE

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
PROCUREMENT OF AMMUNITION, AIR FORCE					
JOINT DIRECT ATTACK MUNITION	53,157	53,157	53,157	1,819	46,157
PRACTICE BOMBS		5,000			2,500
ADVISORY AND ASSISTANCE SERVICES		−236			−236

OTHER PROCUREMENT, AIR FORCE

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
OTHER PROCUREMENT, AIR FORCE					
SEDAN, 4 DR 4X2	780	780			
STATION WAGON, 4X2	413	413			
BUSES	5,174	5,174			
AMBULANCES	306	306			
ARMORED SEDAN	239	239			
TRUCK, CARGO-UTILITY, 3/4T, 4X4	6,160	6,160			
TRUCK, CARGO-UTILITY, 1/2T, 4X2	2,612	2,612			
TRUCK, PICKUP, 1/2T, 4X2	3,379	3,379			
TRUCK, PICKUP, COMPACT	2,445	2,445			
TRUCK, UTILITY	3,347	3,347		124	3,347
CAP VEHICLES	744	1,400	744		1,400
INTELLIGENCE DATA HANDLING SYS	17,574	21,174	17,574		20,674
INTELLIGENCE COMM EQUIP	5,697	8,697	5,697		8,697
AIR TRAFFIC CTRL/LAND SYS (ATCALS)			16,000		
NATIONAL AIRSPACE SYSTEM	45,308	45,308	45,308		13,400
THEATER AIR CONTROL SYS IMPROVEMENT	30,002	32,502	30,002		35,002
TAC SIGINT SUPPORT	1,883		1,883		
AUTOMATIC DATA PROCESSING EQUIP	33,190	33,190	33,190		36,190
AF GLOBAL COMMAND & CONTROL SYS	5,819	4,519	5,819		4,519
COMBAT TRAINING RANGES	13,194	12,694	13,194		22,694
C3 COUNTERMEASURES	10,228	10,228	17,728		17,728
BASE LEVEL DATA AUTO PROGRAM	28,876	28,876	27,000		27,000
BASE INFORMATION INFRASTRUCTURE	159,383	180,383	158,383		159,383
AFE SATELLITE CONTROL NETWORK SPACE	26,007	23,007	26,007		23,007
TACTICAL C-E EQUIPMENT	31,064	27,364	31,064		27,364
COMBAT SURVIVOR/EVADER LOCATER RADIO	13,757		13,757		3,000
CAP COM & ELECT	378	450	378		450
NIGHT VISION GOGGLES	8,118	6,118	8,118		6,118
MECHANIZED MATERIAL HANDLING EQUIP	14,516	14,516	14,516		18,516
BASE PROCURED EQUIPMENT	5,644	10,244	5,644		7,744
AIR BASE OPERABILITY	5,363	5,363	12,363		5,363
PRDUCTIVITY INVESTMENTS	12,304	17,304	12,304		12,304
INTELLIGENCE PRODUCTION ACTIVITY	72,605	71,605	72,605		72,605
COMMON IMAGERY GRD/SURFACE SYS		5,681			5,681
DARP RC135	12,656	16,456	12,656		16,456
SELECTED ACTIVITIES	5,322,644	5,405,644	5,256,344		5,354,744
SPECIAL UPDATE PROGRAM	179,813	149,813	179,813		169,813
FIRST DESTINATION TRANSPORTATION	16,442	16,442	16,000		16,000
SPARES AND REPAIR PARTS	52,712	52,712	52,712		49,012
VEHICLE LEASES			4,887		2,400
VEHICLE PURCHASE					12,200
ADVISORY AND ASSISTANCE SERVICES		−4,802			−4,802

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
THEATER AIR CONTROL SYS IMPROVEMENT	30,002	32,502	30,002	35,002
Mobile Radar Approach Control (RAPCON) for Air National Guard	0	8,000	0	8,000
Contract savings	0	−5,500	0	−3,000
AUTOMATIC DATA PROCESSING EQUIP	33,190	33,190	33,190	36,190
Battle lab collaborative network	0	3,000	0	3,000
Commercially available equipment	0	−3,000	0	−3,000
Spares Information System (transfer)	0	0	0	3,000
COMBAT TRAINING RANGES	13,194	12,694	13,194	22,694
Rangeless training	0	5,000	0	15,000
JTCTS	0	−5,500	0	−5,500
BASE INFORMATION INFRASTRUCTURE	159,383	180,383	158,383	159,383
Base information protection improvements	0	20,000	0	0
Office of Security and Investigations computer crime investigations	0	1,000	0	1,000
Program reduction	0	0	−1,000	−1,000
MECHANIZED MATERIAL HANDLING EQUIP:	14,516	14,516	14,516	18,516
Supply Asset Tracking System (transfer)	0	0	0	4,000
BASE PROCURED EQUIPMENT	5,644	10,244	5,644	7,744
Ultimate Building Machines for Air National Guard	0	1,800	0	800
Ultimate Building Machines for Air Force	0	800	0	300
Automated Integrated Surveying Equipment	0	2,000	0	1,000

PROCUREMENT, DEFENSE-WIDE

The conference agreement on items addressed by either House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
PROCUREMENT, DEFENSE-WIDE					
MAJOR EQUIPMENT, OSD	100,245	137,245	100,245		120,245
DARP	77,435	3,419	77,435		3,419
DEFENSE AIRBORNE RECONNAISSANCE PROGRAM	11,988	8,569	11,988		11,988
DEFENSE SUPPORT ACTIVITIES	68,682	68,682	88,682	68,682	
AUTOMATIC DOCUMENT CONVERSION SYSTEM		25,000			20,000
MAJOR EQUIPMENT, DSPO	16,214		16,214		3,913
PATRIOT PAC–3	343,235	303,235	192,735	40	248,235
C–130 MODIFICATIONS	58,359	58,359	63,359		60,859
SOF ORDNANCE ACQUISITION	15,707	15,707	21,707		18,707
MARITIME EQUIPMENT MODIFICATIONS	26,012	22,012	26,012		22,012
CLASSIFIED PROGRAMS	73,991	79,084	84,091		84,091
CONSEQUENCE MANAGEMENT		15,000			
CLASSIFIED PROGRAMS	349,694	407,032	349,694		370,594
MILITARY PERSONNEL INFORMATION SYSTEM		12,000			12,000

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
MAJOR EQUIPMENT, OSD:	100,245	137,245	100,245	120,245
Mentor-Protege Program	0	10,000	0	10,000
High Performance Computing Hardware	0	27,000	0	10,000
MAJOR EQUIPMENT, DSPO:	16,214	0	16,214	3,913
Program reduction	0	−7,826	0	−3,913
IBS transfer	0	−8,388	0	−8,388
PATRIOT PAC–3:	343,235	303,235	192,735	248,235
Reduction due to schedule slip	0	0	−150,500	−55,000
Transfer	0	−40,000	0	−40,000
CLASSIFIED PROGRAMS;	73,991	79,084	84,091	84,091
Program increase	0	5,093	0	0
Program increase	0	0	10,100	10,100

PATRIOT ADVANCED CAPABILITY 3 (PAC–3)

The conferees agree to provide $248,235,000, a decrease of $95,000,000 to the budget request for Patriot PAC–3 procurement, based on delays in the test program and in execution of the fiscal year (FY) 1998 Low Rate Initial Procurement (LRIP). The conferees direct that the FY 1998 PAC–3 LRIP funds may not be obligated until the PAC–3 missile successfully completes two intercept flight tests.

NATIONAL GUARD AND RESERVE EQUIPMENT

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
NATIONAL GUARD & RESERVE EQUIPMENT					
RESERVE EQUIPMENT:					
ARMY RESERVE: MISCELLANEOUS EQUIPMENT		20,000	45,000		20,000
NAVY RESERVE:					
MISCELLANEOUS EQUIPMENT		20,000	25,000		20,000
C–9 REPLACEMENT			40,000		40,000
MARINE CORPS RESERVE: MISCELLANEOUS EQUIPMENT		20,000	30,000		20,000
AIR FORCE RESERVE: MISCELLANEOUS EQUIPMENT		20,000	35,000		20,000
NATIONAL GUARD EQUIPMENT:					
ARMY NATIONAL GUARD: MISCELLANEOUS EQUIPMENT		20,000	72,000		20,000
AIR NATIONAL GUARD:					
MISCELLANEOUS EQUIPMENT		20,000	40,000		20,000
C–130J			128,000	3	192,000
EC–130J			85,000		

MISCELLANEOUS EQUIPMENT

The conferees agree that each of the Chiefs of the Reserve and National Guard components should exercise control of modernization funds provided in this account including aircraft and aircraft modernization. The conferees further agree that separate submissions of a detailed assessment of its modernization priorities by the component commanders is required to be submitted to the defense committees. The conferees expect the component commanders to give priority consideration to the following items: Reconfigurable Mission Simulator, Mobile Backscatter Radar, F–16 ALR–56M Radar Warning Receivers WR, P–3C Reserve Modernization, AN/PVS–7 and AN/PVS–14 Night Vision Devices, C–17 Simulator, Early Production and Fielding Program, F–15 Night Vision Imaging Systems, Frequency Hopping Multiplexer, Full Mission Trainer Upgrades, MIDS System Intergration, D7 Tractor Bulldozer PIP, D7 Tractor Bulldozer, IREMBASS, Sandbagger, CH–47 Internal Crashworthy Fuel Cells, A20DS, Counterdrug Sensor Upgrades, Armored Combat Earth Movers, ATARS MAEO Sensors, Bradley A20D, C–130 Modernization, C–130J Flight Simulators, C–22 Replacement, HH–60 Combat Rescue Upgrades, D–7 Bulldozers and Product Improvements, Engagement Skills Trainers, F–15 Fighter Data Link, F–16 Situation Awareness Data Link, F–16 Targeting Pods, F–16 Unit Training Devices, F–16 Midlife Update, Heavy Tactical Vehicles, Field Artillery Ammunition Support Vehicles, LITENING Targeting pod system, M88 A2, Material Handling Equipment Product Improvements, Mobile Electronic Warfare Support Systems, Simulators, SINCGARS radios, Onboard Oxygen Generating System, Outfitting of the 220th ADA Patriot Battalion, Paladin, Theater Aircommunication Equipment, UC–35A, UH–1 Modernization, Vibration Management Enhancement Program, UH–60Q Upgrades, WC–130J Modifications, Masters Cranes, F–16 Intermediate Avionics Shop, Medium Truck Extended Service Program, MJU–52 IR Expendable Countermeasures and Trucks and Support Equipment for Transportation Companies.

NATIONAL GUARD AND RESERVE AIRCRAFT

The conferees agree to provide $232,000,000 specifically for the acquisition and modernization of the following aircraft to support Reserve and National Guard missions:

C–9 replacement for the Navy Reserve	$40,000,000
C–130J aircraft for the Air National Guard (3)	192,000,000

TITLE IV—RESEARCH, DEVELOPMENT, TEST AND EVALUATION

The conference agreement is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
RECAPITULATION				
RDTE, ARMY	4,780,545	4,967,446	4,891,640	5,031,788
RDTE, NAVY	8,108,923	8,297,986	8,215,519	8,636,649
RDTE, AIR FORCE	13,598,093	13,577,441	13,693,153	13,758,811
RDTE, DEFENSE-WIDE	9,314,665	8,776,318	9,032,908	9,036,551
DEVELOPMENTAL TEST AND EVALUATION	251,106	263,606	249,106	258,606
OPERATIONAL TEST AND EVALUATION	25,245	35,245	25,245	34,245
GRAND TOTAL, RDTE	36,078,577	35,918,042	36,107,571	36,756,650

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
RESEARCH DEVELOPMENT TEST & EVAL ARMY				
IN-HOUSE LABORATORY INDEPENDENT RESEARCH	14,902	13,678	14,902	13,678
DEFENSE RESEARCH SCIENCES	137,399	121,827	129,463	126,463
TRACTOR ROSE	6,000	6,000		
MATERIALS TECHNOLOGY	10,137	10,137	15,137	13,137
SENSORS AND ELECTRONIC SURVIVABILITY	18,738	18,738	16,895	16,895
AVIATION TECHNOLOGY	29,746	29,746	25,160	25,160
MISSILE TECHNOLOGY	25,180	24,880	30,680	30,380
MODELING AND SIMULATION TECHNOLOGY	27,981	22,531	24,153	21,653
COMBAT VEHICLE AND AUTOMOTIVE TECHNOLOGY	40,107	30,107	44,362	39,562

[In thousands of dollars]

	Budget	House	Senate	Conference
BALLISTICS TECHNOLOGY	31,115	31,115	27,475	27,475
WEAPONS AND MUNITIONS TECHNOLOGY	29,489	25,689	31,489	29,189
ELECTRONICS AND ELECTRONIC DEVICES	22,329	29,829	25,479	25,479
HUMAN FACTORS ENGINEERING TECHNOLOGY	13,369	21,169	18,169	16,619
ENVIRONMENTAL QUALITY TECHNOLOGY	13,842	42,342	51,742	64,842
MILITARY ENGINEERING TECHNOLOGY	37,488	42,488	42,188	52,688
MEDICAL TECHNOLOGY	67,255	155,740	70,255	139,255
DUAL USE APPLICATIONS PROGRAM	20,000	20,000	10,000	10,000
WARFIGHTER ADVANCED TECHNOLOGY	32,969	27,369	32,969	30,669
MEDICAL ADVANCED TECHNOLOGY	11.012	179,012	30,012	230,862
AVIATION ADVANCED TECHNOLOGY	30,048	40,048	51,048	45,048
WEAPONS AND MUNITIONS ADVANCED TECHNOLOGY	24,555	27,055	29,055	25,055
COMBAT VEHICLE AND AUTOMOTIVE ADVANCED TECHNOLOGY	54,435	54,435	49,535	61,735
COMMAND, CONTROL, COMMUNICATIONS ADVANCED TECHNOLOGY	20,109	28,109	20,109	24,109
MISSILE AND ROCKET ADVANCED TECHNOLOGY	86,096	47,896	92,096	71,896
LANDMINE WARFARE AND BARRIER ADVANCED TECHNOLOGY	21,944	24,944	25,844	23,944
JOINT SERVICE SMALL ARMS PROGRAM	5,173	10,673	8,673	9,673
LINE-OF-SIGHT TECHNOLOGY DEMONSTRATION	20,099	.....	20,099	12,000
NIGHT VISION ADVANCED TECHNOLOGY	23,960	23,960	26,460	27,460
MILITARY ENGINEERING ADVANCED TECHNOLOGY	13,564	13,564	16,264	15,564
TACTICAL TOWED ARRAY SONAR (H)	54,419	.....	54,419	.....
JOINT TACTICAL RADIO	15,600	15,600	15,600	10,100
ARMY MISSILE DEFENSE SYSTEMS INTEGRATION	12,200	21,240	38,240	37,740
ARMAMENT ENHANCEMENT INITIATIVE	26,526	46,526	28,526	36,026
ARMY DATA DISTRIBUTION SYSTEM	17,281	6,281	6,300	15,281
NATO RESEARCH AND DEVELOPMENT	11,161	.....	9,161	4,161
AVIATION—ADV DEV	7,487	12,487	11,487	11,487
LOGISTICS AND ENGINEER EQUIPMENT—ADV DEV	17,478	17,478	19,978	18,978
ARTILLERY SYSTEMS—DEM/VAL	313,166	313,166	313,166	317,166
AIRCRAFT AVIONICS	7,878	7,878	17,878	14,878
COMANCHE	367,823	391,823	349,208	367,823
EW DEVELOPMENT	85,989	90,989	90,589	86,989
ALL SOURCE ANALYSIS SYSTEM	28,081	36,081	28,081	34,081
FOLLOW-ON TO TOW	48,106	48,106	8,106	.....
FAMILY OF HEAVY TACTICAL VEHICLES	.....	3,000	1,250	8,300
ENGINEER MOBILITY EQUIPMENT DEVELOPMENT	63,069	76,069	66,569	71,069
COMBAT FEEDING, CLOTHING, AND EQUIPMENT	62,218	82,218	53,568	68,218
TERRAIN INFORMATION—ENG DEV	2,999	2,999	2,999	6,229
AIR DEFENSE COMMAND, CONTROL AND INTELLIGENCE	6,476	6,476	6,476	11,606
AUTOMATIC TEST EQUIPMENT DEVELOPMENT	7,030	12,030	7,030	10,030
TACTICAL EXPLOITATION OF NATIONAL CAPABILITIES	44,674	40,074	44,674	44,674
BRILLIANT ANTI-ARMOR SUBMUNITION (BAT)	134,858	128,858	134,858	128,858
AVIATION—ENG DEV	6,599	12,599	11,599	11,599
WEAPONS AND MUNITIONS—ENG DEV	37,725	40,725	35,725	35,725
LANDMINE WARFARE/BARRIER—ENG DEV	46,905	41,405	46,905	52,905
SENSE AND DESTROY ARMAMENT MISSILE—ENG DEV	20,813	.....	33,813	31,813
RADAR DEVELOPMENT	2,786	2,786	6,786	6,786
FIREFINDER	19,822	19,822	20,722	20,722
DUAP COMMERCIAL OPERATIONS AND SUPPORT SAVINGS	33,600	19,700	23,600	21,600
ARTILLERY SYSTEMS—EMD	100	2,600	100	1,100
THREAT SIMULATOR DEVELOPMENT	11,935	11,935	13,935	12,935
MAJOR T&E INVESTMENT	40,284	40,284	32,142	37,284
ARMY KWAJALEIN ATOLL	142,710	142,710	122,710	134,710
CONCEPTS EXPERIMENTATION PROGRAM	17,441	17,441	10,541	10,541
ARMY TECHNICAL TEST INSTRUMENTATION AND TARGETS	33,439	43,439	40,439	43,939
SURVIVABILITY/LETHALITY ANALYSIS	30,498	36,498	34,498	34,498
DOD HIGH ENERGY LASER TEST FACILITY	15,022	28,022	23,022	24,022
DISTRIB/IMAGERY COMMON-GRD SYSTEMS	.....	8,912	.....	.....
MUNITIONS STANDARDIZATION, EFFECTIVENESS AND SAFETY	8,497	11,497	12,497	10,497
POLLUTION PREVENTION	8,694	8,694	10,694	10,694
ENVIRONMENTAL COMPLIANCE	44,116	47,116	51,116	49,116
MAINTENANCE AND REPAIR (RPM)—RDT&E	49,233	49,233	80,233	80,233
MAINTENANCE HEADQUARTERS (RESEARCH AND DEVELOPMENT)	4,683	4,683	22,683	22,683
MLRS PRODUCT IMPROVEMENT PROGRAM	20,244	32,744	20,244	25,244
AEROSTAT JOINT PROJECT OFFICE	103,937	.....	45,000	15,000
AIRBORNE RECONNAISSANCE SYSTEMS	.....	7,500	.....	.....
ADV FIELD ARTILLERY TACTICAL DATA SYSTEM	35,111	35,111	40,381	34,881
COMBAT VEHICLE IMPROVEMENT PROGRAMS	94,756	101,856	108,256	104,756
AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM	2,948	11,948	6,948	6,948
DIGITIZATION	45,007	45,007	48,007	47,007
FORCE TWENTY-ONE (XXI), WARFIGHTING RAPID ACQUISITION	99,528	64,528	69,528	27,168
TACTICAL SIMULATOR INTERFACE UNIT	.....	.....	.....	1,500
MISSILE/AIR DEFENSE PRODUCT IMPROVEMENT PROGRAM	11,252	19,252	11,252	15,252
SPECIAL ARMY PROGRAM	6,537	7,537	12,037	9,787
INFORMATION SYSTEMS SECURITY PROGRAM	7,433	12,433	7,433	11,433
DIGITAL INFORMATION TECHNOLOGY TEST BED	.....	.....	6,600	3,500
TACTICAL UNMANNED AERIAL VEHICLES	75,636	53,636	97,838	53,636
ADVANCED TECHNOLOGY	.....	.....	7,500	7,500
COMMON IMAGERY GROUND/SURFACE SYS	.....	.....	8,912	8,912
END ITEM INDUSTRIAL PREPAREDNESS ACTIVITIES	30,511	59,711	37,861	52,861
NATO JOINT START	6,405	6,405	.....	3,000
ADVISORY AND ASSISTANCE SERVICES	.....	−20,000	.....	−20,000
CONSEQUENCE MANAGEMENT	.....	15,00	.....	.....
CIVILIAN PRESONNEL UNDEREXECUTION	.....	.....	.....	−6,400

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
DEFENSE RESEARCH SCIENCES	137,399	121,827	129,463	126,463
Program Growth	0	−15,572	0	−3,000
Nutrition research	0	[3,700]	0	[3,700]
Scientific problems with military applications growth	0	0	−7,936	−7,936
University and Industry Research Centers (Note: The conferees direct that the reduction is to be allocated on a fair share basis)	48,459	45,138	45,138	45,138
AVIATION TECHNOLOGY	29,746	29,746	25,160	25,160
Air mobility concept	0	0	−1,923	−1,923
Precision kill and nonlethal weapon integration and manned/unmanned system technology	0	0	−2,663	−2,663
MISSILE TECHNOLOGY	25,180	24,880	30,680	30,380
MLRS Smart Tactical Rocket	0	−300	0	−300
Acoustic detection	0	0	1,500	1,500
Scramjet missile technology	0	0	3,000	2,000
Counteractive protection	0	0	5,000	2,000
Compact kinetic energy missile	0	0	−4,000	0
Solid state dye laser	0	0	[3,000]	[2,000]
MODELING AND SIMULATION TECHNOLOGY	27,981	22,531	24,153	21,653
AAN applied research project	0	−5,450	−4,450	−5,450
Standards development and testing	0	0	−1,600	−1,600
Advanced concepts and technology	0	0	−1,778	−1,778
Photonics research	0	0	4,000	2,500
COMBAT VEHICLE AND AUTOMOTIVE TECHNOLOGY	40,107	30,107	44,362	39,562

[In thousands of dollars]

	Budget	House	Senate	Conference
Next generation light truck	0	−5,000	0	−2,500
Future infantry and combat system	0	−5,000	−5,245	−5,245
Alternative vehicle propulsion system	0	0	2,500	1,700
Robotic and manned ground systems enhancements	0	0	4,500	3,000
Commercial automotive technology	0	0	2,500	2,500
BALLISTICS TECHNOLOGY	31,115	31,115	27,475	27,475
Electric gun technology (Note: The conferees direct that the first priority for the available funding is ETC technology)	0	0	−3,640	−3,640
WEAPONS AND MUNITIONS TECHNOLOGY	29,489	25,689	31,489	29,189
SADARM sensor improvements	0	−3,800	0	−1,300
Future direct support weapon system (Note: The Army shall use the additional funding to produce a 5,000 pound version of the howitzer using the soft-recoil technology)	0	0	2,000	1,000
ELECTRONICS AND ELECTRONIC DEVICES	22,329	29,829	25,479	25,479
MEMS—deep silicon etching process technology (Note: MEMS funds transferred to DARPA)	0	07,500	0	0
Improved high rate alkaline cell	0	0	700	700
Low cost reusable alkaline maganese-zinc	0	0	900	900
Rechargeable coin cells	0	0	650	650
Coin cell zinc air	0	0	900	900
HUMAN FACTORS ENGINEERING TECHNOLOGY	13,369	21,169	18,169	16,619
Medical Teams	0	4,800	4,800	3,000
Life Support Trauma and Transport	0	3,000	0	0
Pharmacokinetics Research	0	0	0	250
ENVIRONMENTAL QUALITY TECHNOLOGY	13,842	42,342	51,742	64,842
Plasma Energy Pyrolysis System	0	3,000	5,000	3,000
Sustainable Green Manufacturing initiative	0	5,000	0	3,000
Computer based land management	0	3,000	0	2,500
ARO—chemical and hazardous material disposal	0	2,000	0	1,500
Commercialization Tech, to Lower Defense Costs Initiatives	0	7,500	0	6,000
Electronic Equipment Demanufacturing	0	8,000	0	6,000
MP4 Initiative (NDCEE)	0	0	20,000	15,000
Lightweight spectrophotometer system	0	[500]	0	[500]
Small Business Development Center	0	0	5,400	4,000
Agriculturally based bioremediation	0	0	4,000	4,00
Radford environmental development and management system	0	0	3,500	2,000
Western Environmental Technology Office	0	0	[5,000]	4,000
MILITARY ENGINEERING TECHNOLOGY	37,488	42,488	42,188	52,688
Construction Engineering Research Labs—fuel cells	0	5,000	0	3,000
Cold regions research and development	0	0	1,700	1,200
University partnering for operational support	0	0	3,000	3,000
GEOSAR (Note: transferred from DARPA)	0	0	0	8,000
MEDICAL TECHNOLOGY	67,255	155,740	70,255	139,255
Disaster Relief and Emergency Medical Services	0	9,985	0	10,000
LSTAT	0	0	3,000	2,000
Advanced Cancer Detection	0	3,500	0	3,500
Diagnostic and surgical breast imaging	0	3,000	0	2,000
Minimally invasive	0	15,000	0	11,500
Musculoskeletal injuries	0	3,000	0	2,000
Neurofibromatosis	0	15,000	0	11,500
Neurotoxin	0	25,000	0	20,000
Osteoporosis	0	5,000	0	2,500
Pain	0	1,000	0	[1,000]
Portable cardiopulmonary bypass pum and oxygenator	0	3,000	0	2,000
Technology Roadmap	0	2,000	0	2,000
Teleradiology	0	3,000	0	3,000
MEDICAL ADVANCED TECHNOLOGY	11,012	179,012	30,012	230,862
Disaster Relief and Emergency Medical Services	0	0	10,000	0
Assistive Technology	0	8,000	0	6,000
Diabetes	0	9,000	0	4,500
Digital x-ray	0	5,000	0	4,000
National Medical Testbed	0	11,000	0	8,000
Nutrition Research	0	0	2,000	0
Breast Cancer Peer Review	0	135,000	0	135,000
Intravenous membrane oxygenator	0	0	1,000	850
Prostate [Note: The conferees provide $50,000,000 for peer reviewed prostate research.]	0	0	0	50,000
Prostate—Walter Reed [Note: the conferees provide $7,500,000 to continue the intramural research effort conducted by the Walter Reed Center for Prostate Disease Research in the area of prostate cancer detection and treatment.]	0	0	2,000	7,500
Volume Angiocat	0	0	4,000	4,000
WEAPONS AND MUNITIONS ADVANCED TECHNOLOGY	24,555	27,055	29,055	25,055
MLRS Smart Tactical Rocket	0	−5,000	0	−5,000
ER fluid recoil system	0	5,000	0	2,500
Precision guided mortar munition	0	0	4,500	3,000
COMBAT VEHICLE AND AUTOMOTIVE ADVANCED TECHN	54,435	54,435	49,535	61,735
Aluminum metal matrix	0	0	6,500	4,000
Heavy truck propulsion systems	0	0	3,600	2,500
Geisel engine testing	0	0	2,000	800
Program reduction	0	0	−17,000	0
MISSILE AND ROCKET ADVANCED TECHNOLOGY	86,096	47,896	92,096	71,896
EFOG	0	−35,700	0	−15,700
MLRS Smart Tactical Rocket	0	−2,500	0	−2,500
Future missile technology integration	0	0	6,000	4,000
JOINT SERVICE SMALL ARMS PROGRAM	5,173	10,673	8,673	9,673
Objective crew served weapon	0	3,500	3,500	3,500
Objective individual combat weapon	0	2,000	0	1,000
NIGHT VISION ADVANCED TECHNOLOGY	23,960	23,960	26,460	27,460
Millimeter wave technology (Note: funds are to be allocated for low cost millimeter wave technology ($500,000) and passive millimeter wave camera technology ($3,000,000))	0	0	2,500	3,500
JOINT TACTICAL RADIO	15,600	15,600	15,600	10,100
General Provision	0	0	[−10,981]	−5,500
ARMY MISSILE DEFENSE SYSTEMS INTEGRATION	12,240	21,240	38,240	37,740
SSDC Battlelab	0	9,000	11,000	8,000
Tactical High Energy Laser	0	0	15,000	12,500
Range Upgrades to support upper state flight experiments (Note: Senate provided funds under 0603401F)	0	0	0	5,000
ARMAMENT ENHANCEMENT INITIATIVE	26,526	46,526	28,526	36,026
Tank Extended Range Munition—Kinetic Energy	0	20,000	10,000	17,500
M829E3 development	0	0	−8,000	−8,000
ARMY DATA DISTRIBUTION SYSTEM	17,281	6,281	6,300	15,281
Near Term/Digital Tactical Radio	0	−11,000	0	−2,000
General Provision	0	0	[10,981]	0
ARTILLERY SYSTEMS—DEM/VAL	313,166	313,166	313,166	317,166
Alternative transmission	0	0	0	4,000
EW DEVELOPMENT	85,989	90,989	90,589	86,989
ATIRCM/CMWS integration	0	5,000	8,600	5,000
Ground base common sensor	0	0	−4,000	−4,000
FAMILIY OF HEAVY TACTICAL VEHICLES	0	3,000	1,250	8,300
Trailer development	0	3,000	0	2,500
HETS highway use trailer	0	0	1,250	1,000
Passenger Safety System for heavy tactical vehicles	0	0	[1,300]	1,000
Forward repair system heavy (Note: Transferred from 0203761A)	0	0	0	3,800
ENGINEER MOBILITY EQUIPMENT DEVELOPMENT	63,069	76,069	66,569	71,069
Grizzly—prototype (Note: Funds are to procure one Grizzly simulator)	0	13,000	0	6,000
DSETS	0	0	3,500	2,000
COMBAT FEEDING, CLOTHING, AND EQUIPMENT	62,218	82,218	53,568	68,218
Transfer from OP, A	0	20,000	0	10,000
Contract modification and engineering change proposals	0	0	−4,000	−4,000

[In thousands of dollars]

	Budget	House	Senate	Conference
Landwarrior product improvement	0	0	−4,650	0
TERRAIN INFORMATION—ENG DEV	2,999	2,999	2,999	6,229
Digitial topographic support system (Note: Transferred from 0203761A)	0	0	0	3,230
AIR DEFENSE COMMAND, CONTROL AND INTELLIGENCE	6,476	6,476	6,476	11,606
Air and missile defense planning (Note: Transferred from 0203761A)	0	0	0	5,130
AUTOMATIC TEST EQUIPMENT DEVELOPMENT	7,030	12,030	7,030	10,030
IFTE (Note: Funds are only for IFTE off-system, pre-planned product improvements and related test program set development)	0	5,000	0	3,000
WEAPONS AND MUNITIONS—ENG DEV	37,725	40,725	35,725	35,725
Trajectory correctable munition (Note: Transferred to USMC)	0	3,000	0	0
Motar fire control system contract savings	0	0	−2,000	−2,000
LANDMINE WARFARE/BARRIER—ENG DEV	46,905	41,405	46,905	52,905
Remote anti-armor mine system	0	−5,500	0	0
NSD–A program delays	0	0	−12,000	0
Landmine alternatives	0	0	12,500	0
NSD–A and mixed alternatives studies	0	0	0	6,000
MAJOR T&E INVESTMENT	40,284	40,284	32,142	37,284
Program reduction	0	0	−1,000	0
USAKA (Kwajalein AtoII)	0	0	−7,142	−3,000
ARMY TECHNICAL TEST INSTRUMENTATION AND TARGETS	33,439	43,439	40,439	43,939
Testing instrumentation and targets (WSMR)	0	10,000	7,000	10,000
Phase III SBIR Characterization and Quantification of missile debris hazard to aircraft—WSMR	0	0	0	500
DOD HIGH ENERGY LASER TEST FACILITY	15,022	28,022	23,022	24,022
Solid state laser	0	8,000	8,000	8,000
Hybrid HMMWV	0	5,000	0	1,000
MUNITIONS STANDARDIZATION, EFFECTIVENESS AND SAFETY	8,497	11,497	12,497	10,497
Environmentally sound technologies for demilitarization of ammunition	0	3,000	0	0
Lexington Blue Grass Army Depot Blast Chamber	0	0	2,000	1,000
Anniston Army Depot Blast Chamber	0	0	2,000	1,000
ENVIRONMENTAL COMPLIANCE	44,116	47,116	51,116	49,116
Climate change fuel cell	0	0	5,000	3,000
Low emissions gas boiler demo	0	3,000	2,000	2,000
MAINTENANCE AND REPAIR (RPM)—RDT&E	49,233	49,233	80,233	80,233
White Sands Missile Range	0	0	20,800	20,800
Aberdeen Proving Ground (PG)/Dugway PG/Yuma PG	0	0	9,200	9,200
Cold Regions Research Lab	0	0	1,000	1,000
MANAGEMENT HEADQUARTERS (R&D)	4,683	4,683	22,683	22,683
Akamai (Note: Off the additional funds $4,000,000 is only for Hyperspectral diagonistic imaging and $2,000,000 is only for remote access to medical specialists program)	0	0	18,000	18,000
MLRS PRODUCT IMPROVEMENT PROGRAM	20,244	32,744	20,244	25,244
Commercial component usage and joint service communications	0	8,300	0	0
HIMARS	0	6,000	0	5,000
Improved launcher mechanical system	0	3,200	0	0
Guided MLRS MOU	0	−5,000	0	0
ADV FIELD ARTILLERY TACTICAL DATA SYSTEM	35,111	35,111	40,439	34,881
Airspace deconfliction and technical fire support (AFATDS) enhancement	0	0	12,500	7,000
AFATDS 2000 software development	0	0	−7,230	−7,230
COMBAT VEHICLE IMPROVEMENT PROGRAMS	94,756	101,856	108,256	104,756
M–1 Flat Panel Dispays (FED)	0	7,100	7,000	7,000
DSESTS	0	0	6,500	3,000
AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM	2,948	11,948	6,948	6,948
Fadec	0	5,000	2,000	2,000
Variable Vane Pump (Note: Funding is only for helicopter secondary power unit application)	0	4,000	2,000	2,000
DIGITIZATION	45,007	45,007	48,007	47,007
Digitization research at Ft. Hood	0	0	3,000	2,000
Digital intelligence situation mapboard	0	0	[2,000]	[2,000]
FORCE TWENTY-ONE (XXI), WARFIGHTING RAPID ACQUISITION	99,528	64,528	69,528	27,168
Program reduction	0	−35,000	−30,000	−35,000
Air and missile defense planning (Note: Transferred to 0604741A)	0	0	0	−5,130
Analysis control team (Note: Transferred to OPA P–67)	0	0	0	−6,750
Grenadier Brat (Note: Transferred to OPA P–75)	0	0	0	−4,400
High speed multiplexer (Note: Transferred to OPA P–44)	0	0	0	−2,750
Digital topographic support system (Note: Transferred to 0604716A)	0	0	0	−3,230
Tactical simulation (Note: Transferred to new program element)	0	0	0	−1,500
Forward repair system (Note: Transferred to 0604622A)	0	0	0	−3,800
CCTT (Note: The conferees deny funding for this initiative)	0	0	0	−7,300
Global combat support system (Note: The conferees deny funding for this initiative)	0	0	0	−2,500
TACTICAL SIMULATION INTERFACE UNIT (Note: Transferred from 0203761A)	0	0	0	1,500
END ITEM INDUSTRIAL PREPAREDNESS ACTIVITIES	30,511	59,711	37,861	52,861
Munitions manufacturing technology	0	13,200	5,000	10,000
Instrumented factory for gears	0	4,000	4,000	4,000
Totally integrated munitions enterprise	0	9,000	0	7,000
Composite armor vehicle technology	0	1,000	0	500
Center for optics manufacturing	0	2,000	0	1,000
Undefined projects	0	0	−1,650	−1,650
Electronic circuit board manufacturing development center	0	0	[2,000]	1,500
ALTERNATIVE VEHICLE PROPULSION TECHNOLOGIES	0	[10,000]	0	0
CIVILIAN PERSONNEL UNDER EXECUTION	0	0	0	−6,400

AEROSTAT JOINT PROJECT OFFICE

The conferees have provided $15,000,000 for the Aerostat program to participate in joint demonstrations of surveillance technologies and to continue development efforts. Within the available funds, the conferees urge the Defense Department to investigate issues associated with building and demonstrating a deployable mobile large aerostate system platform.

LANDMINE WARFARE/BARRIER—ENG DEV

The conferees understand that the Department has launched a search for alternatives to anti-personnel landmines with the goal of fielding such alternatives as soon as practicable. The conferees support this effort relating to the identification, adaption, modification, research, and development of existing and new technologies and concepts that are militarily equivalent cost effective and safe. These efforts should result in: (1) a combat capability that is equivalent to the combat capability provided by non-self destructing anti-personnel landmines; (2) a combat capability that is equivalent to the combat capability provided by anti-personnel (AP) submunitions used in mixed anti-tank mine systems; or (3) a combat capability to replace the entire mixed munitions.

The conference recommendation provides a total of $32,200,000 as follows: $17,200,000 ($12,500,000 in RDT&E, Army and $4,700,000 in RDT&E, Defense-Wide) for the Army's current Non-Self Destruct Alternatives (NSD–A); $2,000,000 for studies of NSD–4 designs, beyond man-in-the-loop technology; and $4,000,000 to research, identify and adapt technology and concepts that could replace capabilities now provided by mixed system or the AP submunitions in mixed systems. The Secretary of Defense shall submit a report to the congressional defense committees not later than April 1, 2000 and April 1, 2001, describing progress made in identifying and fielding such alternative, and future plans in this effort.

The conferees direct that the Secretary of Defense obtain the recommendations of two appropriate scientific organizations regarding concepts that would provide comparable combat capabilities to current anti-personnel landmines and anti-personnel landmines used in mixed systems.

ARMY MISSILE DEFENSE SYSTEMS INTEGRATION

The conferees are aware of the High Accuracy Guidance (HAG) system and its potential to improve the capability of the seeker found in certain missile defense interceptors. Therefore, the conferees strongly urge the Department to conduct additional tests of the HAG system.

ANTI-ARMOR WEAPONS MASTER PLAN

The conferees agree with the House direction with regard to submission of an Anti-Tank Weapon Master Plan and further direct that the scope of the report be expanded to include all DoD weapon systems with an anti-armor capability.

ULTRA-LIGHT STEEL BASED HIGH MOBILITY MULTI-PURPOSE WHEELED VEHICLE (HMMWV)

The conferees direct the Secretary of the Army to submit a report to the congressional defense committees with the fiscal

year 2000 budget request assessing the potential benefits of integrating advanced commercially based tactical truck platforms incorporating leading edge ultra-steel concepts into its HMMWV fleet replacement plan.

MEDICAL RESEARCH PROGRAM MANAGEMENT

The conferees commend the Army for organizing outstanding medical research initiatives in various fields of study that have received high marks from independent review panels and from various advocacy groups. The conferees not especially the 1997 review of the Army's breast cancer research program by the Institute of Medicine of the National Research Council. This review concluded that the Army's program ''fills a unique niche among public and private funding sources for cancer research . . . and is a promising vehicle for forging new ideas and scientific breakthroughs in the nation's fight against breast cancer.'' The conferees have received similar reports about the other medical research programs managed by the Army. The conferees expect the Army to continue its emphasis on coordinating and integrating its medical research programs with those of the National Institutes of Health to avoid duplication and to accelerate promising avenues of treatment. In setting annual research priorities, the Army should consider ways to maximize involvement from responsible advocacy and survivor groups, especially in the Prostate research program. The conferees also urge the Army to consider ways to lengthen the terms of peer review group members for the Neurofibromatosis program and other smaller programs to promote consistency of guidance and direction.

METALS REMEDIATION

The conferees urge the Department to provide up to $2,750,000 for a metals remediation demonstration project at Wheeler Army Air Field. This effort would demonstrate the technology in the fragile Pacific ecosystems and potentially reduce infrastructure and environmental cleanup costs.

DIABETES RESEARCH

The conference agreement includes $4,500,000 to continue the successful diabetes research program currently underway. The conferees urge the Department to work to include the activities identified in House Report 105–591.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

The conference agreement on items addressed by either the House or the Senate is as follows

[In thousands of dollars]

	Budget	House	Senate	Conference
RESEARCH DEVELOPMENT TEST & EVAL NAVY				
IN-HOUSE LABORATORY INDEPENDENT RESEARCH	14,734	14,248	14,734	14,734
DEFENSE RESEARCH SCIENCES	347,945	324,495	347,945	347,945
AIR AND SURFACE LAUNCHED WEAPONS TECHNOLOGY	37,140	41,140	40,140	41,140
SHIP, SUBMARINE & LOGISTICS TECHNOLOGY	43,177	45,177	46,177	56,677
AIRCRAFT TECHNOLOGY	23,229	27,029	30,729	29,229
MARINE CORPS LANDING FORCE TECHNOLOGY	12,132	13,632	12,132	13,132
HISTORICALLY BLACK COLLEGES AND UNIVERSITIES	4,699	6,699	4,699	6,699
COMMUNICATIONS, COMMAND AND CONTROL, INTELLIGENCE	65,033	60,033	68,033	64,033
HUMAN SYSTEMS TECHNOLOGY	29,722	31,722	29,722	31,722
MATERIALS, ELECTRONICS AND COMPUTER TECHNOLOGY	77,617	80,617	93,117	88,117
ELECTRONIC WARFARE TECHNOLOGY	23,849	22,849	23,849	22,849
UNDERSEA WARFARE SURVEILLANCE TECHNOLOGY	50,619	51,119	50,619	51,119
OCEANOGRAPHIC AND ATMOSPHERIC TECHNOLOGY	56,722	70,222	57,472	69,222
UNDERSEA WARFARE WEAPONRY TECHNOLOGY	34,856	36,856	44,356	40,856
DUAL USE APPLICATIONS PROGRAM	20,000	20,000	10,000	10,000
AIR SYSTEMS AND WEAPONS ADVANCED TECHNOLOGY	48,143	46,143	43,143	48,143
PRECISION STRIKE AND AIR DEFENSE TECHNOLOGY	58,306	62,306	54,406	54,406
SURFACE SHIP & SUBMARINE HM&E ADVANCED TECHNOLOGY	39,264	47,264	46,264	51,264
MARINE CORPS ADVANCED TECHNOLOGY DEMONSTRATION (ATD)	41,931	51,931	52,931	56,931
MEDICAL DEVELOPMENT	18,728	69,028	20,728	68,728
MANPOWER, PERSONNEL AND TRAINING ADV TECH DEV	21,042	26,042	23,042	26,542
ENVIRONMENTAL QUALITY AND LOGISTICS ADVANCED TECHNOLOG	20,919	20,919	26,919	22,919
UNDERSEA WARFARE ADVANCED TECHNOLOGY	56,827	56,827	60,027	58,827
MINE AND EXPEDITIONARY WARFARE ADVANCED TECHNOLOGY	41,710	41,710	42,710	42,710
ADVANCED TECHNOLOGY TRANSITION	74,392	59,392	84,392	73,892
C3 ADVANCED TECHNOLOGY	22,294	28,294	29,794	40,294
MARITIME TECHNOLOGY	.....	.....	20,000	19,000
AIR/OCEAN TACTICAL APPLICATIONS	28,824	25,824	28,824	25,824
AVIATION SURVIVABILITY	8,164	13,164	8,164	11,164
ASW SYSTEMS DEVELOPMENT	20,184	35,184	20,184	26,184
ADVANCED COMBAT SYSTEMS TECHNOLOGY	8,653	6,653	8,653	6,653
ADVANCED SUBMARINE COMBAT SYSTEMS DEVELOPMENT	68,402	75,802	68,402	73,402
SURFACE SHIP TORPEDO DEFENSE	.....	6,000	.....	5,000
CARRIER SYSTEMS DEVELOPMENT	154,307	64,307	74,307	74,307
SHIPBOARD SYSTEM COMPONENT DEVELOPMENT	27,725	28,725	24,725	25,725
SHIP CONCEPT ADVANCED DESIGN	14,900	19,900	14,900	14,900
SHIP PRELIMINARY DESIGN & FEASIBILITY STUDIES	42,668	42,668	8,000	44,596
ADVANCED SURFACE MACHINERY SYSTEMS	58,419	34,919	63,419	58,419
CONVENTIONAL MUNITIONS	39,775	42,775	39,775	40,775
MARINE CORPS ASSAULT VEHICLES	104,822	108,822	104,822	104,822
MARINE CORPS MINE/COUNTERMEASURES SYSTEMS—ADV DEV	1,958	2,958	1,958	1,958
MARINE CORPS GROUND COMBAT/SUPPORT SYSTEM	37,133	39,633	50,633	53,133
COOPERATIVE ENGAGEMENT	131,623	186,123	141,623	196,123
ENVIRONMENTAL PROTECTION	59,438	73,138	61,938	74,438
NAVY LOGISTICS PRODUCTIVITY	.....	3,000	.....	3,000
RETRACT MAPLE	117,186	115,686	117,186	115,686
RETRACT ELM	11,665	22,165	11,665	19,665
NATO RESEARCH AND DEVELOPMENT	11,004	.....	9,004	9,004
LAND ATTACK TECHNOLOGY	110,104	103,104	92,404	105,604
JOINT STRIKE FIGHTER (JSF)—DEM/VAL	463,402	463,402	478,402	470,902
NONLETHAL WEAPONS—DEM/VAL	22,592	25,092	35,892	34,592
HARD AND DEEPLY BURIED TARGET DEFEAT SYSTEM (HDSTDS)	9,827	9,827	9,827	3,000
SPACE AND ELECTRONIC WARFARE (SEW) ARCHITECTURE/ENGINE	17,955	17,955	20,955	19,955
OTHER HELO DEVELOPMENT	231,120	231,620	253,120	262,120
AV-8B AIRCRAFT—ENG DEV	13,787	50,387	13,787	40,587
S–3 WEAPON SYSTEM IMPROVEMENT	31,469	4,376	26,469	4,376
H–1 UPGRADES	98,542	122,542	121,942	121,942
ACOUSTIC SEARCH SENSORS	29,637	31,637	29,637	30,637
AIR CREW SYSTEMS DEVELOPMENT	9,454	12,454	9,454	11,954
EW DEVELOPMENT	128,586	137,886	138,586	137,886
SURFACE COMBATANT COMBAT SYSTEM ENGINEERING	132,561	169,061	134,561	164,061
STANDARD MISSILE IMPROVEMENTS	1,320	1,320	6,320	11,320
AIRBORNE MCM	24,967	30,967	26,967	28,967
SSN–688 AND TRIDENT MODERNIZATION	50,300	60,300	65,300	62,300
AIR CONTROL	4,198	4,198	8,198	7,698
NEW DESIGN SSN	218,816	240,816	231,816	235,816
SSN–21 DEVELOPMENTS	27,456	22,456	27,456	22,456
SUBMARINE TACTICAL WARFARE SYSTEM	28,573	28,573	30,573	28,573
SHIP CONTRACT DESIGN/ LIVE FIRE T&E	133,645	60,845	137,645	130,717
NAVY TACTICAL COMPUTER RESOURCES	8,249	44,749	8,249	28,249
NAVY ENERGY PROGRAM	5,544	5,544	3,544	3,544
JOINT STANDOFF WEAPON SYSTEMS	73,022	8,022	73,022	48,022
LOW COST STAND-OFF WEAPON	.....	10,000	.....	.....
SHIP SELF DEFENSE—EMD	148,165	148,165	156,665	156,665
MEDICAL DEVELOPMENT	4,321	9,721	5,321	5,821
DISTRIBUTED SURVEILLANCE SYSTEM	42,017	55,417	42,017	50,017
COMMERCIAL OPERATIONS AND SUPPORT SAVINGS INITIATIVE	28,500	14,600	18,500	16,500
TARGET SYSTEMS DEVELOPMENT	54,800	54,800	50,800	54,800
MAJOR T&E INVESTMENT	17,281	23,281	17,281	21,281
STUDIES AND ANALYSIS SUPPORT–NAVY	10,132	6,132	10,132	6,132
TECHNICAL INFORMATION SERVICES	8,513	8,513	6,013	6,013
DISTRIB/IMAGERY COMMON GRD SYSTEMS	.....	4,966	.....	.....

[In thousands of dollars]

	Budget	House	Senate	Conference
RDT&E SCIENCE AND TECHNOLOGY MANAGEMENT	64,455	54,455	64,455	64,455
RDT&E SHIP AND AIRCRAFT SUPPORT	57,421	55,421	57,421	55,421
TEST AND EVALUATION SUPPORT	260,601	256,801	245,601	255,801
SEW SURVEILLANCE/RECONAISSANCE SUPPORT	13,185	15,185	17,185	16,185
AIRBORNE RECONNAISSANCE SYS		16,448		
MARINE CORPS PROGRAM WIDE SUPPORT	7,132	14,632	7,132	13,632
SSBN SECURITY TECHNOLOGY PROGRAM	33,588	28,588	33,588	31,088
F/A–18 SQUADRONS	357,214	288,805	336,314	308,805
TOMAHAWK AND TOMAHAWK MISSION PLANNING CENTER (TMPC)	66,727	165,300	66,727	166,300
CONSOLIDATED TRAINING SYSTEMS DEVELOPMENT	28,390	32,490	35,390	36,890
HARM IMPROVEMENT	18,921	33,921	18,921	30,921
SURFACE ASW COMBAT SYSTEM INTEGRATION	9,390	9,390	9,390	13,390
AVIATION IMPROVEMENTS	64,956	61,956	68,956	63,956
NAVY SCIENCE ASSISTANCE PROGRAM			12,000	12,000
MARINE CORPS COMMUNICATIONS SYSTEMS	50,594	56,390	50,594	55,390
MARINE CORPS GROUND COMBAT/SUPPORTING ARMS SYSTEMS	14,699	14,699	17,699	18,699
TACTICAL UAV		55,200		51,192
TACTICAL UAV (MC)		8,000		6,000
VERTICAL TAKEOFF LANDING			10,000	
ADVANCED SENSORS/TECH			8,448	16,448
COMMON IMAGERY GROUND/FURFACE SYS			4,966	4,966
MANNED RECONNAISSANCE SYSTEMS	342	42,751	342	30,342
INTEGRATED BROADCAST SERVICE		14,580		14,580
DEPOT MAINTENANCE (NON-IF)	69,967		49,967	69,967
INDUSTRIAL PREPAREDNESS	59,060	69,060	59,060	69,060
CLASSIFIED PROGRAMS	521,541	542,041	528,241	531,741
ADVISORY AND ASSISTANCE SERVICES		−50,000		−50,000
CIVILIAN PERSONNEL UNDEREXECUTION				−5,000

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
DEFENSE RESEARCH SCIENCES	347,945	324,495	347,945	347,945
Budget growth	0	−23,450	0	0
Marine mammal research	0	0	(500)	(500)
(Note: Other than marine mammal research, Defense Reserch Sciences funds may not be diverted to or augmented via below-threshold reprogramming for projects not requested in the fiscal year 1999 budget)				
SHIPS, SUBMARINE & LOGISTICS TECHNOLOGY	43,177	45,177	46,177	56,677
Ship machinery component level intelligent distributed control systems for AUVs	0	2,000	0	1,500
Stainless steel double hull	0	0	3,000	2,000
High precision fabrication technology for large steel structural components requiring compound curvatures and precise dimensional control to be used in advanced ship designs	0	0	0	5,000
Bioenvironmental hazards	0	0	0	5,000
(Note: Bioenvironmental hazards was funded in a different line in the House bill)				
AIRCRAFT TECHNOLOGY	23,229	27,029	30,729	29,229
Vectored thrust ducted propeller	0	2,000	7,500	5,000
Advanced 1000-plus line resolution charged coupled device II night vision camera	0	1,800	0	1,000
COMMUNICATIONS, COMMAND AND CONTROL, INTELLIGENCE	65,033	60,033	68,033	64,033
Hybrid wireless fiber optic communications	0	1,000	0	1,000
Infrared search and track	0	−1,000	0	0
General reduction	0	−5,000	0	−5,000
USEA radar	0	0	11,000	11,000
Strategic sustainment program	0	0	−8,000	−8,000
MATERIALS, ELECTRONICS AND COMPUTER TECHNOLOGY	77,617	80,617	93,117	88,117
Advanced energy devices	0	0	1,000	0
Nanoscale materials and devices	0	0	1,000	0
Advanced materials intelligent processing center	0	0	5,000	3,000
High temperature superconducting ship propulsion/auxillary systems	0	0	2,000	2,000
Superconducting waveform generator	0	3,000	0	1,000
Materials micronization technology	0	0	0	4,000
Carbon-carbon materials for reentry bodies	0	1,000	2,500	1,500
Silicon carbide semiconductor substrates	0	3,500	2,500	3,500
Ultra-high thermal conductivity fibers	0	2,500	1,500	2,500
Terfenol-D	0	(1,800)	0	0
General reduction	0	−7,000	0	−7,000
(Note: Funds for materials micronization technology are only to initiate a program to demonstrate newly developed technology to micronize coal and other particles to sizes approaching five microns to reduce the cost precursors for composite materials, fuel cell membranes, filtration technology, diesel fuel, and other materials and processes important to national defense)				
OCEANOGRAPHIC AND ATMOSPHERIC TECHNOLOGY	56,722	70,222	57,472	69,222
Autonomous underwater vehicle and sensor development	0	10,000	0	10,000
Naval Surface Warfare Center South Florida test facility	0	2,750	0	2,000
PM–10 clean air study	0	750	750	500
UNDERSEA WARFARE WEAPONTRY TECHNOLOGY	34,856	36,856	44,356	40,856
Micro electromechanical technology	0	2,000	0	1,000
Lithium carbon monoflouride batteries for mine applications	0	0	500	0
Computational engineering research	0	0	3,000	3,000
Half-length torpedo	0	0	3,000	2,000
6.25 anti-torpedo torpedo	0	0	3,000	0
DUAL USE APPLICATIONS PROGRAM	20,000	20,000	−10,000	−10,000
National Technology Alliance Program	0	(15,000)	0	0
Program decrease	0	0	−10,000	−10,000
AIR SYSTEMS AND WEAPONS ADVANCED TECHNOLOGY	48,143	46,143	43,143	48,143
VECTOR	0	−7,000	−5,000	−2,000
DP–2	0	5,000	0	2,000
PRECISION STRIKE AND AIR DEFENSE TECHNOLOGY	58,306	62,306	54,406	54,406
Mobile off-shore basing	0	5,000	5,000	5,000
General reduction	0	−1,000	0	0
Fleet ATDs	0	0	−8,900	−8,900
(Note: Concerning mobile off-shore basing, the conferees do not agree to House language but direct that $1,000,000 of the $5,000,000 provided in this Act be provided to the OSD Office of Acquisition and Technology (PE 0603728D) only for joint community MOB assessments and studies)				
SURFACE SHIP & SUBMARINE HM&E ADVANCED TECHNOLOGY	39,264	47,264	46,264	51,264
Power electronic building blocks	0	6,000	3,000	6,000
Power node converters	0	2,000	0	2,000
Composite helicopter hangar	0	0	5,000	5,000
Advanced electronic systems	0	0	−1,000	−1,000
MARINE CORPS ADVANCED TECHNOLOGY DEMONSTRATION (ATD)	41,931	51,931	52,931	56,931
BURRO project	0	5,000	5,000	5,000
SMAW product improvement program	0	5,000	0	5,000
Warfighting lab Modeling and Simulation	0	0	5,000	4,000
K-band training and test instrumentation system	0	0	1,000	1,000
MEDICAL DEVELOPMENT	18,728	69,028	20,728	68,728
Bone marrow donor program	0	34,000	0	34,000
Naval blood research laboratory	0	3,000	0	1,500
Dental research	0	4,000	0	3,000
National Biodynamics Laboratory	0	1,800	0	1,800
Medical readiness telemedicine initiative	0	4,500	0,	3,000
Rural health	0	3,000	0	3,000
Freeze dried blood	0	0	1,000	850
Directly transfusable cryoprotected blood products	0	0	1,000	850

[In thousands of dollars]

	Budget	House	Senate	Conference
Center for disaster management (Note: $1,000,000 is only for the Center for Disaster Management and Humanitarian Assistance)	0	0	0	1,000
Telemedicine (Note: $1,000,000 is only for a university/community hospital telemedicine/telehealth consortium)	0	0	0	1,000
MANPOWER, PERSONNEL AND TRAINING ADVANCED TECH DEVELOPMENT	21,042	26,042	23,042	26,542
Advanced distributed learning	0	5,000	0	4,500
Integrated manufacturing studies	0	0	2,000	1,000
ENVIRONMENTAL QUALITY AND LOGISTICS ADVANCED TECHNOLOGY	20,919	20,919	26,919	22,919
Asbestos removal	0	0	4,000	0
Visualization of technical information	0	0	2,000	2,000
UNDERSEA WARFARE ADVANCED TECHNOLOGY	56,827	56,827	60,027	58,827
Terfenol-D	0	0	3,200	2,000
(Note: The conferees direct that fiscal year 1998 funds appropriated only for Terfenol-D be moved to this program for execution)				
ADVANCED TECHNOLOGY TRANSITION	74,392	59,392	84,392	73,892
General reduction	0	−15,000	0	−10,000
SLICE trailer	0	0	10,000	9,500
C3 ADVANCED TECHNOLOGY	22,294	28,294	29,794	40,294
Dominant battlespace command	0	6,000	0	3,000
National Technology Alliance Program	0	0	7,500	15,000
(Note: The National Technology Alliance consists of the National Information Display Laboratory, the National Center for Applied Technologies, and the National Media Laboratory)				
MARITIME TECHNOLOGY	0	0	20,000	19,000
Transfer from DARPA	0	0	15,000	15,000
Program increase	0	0	5,000	4,000
(Note: The conferees direct the Secretary of the Navy to provide $2,400,000 to the Maritime Administration to complete testing of the potential interim solution to remediate potential damage resulting from oil spills from existing tank vessels such as the ''American Underpressure System.'' The conferees believe that this system may have significant defense applications and may also provide environmental safeguards for tank vessels.)				
AVIATION SURVIVABILITY	8,164	13,164	8,164	11,164
Escape system dynamic flow test facility	0	3,000	0	1,000
Helicopter aircrew integrated life support system	0	2,000	0	2,000
ASW SYSTEMS DEVELOPMENT	20,184	35,184	20,184	26,184
Beartrap acoustic processor for SH–60B LAMPS helicopter	0	9,000	0	5,000
(Note: Conferees do not agree to House language that these funds be solely for RAINBOW processors)				
Beartrap advanced ASW technologies	0	3,000	0	0
SSQ–62 sonobuoy at-sea performance evaluation	0	3,000	0	1,000
ADVANCED COMBAT SYSTEMS TECHNOLOGY	8,653	6,653	8,653	6,653
General reduction	0	−2,000	0	−2,000
Visualization architecture and technology	0	0	(2,000)	0
SHIPBOARD SYSTEM COMPONENT DEVELOPMENT	27,725	28,725	24,725	25,725
150 Kilowatt static frequency converters	0	1,000	0	1,000
Shipboard auxiliary systems development	0	0	−3,000	−3,000
SHIP PRELIMINARY DESIGN & FEASIBILITY STUDIES	42,668	42,668	8,000	44,596
SSGN study	0	0	1,000	1,000
CV feasibility studies	0	0	−35,688	−5,000
CVX red team	0	0	(5,000)	0
ADC(X)	0	0	0	0
(Note: Funds for ADC(X) were requested in the budget and have been transferred to this line for execution based on Navy assessment of program maturity)				
ADVANCED SURFACE MACHINERY SYSTEMS	58,419	34,919	63,419	58,419
Intercooled recuperated gas turbine engine	0	−23,500	5,000	0
MARINE CORPS GROUND COMBAT/SUPPORT SYSTEM	37,133	39.633	50,633	53,133
Lightweight howitzer	0	2,500	0	7,000
(Note: Of the amount provided for lightweight howitzer, $4,500,000 is transferred from Procurement, Marine Corps)				
Trajectory corrected munitions	0	0	7,500	5,000
SMAW follow-on	0	0	4,000	3,000
Predator	0	0	2,000	1,000
COOPERATIVE ENGAGEMENT	131,623	186,123	141,623	196,123
Aegis integration	0	−9,500	0	−9,500
LAMPS data link	0	−3,000	0	−3,000
Battlegroup developmental-and operational testing	0	20,000	0	20,000
Design agent transitioin	0	15,000	0	15,000
Large network capability	0	13,000	0	13,000
Low cost common equipment set	0	10,000	0	10,000
Land based network	0	9,000	0	9,000
CEC/SBIRS integration	0	0	10,000	10,000
ENVIRONMENTAL PROTECTION	59,438	73,138	61,938	74,438
Aviation depot maintenance technology	0	2,700	0	2,000
Resource recovery technology center	0	7,000	0	7,000
Asbestos removal	0	4,000	0	4,000
Molten salt oxidation technology	0	0	2,500	2,000
NATO RESEARCH AND DEVELOPMENT	11,004	0	9,004	9,004
VECTOR	0	−5,000	0	0
General reduction	0	−6,004	−2,000	−2,000
(Note: Within the amount provided for NATO R&D, is $1,000,000 is only for international cooperative R&D applying Norwegian mine clearing technology)				
LAND ATTACK TECHNOLOGY	110,104	103,104	92,404	105,604
Vertical gun system	0	−7,000	−10,000	−10,000
Surface fire support integration	0	0	−7,700	−2,500
Extended range guided munition	0	0	0	8,000
(Note: ERGM was funded in the Procurement of Ammunition, Navy account in the Senate bill)				
NONLETHAL WEAPONS—DEM/VAL	22,592	25,092	35,892	34,592
Joint non-lethal directorate human effects panel	0	2,500	0	2,000
Accelerate non-lethal technologies	0	0	6,300	5,000
Non-lethal tactical denial system	0	0	7,000	5,000
HARD AND DEEPLY BURIED TARGET DEFEAT SYSTEM (HDBTDS)	9,827	9,827	9,827	3,000
Program reduction	0	0	(9,827)	−9,827
Analysis of alternative	0	0	0	3,000
OTHER HELO DEVELOPMENT	231,120	231,620	253,120	262,120
LAMPS data link (transfer from CEC)	0	3,000	0	3,000
CH–60 mine countermeasures testing	0	15,000	0	12,000
Naval Air Warfare Center aircraft division ship ground station	0	1,000	0	1,000
Advanced low frequency sonar	0	−18,500	0	0
SH–60 LAMPS COTS acoustic/radar data processor	0	0	15,000	10,000
Parametric airborne dipping sonar	0	0	8,000	6,000
Helicopter development CDR	0	0	−1,000	−1,000
AV–8B AIRCRAFT—ENG DEV	13,787	50,387	13,787	40,587
Open systems core avionics	0	31,500	0	26,800
Landing signal officer automated shipboard operating bulletin	0	5,100	0	0
S–3 WEAPON SYSTEM IMPROVEMENT	31,469	4,376	26,469	4,376
Common support aircraft	0	−27,093	−5,000	−27,093
Common support aircraft, floor amendment	0	0	(8,000)	0
SURFACE COMBATANT COMBAT SYSTEM ENGINEERING	132,561	169,061	134,561	164,061
CEC integration (transfer from CEC)	0	9,500	0	9,500
Aegis baseline software development	0	27,000	0	20,000
High dynamic range, low-cost, towed array receiver/beamformer sonar	0	(9,000)	0	0
Labs and field activities monitoring efforts	0	0	−3,000	−3,000
DDG–51 composite director room	0	0	5,000	5,000
STANDARD MISSILE IMPROVEMENTS	1,320	1,320	6,320	11,320
ADSAM demonstration	0	0	5,000	5,000
Optical correlators	0	0	0	5,000
AIRBORNE MCM	24,967	30,967	29,967	28,967
CH–60 borne autonomous mine destruction	0	2,000	2,000	2,000
SWIMS acoustic projector	0	4,000	0	2,000
NEW DESIGN SSN	218,816	240,816	231,816	235,816
Submarine technology insertion	0	10,000	0	5,000
Glass-reinforced plastic/rubber sandwich sonar domes	0	7,000	7,000	7,000

[In thousands of dollars]

	Budget	House	Senate	Conference
Non-propulsion electronics	0	5,000	6,000	5,000
SHIP CONTRACT DESIGN/LIVE FIRE T&E	133,645	60,845	137,645	130,717
DD–21	0	−68,872	0	0
ADC(X)	0	−5,928	0	−5,928
Smart propulsor product model	0	2,000	4,000	3,000
NAVY TACTICAL COMPUTER RESOURCES	8,249	44,749	8,249	28,249
UYQ–70 display improvements	0	17,000	0	15,000
Virtual prototyping of electronic circuits	0	14,500	0	0
Computer aided dead reckoning tracer	0	5,000	0	5,000
SHIPS SELF DEFENSE—EMD	148,165	148,165	156,665	156,665
Infrared search and track	0	0	6,500	6,500
NULKA	0	0	2,000	2,000
(Note: Funds for infrared search and track are only to develop a production-representative IRST system, to support testing coincident with the multi-function radar system, whose development and testing must include deployment in a permanent installation in an active Navy warship)				
MEDICAL DEVELOPMENT	4,321	9,721	5,321	5,821
Filtration materials with high-flow biocide characteristics	0	2,000	0	(2,000)
Voice instructional device modifications	0	3,400	1,000	1,500
DISTRIBUTED SURVEILLANCE SYSTEM	42,017	55,417	42,017	50,017
All-optical deployable system	0	6,700	0	4,000
ADS automation and data fusion	0	6,700	0	4,000
TEST AND EVALUATION SUPPORT	260,601	256,801	245,601	255,801
General reduction	0	−5,800	−15,000	−5,800
Man-overboard indicator	0	2,000	0	1,000
SEW SURVEILLANCE/RECONNAISSANCE SUPPORT	13,185	15,185	17,185	16,185
COTS visualization software and database servers	0	2,000	0	1,000
Global C4ISR visualization	0	0	4,000	2,000
MARINE CORPS PROGRAM WIDE SUPPORT	7,132	14,632	7,132	13,632
Interim biological agent detection system, phase III	0	4,000	0	3,500
Probable cause detection system	0	3,500	0	3,000
F/A–18 SQUADRONS	357,214	288,805	336,314	308,805
Superhornet advanced reconnaissance pod	0	−43,409	2,500	−43,409
Excessive budget growth	0	−25,000	0	−5,000
Tactical reconnaissance development	0	0	−23,400	0
TOMAHAWK AND TOMAHAWK MISSION PLANNING CENTER (TMPC)	66,727	165,300	66,727	166,300
Tactical tomahawk	0	98,573	0	98,573
Alternate turbine engine	0	0	(1,000)	1,000
CONSOLIDATED TRAINING SYSTEMS DEVELOPMENT	28,390	32,490	35,390	36,890
Rangeless training	0	5,000	0	2,500
Conversion of BFTT trainer to Windows operating enviroinment	0	6,000	7,000	6,000
Joint tactical combat training system	0	−6,900	(9,827)	0
SURFACE ASW COMBAT SYSTEM INTEGRATION	9,390	9,390	9,390	13,390
High dynamic range, low-cost, towed array receiver/beamformer sonar system	0	0	0	4,000
(Note: this item was funded in the Surface Combatant Combat System Engineering program in the House bill)				
AVIATION IMPROVEMENTS	64,956	61,956	68,956	63,956
Engine component improvement	0	−3,000	0	−3,000
Eddy current sensors	0	0	4,000	2,000
MARINE CORPS COMMUNICATIONS SYSTEMS	50,594	56,390	50,594	55,390
Joint task force enhanced communications	0	5,000	0	4,000
Tactical control and analysis center	0	796	0	796
MARINE CORPS GROUND COMBAT/SUPPORTING ARMS SYSTEMS	14,699	14,699	17,699	18,699
Automatic target tracker	0	0	3,000	2,000
Shortstop	0	0	(5,000)	2,000
TACTICAL UAV	0	55,200	0	51,192
Multiple participant competitive demonstration	0	14,008	0	10,000
Multi-function self-aligned gate technology	0	4,000	0	4,000
Common systems development (transfer from R&D Defense-wide)	0	5,048	0	5,048
Tactical control system	0	32,144	0	32,144
ADVANCED SENSORS/TECH	0	0	8,448	16,448
Program transfer	0	0	8,448	8,448
EO framing (on-chip FMC)	0	0	0	8,000
(Note: this item was funded in Advanced Sensors/Technology program in the Senate bill.)				
DEPOT MAINTENANCE (NON–IF)	69,967	0	49,967	69,067
Transfer to APN	0	−69,967	0	0
General reduction	0	0	−20,000	0
CIVILIAN PERSONNEL UNDERSTRENGTH	0	0	0	−5,000

COMMON INTEGRATED ELECTRIC DRIVE SYSTEMS

The conferees agree to Senate direction requiring a report on a common integrated electric drive system for surface combatant ships, but direct that development of superconducting DC homopolar motor technology also be addressed in the report.

VECTORED THRUST DUCTED PROPELLER (VDTP) HELICOPTER

The conferees direct the Navy to submit to the Congress by December 1, 1998, a specific plan for accomplishing a flight demonstration of the VDTP compound helicopter technology. The conferees reiterate last year's language which directed that the Navy's H–60 program office shall have the responsibility for the management and execution of this program.

SEMI-AUTONOMOUS UNDERWATER VEHICLE FOR INTERVENTION MISSIONS

The conferees have just been advised of a potential funding shortfall for the Semi-Autonomous Underwater Vehicle for Intervention Missions (SAUVIM) program in the upcoming year. The conferees encourage the Navy to ensure that sufficient funding is provided for this program to carry it through until the end of 1999.

PROJECT M

The Congress appropriated $5,000,000 in fiscal year 1998 for Project M, including funds for a prototype system for surface ships. The Navy has yet to obligate funds for a surface ship application. Of the amount requested in the fiscal year 1999 budget and appropriated in this Act for Project M, $1,000,000 is only to begin development of a prototype system for surface ships. The conferees direct that the Navy budget funds in the future to ensure an at-sea demonstration of a full scale active control of machinery raft within two years.

ADC(X)

The conferees direct that fiscal year 1999 funds may not be obligated for an ADC(X) program unless the program plan includes ship construction in at least two shipyards.

ICR ENGINE

The conferees agree to provide the amount requested in the budget to continue development of the intercooled recuperated gas turbine engine. The conferees direct the Secretary of Defense to limit obligation of additional funds, while allowing the program to proceed in an orderly basis, until an international memorandum of understanding has been promulgated ending United States government participation in the ICR development program after design review five at a cost of no more than $60,000,000 in fiscal year 1999 and subsequent fiscal years.

TACTICAL TOMAHAWK

The conferees are aware that the contract solicitation for the tactical Tomahawk weapons control system does not specify the type of display to be used. The recent contract award for the standard Navy display system for air, surface, and subsurface applications specified that development of new configurations to meet legacy equipment replacement requirements would be accomplished under that contract. Accordingly, the Navy should avoid duplication in development costs and take advantage of the economies of scale and infrastructure support by developing the tactical Tomahawk display under this contract.

SEAWOLF SHOCK TEST

The conferees agree to House language concerning system-level, live-fire shock testing of Seawolf submarines and note that the Commander in Chief of the Atlantic Command has recently indicated that he has no requirement for such a test. The conferees fully endorse the existing live fire legislation and testing for weapon systems in a normal acquisition cycle. The conferees fully expect that the Defense Department will conduct such a test on the New Attack Submarine early in its production cycle, where the lessons-learned from the test can be incorporated into future production of that weapon system. The unique circumstances that caused the Congress not to support the Seawolf shock test should not be viewed either that Congress no longer requires live fire testing nor as a precedent for other

weapon systems to be exempted from the requirements of law.

RANGELESS TRAINING

The House proposed to terminate the Joint Tactical Combat Training System (JTCTS) and eliminate a total of $17,300,000 in four procurement or RDT&E line items. The House also proposed an alternate system, the integrated Large Area Tracking Range (LATR)/Kadena Interim Training System (KITS), and provided a total of $15,000,000 in three procurement or RDT&E line items. The Senate provided the amount requested by the Defense Department for JTCTS, with an increase of $9,827,000 in the Navy RDT&E account to provide an initial JTCTS system to support Cope Thunder exercises. The budget requested funds to initiate JTCTS production in fiscal year 1999.

Since JTCTS has not entered into production, and development and testing has not been completed, there is an opportunity to ensure that the Defense Department has identified the best technical solution prior to expenditure of significant amounts of funds in future years for rangeless training equipment. The conferees also want assurance that combat training systems for tactical aircraft will be compatible with surface ship and submarine training range systems, to the extent practicable, for joint service exercise or Navy battlegroup training. The conferees direct that the Defense Department conduct a technical evaluation, using actual equipment, to compare the capabilities, performance, and costs of an integrated LATR/KITS system to JTCTS. The conferees therefore agree to provide the full amount requested in RDT&E for JTCTS, plus an additional $2,500,000 in the Navy RDT&E account only for LATR/KITS integration. The conferees agree to a reduction of a total of $9,000,000 in Air Force procurement accounts requested for JTCTS, but an increase of a total of $20,000,000 in Navy and Air Force Other Procurement accounts which is only for purchase of equipment needed to conduct the technical evaluation, and purchase of objective systems once reporting requirements in the next paragraph have been met. Of this amount, $8,000,000 is only to begin installation of a rangeless training system to support Cope Thunder exercises. Further, the conferees direct that the JTCTS RDT&E funds are provided to proceed with equipping CAG 5 with an initial JTCTS training capability in fiscal year 1999.

The goal of the technical evaluation is to ensure that the Defense Department has identified the best technical solution to meet its rangeless training needs which minimizes technical risk at lowest life cycle cost based on performance of real equipment in a realistic environment. The conferees direct that no funds may be obligated for rangeless training production, other than those needed to conduct the technical evaluation, until the following criteria have been met:

The Director of Operational Test and Evaluation in the Office of the Secretary of Defense has certified to the congressional defense committees that the Defense Department has established a technical evaluation between JTCTS and integrated LATR/KITS which is reasonable, realistic, and objective in order to determine the relative performance of the systems;

The technical evaluation has been conducted and the results reported to the congressional defense committees; and

The Undersecretary of Defense for Acquisition and Technology has certified to the congressional defense committees that the best technical solution to meet DOD rangeless training requirements at the best value has been identified and validated by the results of the technical evaluation. His certification should include a determination whether the most cost effective method to satisfy future Navy and Air Force training needs is to continue development and deployment of JTCTS, begin an evolutionary LATR/KITS system development and deployment, or expand the JTCTS program to include integrated LATR/KITS features.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
RESEARCH DEVELOPMENT TEST AND EVAL AF				
DEFENSE RESEARCH SCIENCES	209,395	202,751	209,395	210,395
MATERIALS	62,578	72,578	68,678	75,278
AEROSPACE PROPULSION	69,061	74,061	69,561	69,561
PHILLIPS LAB EXPLORATORY DEVELOPMENT	116,139	116,139	125,139	129,139
COMMAND CONTROL AND COMMUNICATION	65,175	67,675	65,175	72,175
DUAL USE APPLICATIONS PROGRAM	19,606	19,606	10,000	10,000
LOGISTICS SYSTEMS TECHNOLOGY	8,677	9,677	8,677	9,177
ADVANCED MATERIALS FOR WEAPON SYSTEMS	21,006	37,006	25,006	33,006
AEROSPACE PROPULSION SUBSYSTEMS INTEGRATION	30,814	30,814	27,814	27,814
ADVANCED AVIONICS FOR AEROSPACE VEHICLES	26,442	26,442	29,442	28,642
AEROSPACE PROPULSION AND POWER TECHNOLOGY	38,984	38,984	36,984	36,984
CREW SYSTEMS AND PERSONNEL PROTECTION TECHNOLOGY	16,603	22,603	35,103	30,053
ELECTRONIC COMBAT TECHNOLOGY	25,553	31,553	39,553	25,553
SPACE AND MISSILE ROCKET PROPULSION	21,121	25,121	21,121	24,121
ADVANCED SPACECRAFT TECHNOLOGY	42,571	54,571	65,071	60,571
ADVANCED WEAPONS TECHNOLOGY	40,153	50,153	46,153	53,653
AIRBORNE LASER PROGRAM	292,219	292,219	235,219	267,219
SATELLITE SYSTEM SURVIVABILITY	.....	.....	15,000	7,500
NATO RESEARCH AND DEVELOPMENT (H)	11,117	.....	10,717	4,117
INTERCONTINENTAL BALLISTIC MISSILE—DEM/VAL	29,360	42,360	16,360	27,337
GLOBAL BROADCAST SERVICE	70,147	67,947	70,147	70,147
AIR FORCE/NRO PARTNERSHIP (AFNP)	17,645	.....	17,645	17,645
SPACE-BASED LASER	35,000	25,000	35,000	35,000
VARIABLE STABILITY IN-FLIGHT SIMULATOR TEST AIRCRAFT	.....	.....	7,400	4,000
HARD AND DEEPLY BURIED TARGET DEFEAT SYSTEM (HDBTDS)	9,803	9,803	.....	3,000
F–22 EMD	1,582,217	1,582,217	1,582,217	1,575,417
EW DEVELOPMENT	90,126	95,126	100,126	98,626
SPACE BASED INFRARED SYSTEM (SBIRS) HIGH EMD	538,438	538,438	543,238	541,938
GLOBAL POSITIONING SYSTEM BLOCK IIF (SPACE)	62,591	62,591	84,591	73,591
LIFE SUPPORT SYSTEMS	3,744	6,744	3,744	6,244
COMBAT TRAINING RANGES	14,581	13,181	14,581	14,581
COMPUTER RESOURCE TECHNOLOGY TRANSITION (CRTT)	200	4,200	200	2,200
COMMERCIAL OPERATIONS AND SUPPORT SAVINGS INITIATIVE	27,937	14,037	17,937	15,937
EVOLVED EXPENDABLE LAUNCH VEHICLE PROGRAM (SPACE)	280,297	230,297	280,297	260,297
THREAT SIMULATOR DEVELOPMENT	32,582	29,582	39,582	34,582
TARGET SYSTEMS DEVELOPMENT	1,666	1,666	9,666	6,666
MAJOR T&E INVESTMENT	34,518	42,018	39,518	41,068
INITIAL OPERATIONAL TEST & EVALUATION	24,541	24,541	24,541	29,541
TEST AND EVALUATION SUPPORT	370,168	376,168	366,168	363,168
DEVELOPMENT PLANNING	6,075	6,075	4,075	4,075
POLLUTION PREVENTION	1,673	1,673	6,673	5,173
ROCKET SYSTEMS LAUNCH PROGRAM (SPACE)	7,865	18,865	7,865	14,865
B–52 SQUADRONS	6,436	6,436	5,036	6,436
REGION/SECTOR OPERATION CONTROL CENTER MODERNIZATION	13,592	21,792	18,792	21,792
F–16 SQUADRONS	125,076	125,076	145,076	140,076
ADVANCED MEDIUM RANGE AIR-TO-AIR MISSILE (AMRAAM)	45,078	15,078	36,078	36,078
SPECIAL EVALUATION PROGRAM	92,551	72,551	102,551	102,551
AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM	92,069	117,069	92,069	97,069
JOINT AIR-TO-SURFACE STANDOFF MISSILE (JASSM)	132,870	129,870	132,870	129,870
AIRBORNE WARNING AND CONTROL SYSTEM (AWACS)	28,189	28,189	36,189	34,189
EVALUATION AND ANALYSIS PROGRAM	84,950	84,950	72,150	72,150
ADVANCED PROGRAM TECHNOLOGY	74,707	79,707	74,707	77,207
THEATER BATTLE MANAGEMENT (TBM) C4I	27,292	27,292	32,292	30,792
AIRBORNE RECON SYSTEMS	.....	47,362	.....	.....
JOINT SURVEILLANCE AND TARGET ATTACK RADAR SYSTEM	123,793	98,193	98,793	101,793
SEEK EAGLE	17,590	19,590	17,090	19,090
ADVANCED PROGRAM EVALUATION	272,914	260,914	251,014	208,314
TACTICAL INFORMATION PROGRAM (TIP)	10,685	.....	10,685	.....
INFORMATION WARFARE SUPPORT	1,375	1,375	3,375	2,375
FOREIGN TECHNOLOGY DIVISION	1,234	1,234	1,834	2,134
MISSILE AND SPACE TECHNICAL COLLECTION	18,595	26,595	12,595	20,595
E–4B NATIONAL AIRBORNE OPERATIONS CENTER (NAOC)	4,233	4,233	2,143	2,143
DEFENSE SATELLITE COMMUNICATIONS SYSTEM (SPACE)	15,641	13,141	15,641	14,141

[In thousands of dollars]

	Budget	House	Senate	Conference
INFORMATION SYSTEMS SECURITY PROGRAM	8,420	10,420	8,420	9,420
SECURITY AND INVESTIGATIVE ACTIVITIES	458	1,458	458	1,458
TITAN SPACE LAUNCH VEHICLES (SPACE)	87,443	87,443	77,443	77,443
DEFENSE METEOROLOGICAL SATELLITE PROGRAM (SPACE)	20,432	17,932	20,432	17,932
NAVSTAR GLOBAL POSITIONING SYSTEM (USER EQUIPMENT)	67,238	62,238	36,638	36,638
ENDURANCE UNMANNED AERIAL VEHICLES	4,307	182,975	155,457	188,957
ADVANCED SENSORS/TECHNOLOGY			134,768	126,768
COMMON IMSGERY GROUND/SURFACE SYS			20,379	
MANNED RECONNAISSANCE SYSTEMS		25,800	21,566	38,366
DISTRIBUTED COMMON GROUND/SURFACE SYSTEM INTEROPERABIL		14,701		21,159
SPACETRACK (SPACE)	39,532	38,532	42,832	45,832
C–5 AIRLIFT SQUADRONS	47,940	47,940	33,736	33,736
C–17 AIRCRAFT	123,069	123,069	108,069	119,069
KC–135S	11,093	11,093	1,093	1,093
INDUSTRIAL PREPAREDNESS	50,997	50,997	53,997	52,997
PRODUCTIVITY, RELIABILITY, AVAILABILITY, MAINTAIN	970	970	14,970	10,470
COBRA BALL (FLD)			8,000	6,000
CLASSIFIED PROGRAMS	4,420,330	4,188,138	4,189,930	4,281,116
CIVILIAN PERSONNEL UNDEREXECUTION				−9,600
ADVISORY AND ASSISTANCE SERVICES		−40,000		−40,000
COMPASS CALL		20,000		12,500

[In thousands of dollars]

	Budget	House	Senate	Conference
DEFENSE RESEARCH SCIENCES	209,395	202,751	209,395	210,395
Coal derived jet fuel	0	3,500	0	3,000
Center for Adaptive Optics	0	3,000	0	2,000
Basic Research reduction	0	−13,144	0	−4,000
Sacramento Peak Observatory	0	[650]	[650]	[650]
Air Force Research Lab mission-focused research projects through AFIT	0	0	[3,000]	[3,000]
MATERIALS	62,578	72,578	68,678	75,278
Advanced Material Research	0	10,000	0	8,000
Friction stir welding	0	0	1,500	1,200
Environmentally safe aircraft coating	0	0	2,000	1,500
Inorganic/organic optical limiters	0	0	2,600	2,000
AEROSPACE PROPULSION	69,061	74,061	69,561	69,561
Variable dispacement vane pump for KC–135	0	5,000	2,000	3,000
Program reduction	0	0	−4,000	−4,000
Thermophotovoltaics	0	0	2,500	1,500
PHILLIPS LAB EXPLORATORY DEVELOPMENT	116,139	116,139	125,139	129,139
HAARP	0	0	9,000	9 000
Terabit	0	0	0	4,000
COMMAND CONTROL AND COMMUNICATIONS	65,175	67,676	65,175	72,175
Protein memory	0	2,500	0	2,000
Cyber security program	0	0	[8,000]	5,000
ADVANCED MATERIALS FOR WEAPON SYSTEMS	21,006	37,006	25,006	33,006
Advanced low observable coatings	0	9,000	0	4,000
National Center for Industrial Competitiveness	0	7,000	0	5,000
Aerospace metals programs	0	0	4,000	3,000
CREW SYSTEMS AND PERSONNEL PROTECTION TECHNOLOGY	16,603	22,603	35,103	30,053
Ejection seat technology	0	3,000	0	0
Aircrew laser eye protection	0	3,000	5,500	4,250
Panoramic night vision goggles	0	0	3,000	2,200
ACES II risk reduction	0	0	2,000	2,000
Helmet display technology	0	0	8,000	5,000
BALLISTIC MISSILE TECHNOLOGY	0	16,000	16,000	16,000
Missile and GPS range safety technology dev. and demonstration	0	16,000	16,000	16,000
ADVANCED SPACECRAFT TECHNOLOGY	42,571	54,571	65,071	60,571
Scorpius	0	5,000	0	2,500
Miniature satellite threat reporting system	0	7,000	0	5,000
Range upgrades to support upper stage flight experiments	0	0	5,000	0
Solar orbital transfer vehicle	0	0	7,500	4,500
Micro-Satellite Technology Program	0	0	10,000	6,000
ADVANCED WEAPONS TECHNOLOGY	40,153	50,153	46,153	53,653
Geo Space Object Imaging	0	10,000	0	7,500
Field laser radar upgrade	0	0	6,000	6,000
AIRBORNE LASER PROGRAM	292,219	292,219	235,219	267,219
Aircraft purchase and integration	0	0	−97,000	0
Ground testing and targets	0	0	40,000	0
Concurrency	0	0	0	−25,000
INTERCONTINENTAL BALLISTIC MISSILE—DEM/VAL	29,360	42,360	16,360	27,337
Conventional ICBM ACTD	0	13,000	0	11,000
Advanced IMU	0	0	−8,000	−6,000
AIMU interferometer fiber opic gyro	0	0	−3,000	−3,000
Sensor/instrumentation integration	0	0	−2,000	−2,000
Evaluate force applications technologies of AF Global Studies	0	0	0	−2,023
VARIABLE STABILITY IN-FLIGHT SIMULATOR TEST AIRCRAFT	0	0	7,400	4,000
3NF–16D VISTA support	0	0	3,800	0
NF–16D VISTA VSS:				
Improvements	0	0	1,100	0
Ground simulator	0	0	1,500	0
Hotbench	0	0	1,000	0
NF–16D VISTA Support and VSS	0	0	0	4,000
HARD AND DEEPLY BURIED TARGET DEFEAT SYSTEM (HDBTDS)	9,803	9,803	0	3,000
Complete Joint Analysis of Alternatives	0	0	0	3,000
F–22 EMD	1,582,217	1,582,217	1,582,217	1,575,417
Unused award fees identified by GAO	0	0	0	−6,800
EW DEVELOPMENT	90,126	95,126	100,126	98,626
Advanced flares for B–1 and C–17	0	5,000	0	4,000
Classified adjustment	0	0	10,000	0
PLAID for AN/ALR–69 (transfer from 0603270F)	0	0	0	4,500
THREAT SIMULATOR DEVELOPMENT	32,582	29,582	39,582	34,582
JMASS delays	0	−3,000	0	−3,000
REDCAP/DIADS	0	0	0	5,000
Integration with ECIT	0	0	4,000	0
Simulation threat correlation	0	0	600	0
Special project laydowns	0	0	1,000	0
Technology proliferation	0	0	1,400	0
MAJOR T&E INVESTMENT	34,518	42,018	39,518	41,068
Santa Rosa Island range complex	0	5,000	0	2,500
Eglin Range Complex	0	2,500	0	1,250
Hypersonic wind tunnel	0	0	5,000	2,800
TEST AND EVALUATION SUPPORT	370,168	376,168	366,168	363,168
Air Force Flight Test Center safety improvements	0	6,000	0	3,000
Program reduction	0	0	−4,000	−10,000
JOINT SURVEILLANCE AND TARGET ATTACK RADAR SYSTEM	123,793	98,193	98,793	101,793
RTIP reduction	0	−25,600	−25,000	−25,000
JSTARS multi-service datalink competition	0	0	0	3,000
SEEK EAGLE	17,590	19,590	17,090	19,090
LongShot	0	2,000	0	1,500

[In thousands of dollars]

	Budget	House	Senate	Conference
Program reduction	0	0	−500	0
NAVSTAR GLOBAL POSITIONING SYSTEM (USER EQUIPMENT)	67,238	62,238	36,638	36,638
NAVWAR pricing	0	−5,000	0	0
NAVWAR EMD	0	0	−28,600	−28,600
Undefined product improvement efforts	0	0	−2,000	−2,000
ENDURANCE UNMANNED AERIAL VEHICLES	4,307	182,975	155,457	188,957
Darkstar	0	40,518	0	34,000
Global Hawk transfer/increase	0	90,051	115,051	102,551
CGS transfer	0	48,099	36,099	48,099
ADVANCED SENSORS/TECHNOLOGY	0	0	134,768	126,768
Transfer	0	0	125,768	125,768
EO framing	0	0	9,000	0
High Data Rate Laser Comms	0	0	0	1,000
COMMON IMAGERY GROUND/SURFACE SYS	0	0	20,379	0
MANNED RECONNAISSANCE SYSTEMS	0	25,800	21,566	38,366
U–2 transfers	0	25,800	7,466	26,766
Fuel conversion	0	0	3,600	3,600
Glass cockpit	0	0	3,000	3,000
RAS–1R	0	0	7,500	5,000
DISTRIBUTED COMMON GROUND/SURFACE SYSTEM	0	14,701	0	21,519
INTEROPERABILITY, NIMA				
SPACETRACK (SPACE)	39,532	38,532	42,832	45,832
HAVE STARE	0	−1,000	0	−1,000
AEOS activities	0	0	3,300	7,300
(NOTE: The AEOS activities increase is provided for the following: $1,400,000 is only for the spectrograph program; $1,300,000 is only for AEOS-related acquisition and research; and $4,000,000 is only for MSSS research and development efforts.)				
C–5 Airlift Squadrons	47,940	47,940	33,736	33,736
System design and test	0	0	−8,415	−8,415
Preproduction fabrication	0	0	−3,209	−3,209
Software development	0	0	−2,580	−2,580
INDUSTRIAL PREPAREDNESS	50,997	50,997	53,997	52,997
Aerospace metals programs	0	0	3,000	2,000
Wright Technology Network	0	[1,000]	0	[1,000]
PRODUCTIVITY, RELIABILITY, AVAILABILITY, MAINTAIN	970	970	14,970	10,470
Aging Landing Gear Life Extension Program	0	0	6,000	4,000
Blade repair facility	0	0	8,000	5,500

AVIATION SAFETY

The Committee understands that the U.S. Air Force is working with the Federal Aviation Administration (FAA) to use the capabilities at the FAA Airworthiness Assurance Center of Excellence and other FAA research resources for projects that will enhance the safety of both military and civilian aircraft. The Committee encourages increased coordination to maximize improvements in safety research and to avoid duplicative efforts.

AIRBORNE LASER PROGRAM

The conferees have provided $267,219,000, a reduction of $25,000,000 to the budget request. The conferees direct that the first priority within the available funds shall be to conduct a meaningful ground demonstration of the capability to produce a high energy beam, compensate the beam for atmospheric disturbances, and measure the deposition of laser energy on a target under realistic test conditions. The funding level recommended by the conferees reduces concurrency in the program to enable the lessons learned from the test to be incorporated in the program.

HARD AND DEEPLY BURIED TARGET DEFEAT SYSTEM

The conferees have provided a total of $6,000,000, with $3,000,000 in the RDT&E, Navy account and $3,000,000 in the RDT&E, Air Force account. The conferees direct that the $6,000,000 shall be available only for completion of a joint analysis of alternatives (AOA) as well as planning efforts associated with establishing a joint hard and deeply buried target defeat program.

TARGET SYSTEMS DEVELOPMENT

The conferees agree with the Senate direction with regard to the KC–135 Big Crow report and further direct that the report be provided no later than December 31, 1998.

TACTICAL AIR RECONNAISSANCE SYSTEM

The conferees believe that if the Defense Department decides to acquire additional sensors for the AF Tactical Air Reconnaissance System (TARS) program, the Department should consider the CA 261, the MAEO and other sensors based on best value, capability and stated Air Force requirements.

WARFIGHTER

The conferees continue to support the Warfighter–1 program. The conferees are concerned however, that the license amendment for commercial operation of the Warfighter–1 sensor has still to be adjudicated 13 months after initial application. While the conferees recognize the importance of a stringent national security review before any commercial remote sensing license is granted, the excessive length of the review process may jeopardize program milestones and objectives.

The conferees therefore, strongly encourage the Secretary of Defense and the Director of Central Intelligence to take immediate steps to resolve remaining license issues and report to the Committees on Appropriations no later than November 15, 1998 on the resolution of all outstanding issues concerning the commercial operation of the Warfighter–1 program.

EVOLVED EXPENDABLE LAUNCH VEHICLE (EELV)

The conferees agree to provide $260,297,000 for the Evolved Expendable Launch Vehicle Program, a reduction of $20,000,000 to the budget request. The conferees also agree to House language directing that reports and certifications regarding the EELV program be provided to the Committees on Appropriations and necessary program information be provided to the Comptroller General. The conferees do not agree that the obligation of fiscal year 1999 appropriations for the EELV program should be restricted pending the receipt of said reports and certifications.

DEFENSE SATELLITE COMMUNICATIONS SYSTEM (DSCS)

The conferees agree to the House language requiring the Air Force to report to the Committees on Appropriations on the resolution of difficulties associated with the completion of the operational requirements document for the DSCS follow-on system. The conferees do not agree that the report needs to be provided prior to the release of any draft RFP for the DSCS follow-on system.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
RESEARCH DEVELOPMENT TEST & EVAL DEFWIDE:				
UNIVERSITY RESEARCH INITIATIVES	216,320	218,400	219,320	229,420
GULF WAR ILLNESS	19,646	19,646	19,646	23,796
GOVERNMENT/INDUSTRY COSPONSORSHIP OF UNIVERSITY RESEAR	9,870	.....	9,870	4,870
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	25,282	25,282	30,282	28,782
NEXT GENERATION INTERNET	40,000	53,000	30,000	50,000
SUPPORT TECHNOLOGIES—APPLIED RESEARCH	86,866	81,866	100,866	97,866
MEDICAL FREE ELECTRON LASER	9,706	17,206	16,706	14,706
COMPUTING SYSTEMS AND COMMUNICATIONS TECHNOLOGY	417,723	390,723	346,323	331,323
BIOLOGICAL WARFARE DEFENSE	88,000	88,000	82,500	82,000
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	57,683	57,683	66,683	63,583
TACTICAL TECHNOLOGY	188,995	151,995	192,995	175,395
INTEGRATED COMMAND AND CONTROL TECHNOLOGY	34,000	40,000	42,000	40,000
MATERIALS AND ELECTRONICS TECHNOLOGY	244,408	253,408	271,408	277,908
WMD RELATED TECHNOLOGIES	203,598	204,598	221,598	215,598
EXPLOSIVES DEMILITARIZATION TECHNOLOGY	11,650	13,650	14,850	14,650
COUNTERTERROR TECHNICAL SUPPORT	35,813	35,813	40,813	38,313
COUNTERPROLIFERATION SUPPORT—ADV DEV	70,611	55,611	77,611	53,111
SUPPORT TECHNOLOGIES—ADVANCED TECHNOLOGY DEVELOPMENT	166,676	193,676	299,676	277,676
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM—ADVANCED DEV	42,762	55,262	42,762	51,762

[In thousands of dollars]

	Budget	House	Senate	Conference
VERIFICATION TECHNOLOGY DEMONSTRATION	63,052	48,052	63,052	58,052
GENERIC LOGISTICS R&D TECHNOLOGY DEMONSTRATIONS	17,788	25,388	21,788	23,788
STRATEGIC ENVIRONMENTAL RESEARCH PROGRAM		59,419		59,419
JOINT WARFIGHTING PROGRAM	23,700	23,700	19,100	19,100
COOPERATIVE DOD/VA MEDICAL RESEARCH		11,000		6,000
ADVANCED ELECTRONICS TECHNOLOGIES	244,737	264,537	261,337	264,637
MARITIME TECHNOLOGY	15,000	15,000		
ELECTRIC VEHICLES				9,000
ADVANCED CONCEPT TECHNOLOGY DEMONSTRATIONS	116,330	81,076	110,330	89,830
HIGH PERFORMANCE COMPUTING MODERNIZATION PROGRAM	140,927	120,927	163,927	153,927
COMMAND, CONTROL AND COMMUNICATIONS SYSTEMS	200,100	172,600	177,000	181,300
COMMUNICATION AND SIMULATION TECHNOLOGY	56,114	56,114	56,114	54,114
SENSOR AND GUIDANCE TECHNOLOGY	213,154	203,654	233,054	208,054
LAND WARFARE TECHNOLOGY	108,490	96,890	93,490	92,990
CLASSIFIED DARPA PROGRAMS	55,500	42,000	55,500	51,000
DUAL USE APPLICATION PROGRAMS	6,000		6,000	6,000
JOINT WARGAMING SIMULATION MANAGEMENT OFFICE	70,696	70,696	61,496	61,496
PHYSICAL SECURITY EQUIPMENT	31,792	31,792	25,792	25,792
ADVANCED SENOR APPLICATIONS PROGRAM	15,147	15,147	17,147	18,147
CALS INITIATIVE	1,863	11,363	6,863	7,863
NATO RESEARCH AND DEVELOPMENT	10,762		8,462	5,762
THEATER HIGH-ALTITUDE AREA DEFENSE SYSTEM—TMD	497,752	392,752	497,752	445,252
NAVY THEATER WIDE	190,446	340,446	295,446	338,446
MEADS CONCEPTS—DEM/VAL	43,027	43,027	10,027	10,027
BOOST PHASE INTERCEPT THEATER MISSILE DEFENSE ACQUISIT			10,000	6,500
JOINT THEATER MISSILE DEFENSE—DEM/VAL	176,846	176,846	209,346	207,846
BMD TECHNICAL OPERATIONS	190,147	190,147	192,147	191,147
INTERNATIONAL COOPERATIVE PROGRAMS	50,676	50,676	62,676	59,676
THREAT AND COUNTERMEASURES	22,113	22,113	25,113	24,613
HUMANITARIAN DEMINING	17,234	8,234	19,234	18,734
JOINT ROBOTICS PROGRAM—ENG DEV	11,307	11,307	18,307	15,307
COMMERCIAL OPERATIONS AND SUPPORT SAVINGS INITIATIVE	13,410	13,410	13,410	8,000
THEATER HIGH-ALTITUDE AREA DEFENSE SYSTEM—TMD—EMD	323,942	22,942		
PATRIOT PAC–3 THEATER MISSILE DEFENSE ACQUISITION	137,265	177,265	182,265	182,265
JOINT THEATER AIR AND MISSILE DEFENSE ORGANIZATION	17,423	17,423	17,423	109,923
CLASSIFIED PROGRAM USD(P)		3,387		3,387
CLASSIFIED PROGRAMS—C3I	439	439	6,439	6,439
DEFENSE TECHNOLOGY ANALYSIS	5,010	5,010	8,010	8,010
DEFENSE TECHNICAL INFORMATION SERVICES (DTIC)	46,469	46,469	45,469	45,469
INFORMATION SYSTEMS SECURITY PROGRAM	239,081	239,081	239,081	251,081
DEFENSE IMAGERY AND MAPPING PROGRAM	114,417	109,417	114,417	109,417
DISTRIB/IMAGERY COMMON GRD SYS		9,358		5,080
DISTRIB COMMON GRD SYS		2,540		
DEFENSE RECONNAISSANCE SUPPORT ACTIVITIES (SPACE)	40,504	30,617	48,504	44,609
AIRBORNE RECONNAISSANCE SYSTEMS	162,666		15,000	
MANNED RECONNAISSANCE SYSTEMS	10,840		5,874	
MANNED RECONNAISSANCE SYSTEMS	4,085	4,085	4,085	9,959
DISTRIBUTED COMMON GROUND SYSTEMS	34,985		4,200	
TACTICAL CRYPTOLOGIC ACTIVITIES	104,510	201,810	104,510	115,564
PARTNERSHIP FOR PEACE ACTIVITIES	1,957	5,957	1,957	4,957
SPECIAL OPERATIONS ADVANCED TECHNOLOGY DEVELOPMENT	8,020	34,020	8,020	29,020
SPECIAL OPERATIONS TACTICAL SYSTEMS DEVELOPMENT	106,238	106,238	113,238	107,738
SPECIAL OPERATIONS INTELLIGENCE SYSTEMS DEVELOPMENT	1,805	10,805	1,805	8,805
SOF OPERATIONAL ENHANCEMENTS	33,799	47,604	33,799	45,599
CLASSIFIED PROGRAMS	1,057,100	1,141,826	1,163,100	1,157,958
ADVISORY AND ASSISTANCE SERVICE		−50,000		−50,000
CIVILIAN PERSONNEL UNDEREXECUTION				−7,200

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
DEFENSE RESEARCH SCIENCES	65,102	65,102	65,102	65,102
Interdisciplinary research in anticorrosion	0	0	[1,200]	[1,000]
Research on applications of spectral hole burning	0	0	[2,000]	[1,400]
UNIVERSITY RESEARCH INITIATIVES	216,320	218,400	219,320	229,420
Southern observatory for astronomical research (SOAR)	0	0	3,000	2,200
Anticorrosion research on aluminum clad systems used in aircraft fleets	0	0	[1,250]	[1,250]
Defense Experimental Program to Stimulate Competitive Research	0	15,000	[20,000]	[20,000]
Software quality and productivity	0	0	[1,300]	[1,300]
Photoacoustic detection device	0	1,800	0	1,200
Medical ultrasound technology	0	1,600	0	1,200
Program reduction	0	−16,320	0	0
Military Family Research Institute	0	[9,000]	0	[8,000]
Acoustic sensor technology development planning	0	0	[1,000]	1,000
New Starts	0	0	0	5,500
Computational neuroscience (Note: $2,000,000 shall be available only to add a multi-disciplinary URI topic area on computational neuroscience and vision studies for learning and human/machine interaction.)	0	0	0	2,000
NEXT GENERATION INTERNET	40,000	53,000	30,000	50,000
Program reduction	0	0	−10,000	0
Program increase	0	13,000	0	10,000
Partnerships between centers with super computers purchased with DOD RDT&E funds and DOD MSRCs	0	0	0	[5,000]
SUPPORT TECHNOLOGIES—APPLIED RESEARCH	86,866	81,866	100,866	97,866
Wideband gap semiconductor research	0	5,000	14,000	11,000
Space-based laser	0	−10,000	0	0
COMPUTING SYSTEMS AND COMMUNICATIONS TECHNOLOGY	417,723	390,723	346,323	331,323
Hand free interface	0	0	−7,500	−7,500
Joint infrastructure protection	0	0	−69,900	−69,900
Software security research	0	0	500	500
Asset source for software engineering technology [ASSET]	0	0	2,500	2,500
Reuse technology adoption program	0	0	3,000	2,000
Multi-spectral imaging	0	5,000	0	2,000
Computer security	0	2,000	0	1,000
Networking	0	−34,000	0	−20,000
Applied Software Engineering (Note: $3,000,000 is only for the National Applied Software Engineering Center to perform a Microelectronics and Very Large-Scale Integration (VSLI) software initiative to demonstrate the integration of artificial intelligence software technologies with VLSI microelectronics circuits.)	0	0	0	3,000
BIOLOGICAL WARFARE DEFENSE	88,000	88,000	82,500	82,000
Program reduction	0	0	−7,000	−7,000
Biological warfare multimedia demonstration	0	0	1,500	1,000
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	57,683	57,683	66,683	63,583
Chemical and biological detection sensor	0	0	5,000	3,500
Safeguard	0	0	4,000	2,400
TACTICAL TECHNOLOGY	188,995	151,995	192,995	175,395
Center of excellence for research in ocean sciences [CEROS]	0	0	7,000	7,000
Simulation-based design	0	2,000	5,000	2,000
Microadaptive flow control	0	0	−3,000	−3,000
Counterartillery force protection	0	0	−5,000	−5,000
High performance algorithm development	0	−5,600	0	−5,600
Advanced fire support system	0	−8,000	0	−4,000
Program reduction	0	−25,400	0	−5,000

[In thousands of dollars]

	Budget	House	Senate	Conference
MATERIALS AND ELECTRONICS TECHNOLOGY	244,408	253,408	271,408	277,908
Multitechnology integration in mixed-mode electronics [MIME]	0	0	8,000	5,000
3–D diamond electronics	0	0	9,000	5,500
Seamless high off chip connectivity [SHOCC]	0	0	8,000	5,000
Cryogenic/superconducting electronics	0	0	8,000	5,000
Electromagnetic pulse [EMP]	0	0	2,000	0
Sonoelectronics	0	0	−8,000	−8,000
MEMS deep silicon etching process technology	0	7,500	0	7,000
Nanophase magnetic particle (advanced materials research institute)	0	4,000	0	7,000
Polymer materials and processing	0	5,000	0	4,000
Strategic Materials Manufacturing	0	0	[2,000]	[2,000]
Laser diode array alignment (Note: $3,000,000 is only for the development of automated laser diode bar mounting techniques.)	0	0	0	3,000
WMD RELATED TECHNOLOGIES	203,598	204,598	221,598	215,598
Nuclear weapons effects technology	0	0	10,000	7,000
Thermionics	0	0	5,000	3,000
Deep digger	0	0	3,000	2,000
Facial recognition technology	0	1,000	0	0
EXPLOSIVES DEMILITARIZATION TECHNOLOGY	11,650	13,650	14,850	14,650
Program increase	0	2,000	2,000	2,000
Demilitarization advanced cutting technology	0	0	1,200	1,000
COUNTERTERROR TECHNICAL SUPPORT	35,813	35,813	40,813	38,313
Facial recognition technology	0	0	4,000	2,500
Pulsed fast neutron analysis	0	0	1,000	0
Transfer	0	−25,000	0	0
COUNTERPROLIFERATION SUPPORT—ADV DEV	70,611	55,611	77,611	53,111
HAARP	0	0	3,000	1,500
Counterproliferation analysis planning system [CAPS]	0	10,000	4,000	6,000
Transfer (special reconnaissance capabilities)	0	−25,000	0	−25,000
SUPPORT TECHNOLOGIES—ADVANCED TECHN. DEVELOPMENT	166,676	193,676	299,676	277,676
Scorpius space launch tech	0	5,000	5,000	4,000
Excalibur space launch tech	0	0	5,000	4,000
Space-based laser demonstrator	0	0	94,000	74,000
Atmospheric interceptor technology	0	22,000	22,000	22,000
Photoconduction on active pixel sensors	0	0	5,000	5,000
Silicon thick film mirror coatings	0	0	2,000	2,000
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM—ADVANCED DEV	42,762	55,262	42,762	51,762
Biocide-based protective ensembles	0	2,500	0	1,500
Exposure to low levels of chemical agents and sub-chronic exposures	0	10,000	0	7,500
VERIFICATION TECHNOLOGY DEMONSTRATION	63,052	48,052	63,052	58,052
Program reduction	0	−25,000	0	−15,000
Nuclear detection, analysis and forensics systems (Note: $5,000,000 is only for continuation of the industry based program and $5,000,000 is only for accelerated development of nuclear detection systems.)	0	10,000	0	10,000
Peer reviewed basic and applied research to support nuclear testing (Note: Of the $8,500,000, $7,300,000 shall be available only for basic peer-reviewed explosion seismology research; and $1,200,000 shall be available only for applied peer-reviewed explosion seismology research. The conferees direct that the applied seismic research program address the specific prioritized research topics recommended to the Department by the National Research Council.)	0	[12,000]	0	[8,500]
STRATEGIC ENVIRONMENTAL RESEARCH PROGRAM	0	59,419	0	59,419
Transfer from RDTE,A	0	54,419	0	54,419
Environmental workers safety	0	2,000	0	2,000
Risk-based approach to research effects of toxic chemicals	0	3,000	0	3,000
ADVANCED ELECTRONICS TECHNOLOGIES	244,737	264,537	261,337	264,637
X-ray masks for F–22, Apache Longbow	0	0	10,000	7,000
Advanced lithography	0	0	10,000	7,000
Defense techlink center	0	0	1,000	1,000
Center for advanced microstructures and devices	0	[4,000]	4,000	4,000
Molecular level printing program acceleration	0	0	−3,300	−3,300
Submarine sensor suite development	0	0	−5,100	−5,100
Cryogenic electronics	0	9,500	0	0
Laser plasma x-ray source technology	0	7,000	0	6,000
Nanotechnology and crystalline control arrays	0	3,300	0	3,300
HIGH PERFORMANCE COMPUTING MODERNIZATION PROGRAM	140,927	120,927	163,927	153,927
Operation and upgrade of supercomputing centers, purchased with RDT&E funds	0	0	20,000	20,000
High performance visualization center	0	0	3,000	3,000
Program reduction	0	−20,000	0	−10,000
COMMAND, CONTROL AND COMMUNICATIONS SYSTEMS	200,100	172,600	177,000	181,300
Cynamic data bases program	0	0	−5,000	−5,000
Joint forward air component commander [JFACC] acceleration	0	0	−5,800	−5,800
Dynamic multiuser information fusion [DMIF]	0	0	−8,000	−8,000
JSIMS program reduction	0	0	−4,300	0
Program reduction	0	−27,500	0	0
SENSOR AND GUIDANCE TECHNOLOGY	213,154	203,654	233,054	208,054
Enhanced global positioning receiver (GPX)	0	0	−5,600	−5,600
Low cost cruise missile defense airframe design and integration	0	0	−7,500	−7,500
Air directed surface-to-air missile demonstration (ADSAM)	0	0	30,000	0
Large millimeter telescope	0	0	3,000	1,500
GPS Guidance Package	0	6,500	0	6,500
GEOSAR (transfer to Army)	0	11,000	0	0
Tactical Radar/Discoverer II	0	−27,000	0	0
LAND WARFARE TECHNOLOGY	108,490	96,890	93,490	92,990
Reconnaissance, surveillance, and targeting vehicle	0	0	−9,000	−4,500
Tactical mobile robots acceleration	0	0	−3,000	−3,000
Situational awareness system program growth	0	0	−3,000	−8,000
Program reduction	0	−11,600	0	0
CLASSIFIED DARPA PROGRAMS	55,500	42,000	55,200	51,000
Program reduction—UCAV	0	−13,500	0	−4,500
PHYSICAL SECURITY EQUIPMENT	31,792	31,792	25,792	25,792
Analytic system software for safeguards and security	0	0	[3,000]	[3,000]
Program reduction	0	0	−6,000	−6,000
ADVANCED SENSOR APPLICATIONS PROGRAM	15,147	15,147	17,147	18,147
HAARP	0	0	2,000	2,000
Stochastic Resonance Technology	0	0	0	1,000
CALS INITIATIVE	1,863	11,363	6,863	7,863
IDE/continuous acquisition and life-cycle support	0	4,000	5,000	4,000
Commodity management	0	3,000	0	0
Paperless contracting	0	2,500	0	2,000
THEATER HIGH-ALTITUDE AREA DEFENSE SYSTEM—TMD	497,752	392,752	497,752	445,252
User operational evaluation system (40 missiles, spares)	0	0	−180,000	0
Demonstration/validation	0	0	180,000	52,500
User operational evaluation system (40 missiles)	0	−105,000	0	−105,000
NAVY THEATER WIDE	190,446	340,446	295,446	338,446
Program increase	0	150,000	70,000	120,000
Radar improvements competition	0	0	35,000	28,000
MEADS CONCEPTS—DEM/VAL	43,027	43,027	10,027	10,027
Program termination	0	0	−43,027	−43,027
Air directed surface-to-air missile demonstration (ADSAM)	0	0	10,027	10,027
JOINT THEATER MISSILE DEFENSE—DEM/VAL	176,846	176,846	209,346	207,846
Extended air defense testbed	0	0	7,500	6,000
Pacific Missile Range Facility TMD upgrades	0	0	20,000	20,000
Optical-electro sensors	0	0	5,000	5,000
Kauai test facility	0	0	[5,000]	[5,000]
FAMILY-OF-SYSTEMS ENGINEERING AND INTEGRATION	96,915	96,915	96,915	96,915
Air directed surface-to-air missile demonstration (ADSAM)	0	0	[10,000]	[10,000]
BMD TECHNICAL OPERATIONS	190,147	190,147	192,147	191,147

[In thousands of dollars]

	Budget	House	Senate	Conference
Advanced research center	0	0	7,000	6,000
Program reduction	0	0	−5,000	−5,000
HUMANITARIAN DEMINING	17,234	8,234	19,234	18,734
Acoustic technologies	0	0	[800]	[800]
Humanitarian demining	0	0	2,000	1,500
Program reduction	0	−9,000	0	0
JOINT ROBOTICS PROGRAM—ENG DEV	11,307	11,307	18,307	15,307
Joint robotics technology	0	0	6,000	3,000
Robotic combat support system [RCSS] with flailhead for demining	0	0	1,000	1,000
PATRIOT PAC–3 THEATER MISSILE DEFENSE ACQUISITION	137,265	177,265	182,265	182,265
TRANSFER OF FUNDS	0	40,000	40,000	40,000
PAC–3 air directed surface-to-air missile testing	0	0	5,000	5,000
JOINT THEATER AIR AND MISSILE DEFENSE ORGANIZATION	17,423	17,423	17,423	109,923
ADSAM Demonstration	0	0	0	92,500
INFORMATION SYSTEMS SECURITY PROGRAM	239,081	239,081	239,081	251,081
High security computational structure project	0	0	[500]	[500]
Protection of vital data	0	0	0	12,000
DEFENSE RECONNAISSANCE SUPPORT ACTIVITIES (SPACE)	40,504	30,617	48,504	44,609
IBS Transfer	0	−9,887	0	−3,895
Pacific disaster center	0	0	8,000	8,000
MANNED RECONNAISSANCE SYSTEMS	4,085	4,085	4,085	9,959
U–2 transfer	0	0	0	5,874
TACTICAL CRYPTOLOGIC ACTIVITIES	104,510	201,810	104,510	115,564
Adv Sensors transfer	0	0	0	6,359
Adv Technology (NSA)	0	0	0	8,641
DCP program decrease	0	0	0	−3,946
PARTNERSHIP FOR PEACE ACTIVITIES	1,957	5,957	1,957	4,957
International medical programs global satellite surveillance system	0	4,000	0	3,000
SPECIAL OPERATIONS ADVANCED TECHNOLOGY DEVELOPMENT	8,020	34,020	8,020	29,020
Advanced lightweight grenade launcher	0	1,000	0	1,000
Special reconnaissance capabilities program	0	25,000	0	20,000
SPECIAL OPERATIONS TACTICAL SYSTEMS DEVELOPMENT	106,238	106,238	113,238	107,738
Special operations intelligence vehicle	0	0	5,000	0
Light vehicle intercom system	0	0	2,000	1,500
SPECIAL OPERATIONS INTELLIGENCE SYSTEMS DEVELOPMENT	1,805	10,805	1,805	8,805
Joint threat warning system	0	4,000	0	2,000
Special operations intelligence vehicle	0	5,000	0	5,000
SOF OPERATIONAL ENHANCEMENTS	33,799	47,604	33,799	45,599
Advanced special warfare craft/vsv	0	6,000	0	6,000
Classified program	0	7,805	0	5,800

MISSILE DEFENSE

The conferees are concerned by recent evidence that the theater ballistic missile threat is emerging more rapidly and in a more sophisticated form than previously projected. Further, the recent ballistic missile launch by North Korea clearly demonstrates that longer range missiles, even intercontinental class, could soon be within the reach of our adversaries. Thus, world events continue to clearly validate the Defense Department requirement for national missile defenses as well as a mix of upper and lower tier TMD systems to defend U.S. interests and forward-deployed forces.

Testimony this year by the Chief of Naval Operations, Army Chief of Staff, and Director of the Ballistic Missile Defense Organization established that the department's two upper tier systems, THAAD and Navy Theater Wide, are complements, not substitutes, for each other. The conferees are concerned by the THAAD program's failure to achieve an intercept in five attempts. However, believing that additional testing is the appropriate course of action, the conferees have provided $445,252,000 to continue the THAAD Demonstration and Validation flight test program during fiscal year 1999.

The Navy Theater Wide program offers the capability to defend a large area against the medium and longer range ballistic missiles our adversaries are seeking to acquire. The deployability of Navy Theater Wide systems will allow this nation to respond to the theater ballistic missile threat whenever and wherever required. The conferees have a dedicated $338,446,000 to Navy Theater Wide development and strongly urge the Department of Defense to proceed aggressively with development and adequate testing.

The conferees have also provided $950,473,000 for the development of a national missile defense system. The conferees are pleased that this program is now poised to make critical progress given the recent NMD contract award. The conferees view NMD as a national priority and place full responsibility on the Department of Defense to prudently and aggressively complete the technical work and testing necessary for an effective national missile defense system which can provide protection for all 50 states.

The conferees also recognize the Airborne Laser as a high priority and promising program for our nation's defense. The program is proceeding on budget and schedule, and the conferees look forward to the results of ground demonstrations which will provide confidence in the capability of the ABL design.

INFORMATION SYSTEMS SECURITY PROGRAM (ISSP)

The conferees have agreed to provide a total of $251,081,000 for the Information Systems Security Program (ISSP); $12,000,000 over the amount proposed by both the House and the Senate. In its recommendation, the House included a $15,000,000 increase in a different program element and directed that the funding be transferred to the ISSP. The conference agreement reduces the recommended increase to $12,000,000 and funds the program in the correct program element, which eliminates the need for a transfer of funds. The additional $12,000,000 is for a new program to establish a clearinghouse for information related to the protection of vital systems data as addressed in the classified annex accompanying the House-passed fiscal year 1999 Department of Defense Appropriations bill.

SUPPORT TECHNOLOGIES—APPLIED RESEARCH

The conferees urge the Department of Defense to give strong consideration to the potential benefits, both military and civilian offered by the EXCEL Stern Cell process. Providing funding for the EXCEL program in fiscal year 1999 would ready technology for clinical trials and provide the nation with a new and aggressive treatment for individuals exposed to weapons of mass destruction.

GULF WAR ILLNESS

The conferees have provided $23,796,000 for Gulf War Illness research, an increase over the budget of $4,150,000. The conferees agree that within this increase, $3,000,000 may be provided for research into Gulf War Syndrome that includes multi-disciplinary studies of fibromyalgia, chronic fatigue syndrome, multiple chemical sensitivity and the use of research methods of cognitive and computational neuroscience.

NUCLEAR EFFECTS TESTING CAPABILITY

The conferees are concerned that insufficient resources and attention are being paid to ensure the continued survivability of weapon platforms and supporting C3I systems from the effects of a nuclear explosion, particularly in light of India and Pakistan's recent nuclear testing. With the termination of underground nuclear testing and the emerging nuclear capability of rogue states, there is an urgent national security requirement for continued above ground qualification and verification testing of new and upgraded military components and subsystems. The conferees agree that the current industry-based Defense Threat Reduction Agency X-ray simulator program should have increased funding for timely development of affordable pulsed power based x-ray test capabilities that were lost with the cessation of underground nuclear tests and encourage the Department to fund this program at adequate levels in future budgets.

DEVELOPMENTAL TEST AND EVALUATION, DEFENSE

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
DEVELOPMENTAL TEST & EVAL. DEFENSE:				
CENTRAL TEST AND EVALUATION INVESTMENT DEVELOPMENT	122,169	134,669	122,169	131,669

[In thousands of dollars]

	Budget	House	Senate	Conference
DEVELOPMENT TEST AND EVALUATION	96,253	96,253	94,253	94,253

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
CENTRAL TEST AND EVALUATION INVESTMENT DEVELOPMENT	122,169	134,669	122,169	131,669
Airborne separation video system	0	9,500	0	8,000
Roadway simulator	0	3,000	0	1,500

OPERATION TEST AND EVALAUTION, DEFENSE

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
OPERATIONAL TEST & EVALUATION, DEFENSE:				
LIVE FIRE TESTING	9,934	19,934	9,934	18,934

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
LIVE FIRE TESTING	9,934	19,934	9,934	18,934
Vulnerability assessments	0	4,000	0	4,000
Modeling and simulation	0	6,000	0	5,000

TITLE V—REVOLVING AND MANAGEMENT FUNDS

The conferees agree to the following amounts for Revolving and Management Funds programs:

[In thousands of dollars]

	Budget	House	Senate	Conference
Defense Working Capital Funds	94,500	94,500	94,500	94,500
National Defense Sealift Fund	418,166	673,366	669,566	703,366
Total, Revolving and Management Funds	512,666	767,866	764,066	797,866

DEFENSE WORKING CAPITAL FUNDS

The conferees agree to provide $94,500,000 for the Defense Working Capital Fund.

COMMISSARY FUNDING

In view of the Department of Defense decision to move the appropriations requested in support of commissary operations back into the Military Services' operation and maintenance accounts, the conferees expect to see a significant adjustment in the fiscal year 2000 budget request for the Defense Commissary Agency (DeCA) headquarters. The conferees direct the Department of Defense to report to the congressional defense committees on the adjusted responsibilities and purposes of the DeCA headquarters organization in light of this development, no later than December 1, 1998.

NATIONAL DEFENSE SEALIFT FUND

The conferees agree to provide $708,366,000, an increase of $290,200,000 to the budget request. The increase consists of $251,400,000 for a Large Medium Speed Roll-on/Roll-off (LMSR) ship, $28,800,000 to be transferred as specified in the House bill, and $10,000,000 only for Marine Corps' maritime prepositioning ship research and development.

In fiscal year 1997, the Congress provided $250,000,000 above the budget as an initiative to enhance the capabilities of the Maritime Prepositioning Force through procurement of two ships. The Congress recognized that these ships could not only significantly enhance the capability of the Marine Corps during combat operations but also provide a strategic national asset. In order to expedite fielding of the ships, the Marine Corps chose to convert used commercial ships rather than build new ones. The conferees recently discovered that, as was the case in conversion of used commercial ships for Army strategic sealift, the second and third MPF–E ship conversions have suffered significant cost and schedule difficulties. The conferees understand that the Navy issued a solicitation for the third MPF–E ship, but subsequently cancelled it after issues arose on the second ship. The conferees further understand that the Marine Corps must now divert a substantial amount of funds from the third ship to finance increased costs on the second ship in order to make it viable. Given the unfortunate recent events in this program, the conferees have rescinded $65,000,000 from the fiscal year 1997 funds for the third MPF–E ship and direct the Department of the Navy to use the remaining funds for the first two ships in order to keep their fielding on track. Since the third ship is no longer viable, the conferees agree to provide $10,000,000 only for maritime prepositioning ship research and development to begin work on design of a new-construction ship to meet MPF–2010 requirements. The conferees suggest that the CVN–77 ''transition-ship'' model, to bridge from the capabilities of current MPF sealift ships to the objective future configuration, should be considered. The conferees direct the Secretary of Defense to develop and budget for a new-construction maritime prepositioning ship program and to report by February 1, 1999 to the congressional defense committees on how technical issues in the MPF–E conversion program will be resolved and the new-construction program implemented.

The conferees also agree to rescind funding appropriated in fiscal year 1996 for the National Defense Features (NDF) program by $20,000,000 because of serious funding shortages. The conferees continue to believe that the NDF program would provide great benefits to the defense sealift capabilities of the nation. Therefore, the conferees direct that the remaining $20,000,000 funding be available only for the NDF program and that no funds may be reprogrammed from this program without the approval of the Committees on Appropriations.

TITLE VI—OTHER DEPARTMENT OF DEFENSE PROGRAMS

The conferees agreement is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Defense Health	10,055,822	10,127,622	10,337,322	10,149,872
Chemical Agents and Munitions Destruction, Army	855,100	796,100	780,150	780,150
Drug Interdiction and Counter-Drug Activities, Defense	727,582	764,595	742,582	735,582
Office of the Inspector General	132,064	132,064	132,064	132,064
Total, Other Department of Defense Programs	11,770,568	11,820,381	11,992,118	11,797,668

DEFENSE HEALTH PROGRAM

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
Epideremolysis Bullosa	0	1,000	0	1,000
Lyme Disease	0	0	[3,000]	[3,000]
Brain Injury	0	1,500	0	1,500
Breast Cancer	0	25,000	0	[25,000]
Molecular Genetics	0	4,000	0	3,000
Nervous System Studies	0	5,000	0	4,000
Ovarian Cancer	0	10,000	0	10,000
Personel Identification Carrier	0	7,300	0	5,000
Post Polio	0	1,000	0	1,000
POW Studies	0	1,000	0	750
Prostate Cancer Research	0	10,000	0	0
Non-invasive Prostate/Coronary Reversal	0	(2,500)	0	[2,500]
Proton Beam	0	6,000	0	4,000
Air Force Research Laboratory	0	0	(11,000)	(11,000)
Alaska Federal Healthcare Partnership	0	0	1,900	1,900
Brown Tree Snakes	0	0	1,000	1,000
Cancer Control Program	0	0	5,600	5,600
Center for Disaster Management	0	0	[760]	[760]
Disaster Management Training	0	0	5,000	5,000
Graduate School of Nursing	0	0	2,300	2,300
Military Health Services Information Management	0	0	10,000	8,500
Military Nursing Programs	0	0	5,000	5,000
Pacific Island Health Care	0	0	5,000	5,000
PACMEDNET	0	0	10,000	10,000
Uniformed Services University of Health Sciences	0	0	[8,310]	[8,310]
Medical Research and Development	0	0	250,000	19,500
USTF reduction	0	0	−14,300	0

PACMEDNET

The conferees have provided $10,000,000 to continue this activity, including implementation of automated clinical practice guidelines and outcome management on an individual, as well as a population, basis.

MEDICAL RESEARCH ACTIVITIES

Within the Defense Health Program, the conferees provide an additional $19,500,000 for medical research activities conducted by the Department. The funds are to be used for research that focuses on issues pertinent to our military forces.

Such efforts would include: alcoholism research; sleep management; chemical weapons treatment; disease management; healthcare information protection; lung research; laser eye injury/eye cancer research and treatment; mustard gas anecdote; prostate diagnostic imaging; retinal display technology for cardiovascular research; smoking cessation; neurological examination equipment; digital mammography; Paget's disease; and pediatric asthma. The conferees direct the Deputy Secretary of Defense to work with the Surgeons General of the Services to establish a medical research program that satisfies military objectives in this area.

ABLATABLE DISC LASER VISION CORRECTION

The conferees are aware of the successful clinical trials involving laser vision correction technology and believe this could have the potential to enhance the combat effectiveness, especially in critical night operations, for nearsighted military personnel. The conferees therefore encourage the Department to determine the cost-effectiveness, utility and desirability of ablatable disc laser vision correction technology for military personnel.

SMOKING CESSATION

The conferees agree that not later than 60 days after enactment, effective tobacco cessation products and counseling may be provided for members of the Armed Forces (including retired members), former members of the Armed Forces entitled to retired or retainer pay and dependents of such members and former members who are identified as likely to benefit from such assistance in a manner that does not impose costs on the individual.

CHRONIC DISEASE MANAGEMENT

The conferees strongly request that the Department conduct a study of chronic disease management and the provision of comprehensive care for chronically ill patients outside the hospital emergency room. The conferees believe that such a study may result in a reduction in the number of emergency room visits for chronically ill patients and therefore has the potential to provide savings and a better quality of life.

DENTAL CARE POLICIES

The conferees direct the Secretary of Defense to prepare and submit a report regarding the policies, practices and experience of the uniformed services pertaining to the provision of dental care to dependents, 18 years of age and younger, of active duty members of the uniformed services to the defense congressional oversight committees not later than March 15, 1999.

IMPROVING PATIENT CARE

The conferees are encouraged by Department of Defense efforts to reengineer medical care in accordance with Program Decision Memorandum (PDM) number 1, directed by the Under Secretary of Defense for Personnel and Readiness, the Director of Program Analysis and Evaluation and the Surgeons General. This initiative should improve inpatient and out-patient care in several major urban centers and provide for greater efficiency in the Military Health System. The conferees strongly urge the Department to continue such reengineering efforts and direct the Department to provide a report to the congressional defense committees on subsequent initiatives to accomplish these goals by February 15, 1999.

GALLO INSTITUTE

The conferees strongly support the comprehensive efforts of the Cancer Institute of New Jersey and commend the work of the Gallo Institute to address prostate cancer.

CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, ARMY

The conference agreement is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
CHEM AGENTS & MUNITIONS DESTRUCTION, ARMY					
CHEM DEMILITARIZATION—O&M	531,650	508,650	491,700		491,700
CHEM DEMILITARIZATION—PROC	140,670	124,670	115,670		115,670
CHEM DEMILITARIZATION—RDTE	182,780	162,780	172,780		172,780

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

The conference agreement is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Educate America's youth	12,830	13,730	12,830	13,730
Young Marines	500	1,400	500	1,400
Increase safety of Citizens	86,669	112,069	106,669	121,869
Indiana HIDTA	0	500	0	1,000
Gulf States Counter-drug Initiative C31	1,147	10,147	8,147	10,147
Gulf States Counter-drug Initiative RCTA	2,209	3,209	0	3,809
Multi-Jurisdictional Counter-drug Task Force	2,007	6,207	0	6,207
C–26 Aircraft Photo Reconnaissance Upgrade	0	5,500	0	5,000
Marijuana Eradication/Guard Counter-drug Activities	0	5,200	6,000	7,400
Kentucky	0	5,200	3,800	5,200
Hawaii	0	0	2,200	2,200

[In thousands of dollars]

	Budget	House	Senate	Conference
Northeast Counterdrug Training Center	0	0	2,000	2,000
Counternarcotics Center at Hammer, WA	0	0	5,000	5,000
Reduce health and social costs	72,936	72,936	72,936	72,936
Shield America's frontiers	301,334	325,334	329,334	306,334
National Guard Cargo/Mail Inspection	29,000	0	29,000	0
National Guard General Support	118,620	158,620	138,620	147,620
Southwest Border Fence	0	5,000	0	3,000
Caribean/eastern Pacific Surface Interdiction	8,500	12,500	16,500	8,500
Southwest Border Information Systems	0	4,000	0	2,000
Break drug sources of supply	253,813	240,526	220,813	220,713
Southern Air Force Counter-drug Support	26,416	7,416	26,416	22,416
Joint Interagency Task Force South	23,063	7,663	6,063	6,063
Operation Caper Focus	0	10,500	0	0
Civil Air Patrol	1,187	3,800	1,187	1,187
SOUTHCOM Observation/Spray Aircraft	0	8,000	0	0
Ground-based End Game—SOUTHCOM	27,660	27,660	17,660	23,660
Ground-based End Game—Mexico	16,000	16,000	10,000	7,900
Total	727,582	764,595	742,582	735,582

CARIBBEAN COUNTER-DRUG ENHANCEMENT

The conferees direct that up to $8,500,000 may be made available to support restoration of enhanced counter-narcotics operations around the island of Hispaniola, for procurement of 2 Schweizer observation/spray aircraft, and for upgrades for 3 UH–1N helicopters for Colombia.

OFFICE OF THE INSPECTOR GENERAL

The conferees agree to provide $132,064,000 for the Office of the Inspector General. Of this amount, $130,764,000 shall be for operation and maintenance activities and $1,300,000 shall be for procurement.

TITLE VII—RELATED AGENCIES

The conferees agree to the following amounts for Related Agencies:

[In thousands of dollars]

	Budget	House	Senate	Conference
Intelligence Community Management Account	138,623	136,123	134,623	129,123
Central Intelligence Agency Retirement and Disability System Fund	201,500	201,500	201,500	201,500
Payment to Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Trust Fund	15,000	15,000	25,000	25,000
National Security Education Trust Fund	5,000	3,000	3,000	3,000

INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT

Details of the adjustments to this account are addressed in the classified annex accompanying this report.

TITLE VIII—GENERAL PROVISIONS

The conference agreement incorporates general provisions of the House and Senate versions of the bill which were not amended. Those general provisions that were amended in conference follow:

The conferees included a general provision (Section 8005) which amends language concerning transfer authority.

The conferees included a general provision (Section 8014) which amends language requiring the Department of Defense to report to the Congress on contracting out Department of Defense functions performed by ten or more Department of Defense personnel.

The conferees included a general provision (Section 8033) which amends House language to earmark funds for the Civil Air Patrol.

The conferees included a general provision (Section 8034) governing the activities of defense federally funded research and development centers (FFRDCs).

The conferees included a general provision (Section 8056) which amends Senate language authorizing intelligence activities.

The conferees included a general provision (Section 8058) which amends language recommending rescissions. The rescissions are:

	Conference
Fiscal year 1988:	
Shipbuilding and Conversion, Navy: Excess funds	−$19,431,327
Fiscal year 1989:	
Shipbuilding and Conversion, Navy: Excess funds	−17,407,490
Fiscal year 1990:	
Shipbuilding and Conversion, Navy: Excess funds	−18,974,163
Fiscal year 1991:	
Shipbuilding and Conversion, Navy: Excess funds	−1,819,438
Fiscal year 1992:	
Shipbuilding and Conversion, Navy: Excess funds	−3,307,524
Fiscal year 1993:	
Shipbuilding and Conversion, Navy: Excess funds	−4,540,746
Fiscal year 1997:	
Research, Development, Test and Evaluation, Defense-wide: THAAD	−67,000,000
Missile Procurement, Air Force: Classified program	−8,000,000
Fiscal year 1998:	
Missile Procurement, Army: EFOGM	−12,800,000
Procurement of Weapons and Tracked Combat Vehicles, Army: MIAID	−6,700,000
Other Procurement, Army: NATO AGS	−24,000,000
Shipbuilding and Conversion, Navy: CVN Refueling	−35,000,000
Weapons Procurement, Navy: MA–31 target delay	−2,000,000
Other Procurement, Navy:	
NULKA decoy delay	−15,000,000
WLQ–4 cancelled requirements	−1,500,000
Type 8B Mod 3 periscopes, cancelled requirement	−3,000,000
Other Navigation Equipment, contract savings	−1,700,000
Pollution Control Equipment, decommissioned ships	−3,600,000
Other training equipment, BFTT contract savings	−1,400,000
AN/SQQ–62 sonobouy, contract savings	−2,300,000
Subtotal	−28,500,000
Procurement of Ammunition, Navy and Marine Corps: JDAM	−12,560,000
Aircraft Procurement, Air Force: F–15 Advance Procurement	−8,934,000
Missile Procurement, Air Force: Classified program	−4,200,000
Procurement of Ammunition, Air Force: JDAM	−14,106,000
Other Procurement, Air Force: Classified program	−3,508,000
Research, Development, Test and Evaluation, Navy:	
NATO R&D, Vector	−3,000,000
Navigation/ID systems	−1,000,000
Lightweight torpedo, contract savings	−1,500,000
High Power Discriminator	−15,000,000
Subtotal	−20,500,000
Research, Development, Test and Evaluation, Air Force:	
Terminated AAIS program	−3,200,000
NATO JSTARS	−7,000,000
Classified program	−7,420,000
Subtotal	−17,620,000
National Defense Sealift Fund:	
Defense features	−20,000,000
MPF–E third ship program delay	−65,000,000

The conferees included a general provision (Section 8080) which amends House language making funds available for Reserve peacetime support to active duty and civilian activities.

The conferees included a general provision (Section 8083) which amends a Senate provision transferring funds to cover unanticipated shipbulding cost increases.

The conferees included a general provision (Section 8090) which amends House language regarding the use of refunds from Government travel cards.

The conferees included a general provision (Section 8095) which amends a Senate provision requiring the Department of Defense to identify costs incurred by the Department of Defense to support the North Atlantic Treaty Organization.

The conferees included a general provision (Section 8099) which amends Senate language concerning reciprocal trade agreements and the condition under which the Secretary of Defense may issue waivers to the Buy America Act.

The conferees included a general provision (Section 8101) to provide permanent clarification of the application of the ''Brooks Act'' qualifications based selection (QBS) process to surveying, mapping, charting and geodesy contracts of the National Imagery and Mapping Agency (NIMA). The conferees expect the officials responsible for the Federal Acquisition Regulations (FAR) to strike and revise the last sentence of section 36.601–4(a)(4) of the FAR (48CFR 36.601–4(a)(4)) to define ''Surveying and mapping'' in such a manner as to include contracts and subcontracts for services for Federal agencies for collecting, storing, retrieving, or disseminating graphical or digital data depicting natural or man made physical features, phenomena and boundaries of the earth and any information related thereto, including but not limited to surveys, maps, charts, remote sensing data and images and aerial photographic services.

The conferees have included a general provision (Section 8105) which amends Senate language reducing funds available to the Department of Defense by $70,000,000 for efficiencies realized as a result of the Defense Reform Initiative.

The conferees included a general provision (Section 8106) which amends House language requiring the Secretary of Defense to submit an in-depths analysis of any proposed establishment or expansion of depot facilities by the Reserve components.

The conferees included a general provision (Section 8109) which amends Senate language on National Defense Stockpile Asset sales.

The conferees included a general provision (Section 8110) which amends House language related to the transfer of specific ships under certain conditions.

The conferees included a general provision (Section 8114) which amends House language regarding the Cavalese, Italy accident.

The conferees included a general provision (Section 8115) which amends Senate language regarding limitations on deployment of United States forces to Yugoslavia, Albania, or Macedonia.

The conferees included a general provision (Section 8116) which amends House language prohibiting the expenditure of funds on developing or modernizing any information technology or national security system until that system has been independently certified as Year 2000 compliant.

The conferees included a general provision (Section 8117) which amends House language requiring the Department to include Year 2000 simulations as part of their major military exercises.

The conferees remain concerned about the progress the Department is making in bringing its systems into Year 2000 compliance. However, the conferees are encouraged by the actions outlined in recent letters from the Secretary of Defense and Deputy Secretary of Defense regarding Year 2000 compliance. The conferees believe a strong and sustained effort by the Department is critical to minimizing the risk.

The conferees included a general provision (Section 8119) which amends Senate language requesting a report on the need for food stamp assistance by military families.

The conferees included a general provision (Section 8120) which amends House language prohibiting the Department from contracting with the People's Republic of China (PRC) or the People's Liberation Army of the PRC.

The conferees included a general provision Section 8124) which amends Senate language regarding a vessel scrapping pilot program.

The conferees included a general provision (Section 8125) which amends Senate language providing funds for work performed at Fort Wainwright, Alaska.

The conferees included a general provision (Section 8128) which amends Senate language to express a sense of Congress regarding the use of child soldiers in armed conflicts.

The conferees included a new general provision (Section 8131) which waives limitations on expenditures for the National Guard Youth ChalleNGe Program for fiscal year 1999.

The conferees included a new general provision (Section 8132) which allows the Air Force to convey surplus relocatable shelters.

The conferees included a new general provision (Section 8133) which amends Senate language regarding the donation of surplus dental equipment to Indian Health Service facilities.

The conferees included a new general provision (Section 8134), reducing funds in Title III, Procurement, by $142,100,000. The House had recommended reducing the budget request by $142,100,000 in Title II, Operation and Maintenance, in order to reduce total funding requested for advisory and assistance services. The conferees have instead agreed to levy a $142,100,000 reduction against Title III.

The conferees included a new general provision (Section 8135) which reduces funding available for the Military Personnel and Operation and Maintenance accounts by $193,600,000 due to foreign currency fluctuation.

The conferees included a new general provision (Section 8136) which reduces funding available for the Operation and Maintenance accounts by $502,000,000 due to declining prices for bulk fuel.

The conferees included a new general provision (Section 8137) concerning the Global Positioning System. Section 8137 requires the Secretary of Defense to develop strategy to protect the integrity of the GPS frequency spectrum against interference and disruption. The conferees expect this strategy to be devised with the support of the Secretaries of State, Commerce, and Transportation, the director of the Office of Science and Technology Policy, and interested user and industry representatives. The required report shall include plans for collection and analysis of test and demonstration data to be completed in time for presentation by the United States at the World Radiocommunications Conference 2000. The report shall also include recommendations for additional filings for both space-based and ground-based services, as appropriate, to meet civil safety-of-life applications within existing international spectrum bands allocated for radionavigation satellite operations.

The conferees included a new general provision (Section 8138) which requires the Secretary of Defense to submit a report regarding military deployment rates for each service.

The conferees have included a general provision (Section 8139) which amends Senate language directing the Secretary of the Air Force to convey property at the former Pease Air Force Base to the Town of Newington, New Hampshire.

The conferees have included a new general provision (Section 8142) which allows the Secretary of Defense to retain family housing at Fort Buchanan, Puerto Rico.

The conferees have included a new general provision (Section 8143) which allows the Secretary of the Navy to convey the Magnolia housing area to the City of Seattle, Washington.

The conferees have included a new general provision (Section 8144) which conveys an Army Reserve Center in Reading, Pennsylvania to the City of Reading, Pennsylvania.

The conferees have included a new general provision (Section 8145) which directs the Secretary of the Air Force to obligate up to $7,646,000 of previously appropriated funds for demolition and related environmental restoration of 31 buildings at the former Norton Air Force Base, California. Sufficient funds remain available for obligational adjustments within ''Base Realignment and Closure Account, Part I'' to absorb this cost within existing balances in the Base Realignment and Closure Accounts.

The conferees have included a new general provision (Section 8146) which establishes a cash objective and policy for unbudgeted operating losses in the Defense Working Capital Funds.

The conferees have included a new general provision (Section 8147) which addresses the Military Personnel Information Systems. The conferees concur in the direction in the House Report regarding military personnel information systems and the revised Defense Integrated Military Human Resources System (DIMHRS). Section 8147 establishes a revised DIMHRS program, a defense reform initiative enterprise pilot program for military and manpower personnel information systems. Manpower and personnel information systems shall include, but not be limited to, personnel, manpower, training, and compensation. Health and dependent systems should only be included for interoperability and coordination purposes. The conferees have provided the budget request for DIMHRS and the Navy Standard Integrated Personnel System (NSIPS) and direct that DIMHRS funding be used for the revised DIMHRS enterprise level pilot program. The conferees direct DoD to provide full funding for this revised program in future budget requests and defense plans. The conferees have provided an additional $38,000,000 in Operation and Maintenance, Defense-Wide and $12,000,000 in Procurement, Defense-Wide and direct these funds be obligated as directed in the House Report.

The Department shall identify, develop and approve strategic functional requirements for the current and revised enterprise DIMHRS program through the Under Secretary of Defense for Personnel and Readiness, and in full coordination with the individual services and Joint Chiefs, no later than nine months from the date of enactment of this Act. The DoD Chief Information Officer and Director, Program Analysis and Evaluation, shall establish and incorporate into the budget process mission performance goals and measures and identify functional savings resulting from business process improvements. The Department shall identify changes to the planning, programming, and budgeting system needed to implement the revised DIMHRS enterprise solution including, but not limited to, instituting program elements and activity based costing for this enterprise solution. The conferees direct that configuration management and budget oversight of all manpower and personnel legacy systems be centralized with day to day

operational management remaining with the services. The Department shall provide a report to the Appropriations Committees by May 1, 1999 on the revised enterprise DIMHRS, and how the revised program, budget changes and business process improvement changes comply with Appropriations Committee direction and with Public Laws 104–106 and 103–62.

The conferees included a new general provision (Section 8148) regarding a review of military compensation. The conferees are deeply concerned with the increasing demands placed on our military personnel, which affect the ability to recruit and retain the highly skilled personnel needed to maintain the all-volunteer force. Operating tempos, particularly for those forces deployed in support of contingency operations, are at historic high rates at the same time force structure has been reduced. People are working harder and under more challenging circumstances. At the same time, outside employment opportunities for highly skilled military personnel, especially in certain career fields, are readily available due to the nation's prolonged period of economic prosperity. In this environment, while none of our military personnel serve for financial advancement, we should not expect them to serve and suffer financial hardship.

These competing demands are being compounded by a widespread perception within the force that there has been, and will continue to be, a steady erosion in those programs associated with military compensation and benefits. For example, the conferees note that while the Administration has in recent years proposed increases in pay rates consistent with existing legal limits, those increases have not reversed the gap between military and private compensation. Of even more concern, it is becoming steadily more apparent that the changes in the military retirement system enacted in 1986 are having a direct impact on the services' reenlistment rates, and have raised fundamental questions of equity between those service members who are under the previously established retirement structure and those who have joined the force since 1986. Finally, the conferees continue to observe persistent problems in other programs intended to provide for an adequate quality of life for service members and their families, including medical care, housing programs, and family support programs. The conferees are convinced that these problems, coupled with the high level of demands being placed on the force and the effects of a healthy economy, are directly responsible for the emergence of downward trends in recruiting and retention of personnel. If these interweaving issues are not dealt with soon, and in a meaningful manner, the conferees fear it could inevitably result in a dramatic decline in the capability of the nation's armed forces.

The conferees believe that a long-term solution to these issues cannot be found by simply focusing on one aspect of these problems, such as pay or retirement, in isolation from the others. The complexity of these issues requires a more broad approach if the Department of Defense is to truly address the new and different demands confronting the military force of the future. Therefore, in Section 8148, the conferees direct the Secretary of Defense, in consultation with the nation's senior military leadership, to undertake a comprehensive reassessment of the array of existing compensation and benefit programs, and the need, if any, for changes in these programs in order to meet both future manpower and quality of life requirements. The conferees intend that this effort provide the underpinning for a total review of these programs and issues by both the executive and legislative branches as soon as possible, and therefore direct that the Secretary provide an interim report on these issues to the congressional defense committees within 60 days of the enactment of the fiscal year 1999 Department of Defense Appropriations Act. In order to provide for full consideration of these matters in the next Congress, the Secretary is also directed to provide his recommendations on these issues to the Congress in conjunction with submission of the fiscal year 2000 budget request.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1999 recommended by the Committee of Conference, with comparisons to the fiscal year 1998 amount, the 1999 budget estimates, and the House and Senate bills for 1999 follow:

New budget (obligational) authority, fiscal year 1998	$247,708,522,000
Budget estimates of new (obligational) authority, fiscal year 1999	250,998,803,000
House bill, fiscal year 1999	250,727,097,000
Senate bill, fiscal year 1999	250,518,092,000
Conference agreement, fiscal year 1999	250,510,548,312
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1998	+2,802,026,312
Budget estimates of new (obligational) authority, fiscal year 1999	−488,254,688
House bill, fiscal year 1999	−216,548,688
Senate bill, fiscal year 1999	−7,543,688

BILL YOUNG,
JOE MCDADE,
JERRY LEWIS,
JOE SKEEN,
DAVID L. HOBSON,
HENRY BONILLA,
GEORGE R. NETHERCUTT, JR.,
ERNEST J. ISTOOK, JR.,
RANDY ''DUKE'' CUNNINGHAM,
BOB LIVINGSTON,
JOHN P. MURTHA,
NORMAN D. DICKS,
W.G. (BILL) HEFNER,
MARTIN OLAV SABO,
JULIAN C. DIXON,
PETER J. VISCLOSKY,
Managers on the Part of the House.

TED STEVENS,
THAD COCHRAN,
PETE V. DOMENICI,
CHRISTOPHER S. BOND,
MITCH MCCONNELL,
RICHARD C. SHELBY,
JUDD GREGG,
KAY BAILEY HUTCHISON,
DANIEL K. INOUYE,
ERNEST F. HOLLINGS,
ROBERT BYRD,
PATRICK J. LEAHY,
DALE BUMPERS,
FRANK R. LAUTENBERG,
TOM HARKIN,
BYRON DORGAN,
Managers on the Part of the Senate.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain 10 one-minutes from each side.

THE STORY OF THE RIP VAN DEMOCRATS

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

Mr. PITTS. Mr. Speaker, remember the story of Rip Van Winkle, who slept for 20 years, then woke up and was surprised by all the changes that had taken place during his slumber? A lot of people do not know this, but Rip Van Winkle had some relatives, the Rip Van Democrats, who have also slept for a long, long time.

The Rip Van Democrats slept for 40 years, until waking up in 1995 to discover that the Republicans had taken over. But during those 40 years of slumber, their liberal friends were out plundering the Social Security trust fund and spending it on big government programs. When they woke up they were shocked, shocked to find out that the liberals had left not only Medicare teetering on the edge of bankruptcy, but Social Security as well. So their only recourse was to blame the Republicans for the mess that their liberal friends themselves had created.

That is the story of the Rip Van Democrats.

VIOLENCE AGAINST WOMEN

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

Mr. SCHUMER. Mr. Speaker, the Violence Against Women Act significantly changed the way law enforcement and social service agencies respond to women victimized by domestic violence.

Yet, between 50 and 70 percent of men who abuse their female partners also abuse their children. Children who witness domestic violence experience anxiety and depression and other mental disorders.

Thanks to VAWA, more mothers and children have left these horrendous conditions and begun life anew. But unfortunately for many mothers and children, a new battle begins over custody and visitation.

VAWA II, my new bill, will provide many more desperately needed supervised visitation programs in safe and secure locations. Child welfare workers will be trained to better serve victims, and laws that protect these mothers and children will be strengthened.

Mr. Speaker, that is just one more reason to support and bring to the floor the Violence Against Women Act II.

One need only pick up a newspaper to read stories about mothers and their children being injured or killed by the batterer during visitation exchange. The need for supervised visitation areas is great, but the need surpasses the number of available programs.

IN PRAISE OF THE PAYROLL PROFESSIONAL DURING NATIONAL PAYROLL WEEK (SEPTEMBER 14–18)

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

Mr. SHAW. Mr. Speaker, I would like to call attention to some of the unsung heroes in the child support enforcement process. The welfare reform bill we passed just 2 years ago took strong steps to ensure that all single parents receive child support payments. Providing child support officials with the tools they need to locate parents who owe child support was key to this effort.

The most important tool was information employers were required to report on every person they hire. These new hire reports are used to locate parents anywhere in this country and then to establish an order or enforce an existing order.

With new hire reporting, State child support enforcement agencies have the ability to issue income withholding orders much more quickly. None of this would be possible without the cooperation of employers, and specifically the payroll professionals who bear the major responsibility for this new hire reporting.

Payroll professionals are also responsible for withholding wages from paychecks and sending the money to custodial parents and children. The funds they withhold from workers amounts to more than half of the $13 billion in child support payments made nationally each year.

Few public policies are more important than child support, and no group is more important in this issue than employers in general and payroll professionals in particular. I wholeheartedly commend them.

AMERICA'S WORKERS ARE SICK AND TIRED OF FAST TRACK

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

Mr. TRAFICANT. Mr. Speaker, American workers are sick and tired of fast track. Take today's fast track, for example, another fast track that will send more American factories, more American investment, and more American jobs overseas, this time to Central America.

In return, America will get two used Ford pick-up trucks, another 50 tons of heroin and cocaine, and three baseball players, to be named later. Beam me up, Mr. Speaker. Washington does not need more lobbyists and lawyers to advise Congress. I honestly believe that a proctologist is in order down here. I yield back whatever common sense is left.

MEMBERS MUST DEFEND THE RULE OF LAW AND THE CONSTITUTION

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

Mr. GIBBONS. Mr. Speaker, this great country is struggling to find its way through the darkness of cynicism, distrust, and divisiveness, because this body and this administration tend to demagogue, to speak against others when we do not agree with them or their ideas or their philosophies.

We must realize that the foundation of this very government was based upon a rule of law and not a rule of man, a moral direction for a new country, and most importantly, a Constitution.

This foundation is what makes America so great, so strong. All men are created equal, and no man is above the law. Our Founding Fathers made the tough decisions on governance, on principle, on what was right and wrong, not on opinion polls and conjecture.

When we address the circumstances beset upon this President, we must remember that we are all bound by the Constitution, by the stable and forthright direction of our Founding Fathers.

The duty before us is an onerous one that requires each of us to summon the courage and the means to defend the rule of law, and to stand up and recapture the constitutional intent of James Madison.

SAVING THE SOCIAL SECURITY SURPLUS

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

Ms. WOOLSEY. Mr. Speaker, Social Security is one of our very successful programs here in the United States. It has well served more than 160 million workers and their families for nearly 60 years. But recently the majority leadership has put together a hasty proposal to spend a portion of our budget surplus on tax cuts, rather than invest it in the Social Security system.

I am a very strong supporter of needed tax relief for our families, but Mr. Speaker, robbing the Social Security system to pay for tax cuts would make it more difficult and painful, and in fact impossible, to deal with the serious problems facing our Social Security system. Spending the surplus now will suck security right out of the system.

We have a responsibility to future generations. Our responsibility is to ensure that our parents, our children, and their children have the base security of Social Security.

AN HISTORIC OPPORTUNITY TO GIVE TAXPAYERS THE FIRST BACK-TO-BACK TAX CUTS IN MODERN HISTORY

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

Mr. BLUNT. Mr. Speaker, so many of our colleagues are for tax cuts in the abstract, until there is money to actually give some relief to working families.

This week we have to deal with really what can be a defining moment in the history of this Congress. We have an opportunity to give American taxpayers the first back-to-back tax cuts in modern history.

Last year we had the first tax cuts in 16 years, and revenue increased as the Federal Government encouraged work and productivity. We have the unique opportunity for the second time in 2 years to let hardworking families keep more of their money.

It is unreasonable to spend the surplus on more government when American families are forced to spend 40 percent of their income on taxes. This plan has a win-win-win formula. It ensures the future of Social Security with $1.4 trillion. It simplifies the tax filing system. We begin the process of eliminating the marriage penalty, that currently forces 21 million couples to pay an average of $1,400 a year in extra Federal taxes because they are married.

Mr. Speaker, we cannot afford not to do a tax cut and give tax relief to working families this year.

SOCIAL SECURITY

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

Mr. MENENDEZ. Mr. Speaker, there is a lot of talk about values today, but we need to remember that every day the actions we take on the floor of this House say a lot to the American people about what our values really are.

So I will be proud to cast another vote for the Democratic plan to reserve the budget surplus, whose ink has not even dried yet, to save Social Security, and against the Republican plan to use the Social Security surplus to pay for tax cuts, because I value our senior citizens. I value the years of work they dedicated to raising our families, to building this Nation, and to defending our freedom. I will fight to make sure the benefits they deserve, the benefits they paid for, are there when they retire.

So when Members come to the floor to vote, they will have a clear choice of values: the value of playing election year politics with Social Security and the fiscal stability of this country, or the value of doing right by our senior citizens.

□ 0915

TAX RELIEF: JUST DO IT

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

Mr. SAM JOHNSON of Texas. Mr. Speaker, I think some of us have forgotten that Social Security under our plan is paid for totally. Within the next 10 years, all our debt can be retired.

Mr. Speaker, tomorrow this body is going to debate a tax relief bill that will ease the penalty married couples must pay under the current Tax Code. Right now in America, married couples pay more in taxes than two single people living together. That is just plain wrong. Why should we penalize the cornerstone of our society, the American family? We ought to encourage marriage, not penalize it.

We also set aside $1.4 trillion to protect Social Security. That is 90 percent of the surplus. President Clinton calls this, and I quote, ''a gimmick to please people.'' I urge my colleagues, do not believe him. The President has already proposed spending billions from the surplus on bigger government. He is the one with the gimmick.

We can protect Social Security and provide relief for our families. Let us just do it.

TAX CUTS TODAY WILL HURT AMERICAN WORKERS TOMORROW

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

Mr. WISE. Mr. Speaker, we are going to hear a lot today about there being a budget surplus, and that is the good news. But the surplus comes from the Social Security system. So what is the bill that is going to be on the floor today? To give an election year tax cut paid for out of using Social Security funds.

Mr. Speaker, I want a tax cut, too, for America's working families, but not by taking from Social Security.

We are going to hear about a 90–10 bill, that they are going to put 90 percent of Social Security aside where it cannot be touched. But we all know something. That is that we should not take 90 percent of Social Security to pay for anything else. We should not take 10 percent. We should not take one penny of the Social Security surplus to pay for something else. That belongs to America's retired.

I support a bill giving tax cuts but not until Social Security is preserved. In order to cut taxes today, we should not take from the benefits that American workers receive tomorrow. That is wrong.

REPUBLICANS WANT TO PRESERVE SOCIAL SECURITY FOR THE NEXT GENERATION

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

Mr. KINGSTON. Mr. Speaker, after 40 years of Democrat rule in the United States House of Representatives, what do we have? We have a national debt of about $5 trillion. Year after year, deficit spending. After 3 years of Republican rule, we have a surplus.

What do we have after 40 years of Democrat rule on Medicare? A Medicare system that was going bankrupt. What do we have after 3 years of Republican rule? A Medicare system that was saved and protected on a bipartisan basis.

Now on Social Security, after 40 years of Democrat rule, what do we have? $14 trillion that has been taken out of the Social Security trust fund and spent on roads and bridges and anything else, any special projects and wasteful spending the Democrats could dream up.

What are Republicans doing about it today? We set aside $1.4 trillion for the Social Security trust fund. Not one dime in 40 years of Democrat rule has been set aside and protected for Social Security. It has all been taken out and backed up with a Treasury bill.

Now Republicans are taking the step to look after not just American seniors for the next election but for the next generation.

SAVE SOCIAL SECURITY FIRST

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

Mr. WYNN. Mr. Speaker, we are about to engage in a momentous debate here in Congress, a debate about the future of America and about the really big issues, like saving Social Security.

On the Democratic side, we have a very simple proposition. If we have a surplus, we should use all of that surplus to preserve and save Social Security, because the baby boomers are coming. When they do, we will be insolvent. We do not have a full solution, but we do know that if we get some money into the Treasury, we ought to set it all aside to save Social Security.

Now, the Republicans have an election year gimmick. They say, let us run down here and propose a tax cut for the American people, and that way we can get elected because it is election year.

Mr. Speaker, the fact of the matter is that they are perpetuating a myth. They say it is a drain on the economy. Taxes are a terrible drain. The fact of the matter is that the economy is doing very well. Poverty is at an all-time low. Unemployment is at an all-time low. Business starts are increasing.

They say, well, taxes are a burden on the average taxpayer. Tax rates for the average American taxpayer are at the lowest point they have been since 1978. They say taxes are a disproportionate part of the gross domestic product. That is only because revenues increased because more people are working.

The fact of the matter is we should save Social Security first.

MAINTAIN TRUST IN SOCIAL SECURITY

(Mr. DOGGETT asked and was given permission to address the House for 1 minute.)

Mr. DOGGETT. Mr. Speaker, so much has been said in recent days about truth and about trust. How ironic it is that at a time the Nation is focused on truth and trust with one person, that the Republican leadership here in the House should choose that week to come in and challenge the Social Security trust fund, the very week the videotapes are released. It is no coincidence that they choose this time to violate the trust that millions of working Americans have placed in the Social Security trust fund.

With an election year gimmick, they propose to take monies that we were able to develop through the balanced budget agreement and use those monies for other purposes than for strengthening Social Security so that it will be there for future generations.

Mr. Speaker, remember how hard it was to get a balanced budget agreement? Initially, the Republicans wanted to take money from Medicare, millions of dollars from Medicare to fund tax breaks. We were able to overcome that, and we will also overcome this challenge to Social Security.

TAX CUT BILL WILL HELP EVERY SENIOR CITIZEN

(Mr. SOLOMON asked and was given permission to address the House for 1 minute.)

Mr. SOLOMON. Mr. Speaker, I am getting ready to bring up the tax cut bill, but I sit here and the one thing I will not miss when I retire January 1 is all this rhetoric about Social Security.

I represent Hyde Park, New York, the home of Franklin Delano Roosevelt. In 1933, he established this rainy day fund. It was a forced savings account so that the American people would have to put aside a little bit, so they would not become wards of the state when they finally get around to retiring, perhaps at 65 or later. Enough said on that.

Mr. Speaker, the tax cut bill that is coming up is going to relieve senior citizens who now have to pay penalties when they go out and work while they are drawing from that savings account that they paid into for 65 years.

We are going to raise that limitation from $14,500, which it is now, up to $17,000 with no penalty next year. After that, $18,500 with no penalty, and the year after that, $26,000.

Mr. Speaker, I urge my colleagues to come over here and stop all of this rhetoric and vote for the tax cut bill that is going to help every senior citizen in America.

REPUBLICAN TAX CUT PROPOSAL IS AN ASSAULT ON SOCIAL SECURITY

(Mr. PALLONE asked and was given permission to address the House for 1 minute.)

Mr. PALLONE. Mr. Speaker, let us make no mistake about it. The Republican tax bill is a direct assault on Social Security.

The budget surplus the Republicans want to use to pay for their tax cuts does not exist. The only portion of the Federal budget that is in surplus is the Social Security trust fund. In fact, without Social Security, the Federal budget would still be in a deficit this year.

Instead of voting on an $80 billion tax cut that is paid for by raiding Social Security, we should pass the Democratic proposal to save Social Security first. It would require by law that the entire amount of the Social Security surplus in each fiscal year be transferred to the Federal Reserve Bank in New York to be held in trust for Social Security.

Mr. Speaker, the point is that Democrats could support many of these tax cuts, and we could pass a tax relief bill, if the Republicans agreed to do it without using Social Security to pay for it. But they will not. They are not going to do that. That is why we have to vote down this Republican bill and save Social Security first.

NO SURPRISE THAT DEMOCRATS OPPOSE TAX CUTS

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

Mr. FOX of Pennsylvania. Mr. Speaker, is anyone at all surprised that the Democrats have found an excuse to oppose tax cuts this is year?

The very same Democrats who never once ever thought that billions and billions of dollars in spending were a threat to Social Security, now pretend that tax cuts would be.

There are more ironies here. The same party that did not put a dime aside to save Social Security during their 40 year ''reign of error'' now act as if they are concerned about raiding the Social Security trust fund.

The same party that refused to take Social Security off budget all of these years, in opposition to conservative proposals to create a more honest system, now recognize that the Social Security trust fund can be solvent while providing tax cuts.

The same party that has proposed billions and billions of dollars in new spending just this year straight out of the Social Security trust fund, now turn around and claim that tax cuts are a raid on that trust fund.

Mr. Speaker, the fact is we can have tax cuts and save the Social Security system at the same time, and we will do that for the American people.

A LOAD OF ROCKS

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

Mr. BERRY. Mr. Speaker, I am an East Arkansas rice farmer, and I remember a story an old fellow in my community told me when I first started farming. He said there was a man who came through during the Depression and he had a truckload of rocks. If a farmer would buy one of these rocks from him and put it where the irrigation water ran into their rice field, he claimed it would make them a lot better crop.

He said, ''You know, he sold some of those rocks.'' I said, ''How did it do? Did it make the crop better?'' He said, ''It was pretty hard to tell.''

Mr. Speaker, that is what these fellows are trying to do, is to sell the American people a load of rocks. I think it is a bad idea.

Mr. Speaker, we are all for tax cuts, but not if we have to rob the Social Security trust fund and our children's future to do it. It is a bad idea, and the American people need to recognize this load of rocks for what it is.

TRIBUTE TO TONY MOCERI, BOILERMAKERS LOCAL 363

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

Mr. SHIMKUS. Mr. Speaker, I rise today to honor Mr. Tony Moceri, who is to have the new Boilermakers Local 363 building in Belleville, Illinois, named in his honor.

Tony became a proud member of Local Boilermakers Lodge 363 in 1942. During his career, he served as assistant business agent and was elected business manager in 1966, where he served until 1984.

In addition to his regular job, Tony served proudly on the State Boiler Board, the Boilermakers Trades Committee, and Senator Charles Percy's Labor Task Force Committee, before retiring in 1984.

Mr. Speaker, I want to congratulate Tony for this honor and for his years of service, and I want to wish Tony and his wife, Vera, all the best for another 44 years.

THE CHOICE IS CLEAR

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

Mrs. KELLY. Mr. Speaker, Congress has less than 1 month to conduct the people's business. I think Congress should focus on the issue of tax cuts.

Republicans believe that Americans are overtaxed. Democrats believe that Americans are not overtaxed, and some of them actually believe that Americans are not taxed enough.

Republicans talk about tax cuts for all Americans. Democrats speak in terms of targeted tax cuts, which is a great way of saying that the middle-class, the backbone of America, will not be getting a tax cut.

Now, let us make a distinction between Democrats and so-called ''New Democrats.'' Democrats will raise taxes. New Democrats will talk about cutting taxes, but they will raise them once they get in office.

Mr. Speaker, if Americans believe that taxes are fundamentally a freedom issue, then Republicans are on their side. If they think that government knows best, then the Democrats are their friend.

To me, the choice is clear.

PROVIDING FOR CONSIDERATION OF H.R. 4578, PROTECT SOCIAL SECURITY ACCOUNT, AND H.R. 4579, TAXPAYER RELIEF ACT OF 1998

Mr. SOLOMON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 552 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 552

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 4578) to amend the Social Security Act to establish the Protect Social Security Account into which the Secretary of the Treasury shall deposit budget surpluses until a reform measure is enacted to ensure the long-term solvency of the OASDI trust funds. The bill shall be considered as read for amendment. The amendment recommended by the Committee on Ways and Means now printed in the bill shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto to final passage without intervening motion except: (1) one hour of debate on the bill, as amended, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) a further amendment printed in the Congressional Record and numbered 1 pursuant to clause 6 of rule XXIII, if offered by Representative Rangel of New York or his designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

SEC. 2. After disposition of the bill (H.R. 4578), it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 4579) to provide tax relief for individuals, families, and farming and other small businesses, to provide tax incentives for education, to extend certain expiring provisions, and for other purposes. The bill shall be considered as read for amendment. The amendment recommended by the Committee on Ways and Means now printed in the bill, modified by the amendment printed in the report of the Committee on Rules accompanying this resolution, shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto to final passage without intervening motion except: (1) one hour of debate

on the bill, as amended, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) a further amendment printed in the Congressional Record and numbered 1 pursuant to clause 6 of rule XXIII, if offered by Representative Rangel of New York or his designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

SEC. 3. (a) In the engrossment of H.R. 4579, the Clerk shall—

(1) add the text of H.R. 4578, as passed by the House, as new matter at the end of H.R. 4579;

(2) conform the title of H.R. 4579 to reflect the addition of the text of H.R. 4578 to the engrossment;

(3) assign appropriate designations to provisions, and conform cross references, within the engrossment; and

(4) conform provisions for short titles within the engrossment.

(b) Upon the addition of the text of H.R. 4578 to the engrossment of H.R. 4579, H.R. 4578 shall be laid on the table.

□ 0930

The SPEAKER pro tempore (Mr. KOLBE). The gentleman from New York (Mr. SOLOMON) is recognized for 1 hour.

Mr. SOLOMON. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentlewoman from Rochester, New York (Ms. SLAUGHTER), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, the resolution before us is a structured rule providing for consideration of two bills, H.R. 4578, the Protect Social Security Account, and H.R. 4579, the Taxpayer Relief Act of 1998. These are two extremely important measures for the American people.

First, the rule provides for consideration of H.R. 4578 in the House without intervention and point of order. The bill is considered as read and the Committee on Ways and Means amendment in the nature of a substitute now printed in the bill is considered as adopted.

The rule further provides for one hour of debate, equally divided and controlled by the chairman and the ranking minority member of the Committee on Ways and Means, the committee of jurisdiction.

The rule provides for consideration, without intervention of any point of order, of an amendment printed in the CONGRESSIONAL RECORD and numbered 1, if offered by the gentleman from New York (Mr. RANGEL) or his designee, which shall be considered as read and shall be debatable for 1 hour, equally divided and controlled by the proponent and an opponent.

Finally, the rule provides one motion to recommit with or without instructions.

Secondly, Mr. Speaker, after the disposition of H.R. 4578, the rule then provides for consideration of another bill, which is H.R. 4579, again, without intervention of any point of order. The bill will be considered as read, and the Committee on Ways and Means amendment in the nature of a substitute now printed in the bill, as modified by the amendment printed in the Committee on Rules report accompanying this rule, is considered as adopted.

The rule further provides for one hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means.

The rule further provides for consideration, without intervention of any point of order, of an amendment printed in the CONGRESSIONAL RECORD and again numbered 1, if offered by the gentleman from New York (Mr. RANGEL), which shall be considered as read and shall be debatable for 1 hour, equally divided and controlled by, again, the proponent and the opponent.

The rule also provides one motion to recommit with or without instructions.

Finally, the rule provides that in the engrossment of H.R. 4579, the Clerk shall add the text of H.R. 4578, as passed by the House, and that upon the addition of the text, H.R. 4578, shall be laid on the table.

Mr. Speaker, the rule and the two bills before us demonstrate that we can achieve two very, very important goals: We can save Social Security, and we can cut taxes.

The package before this House today, and Members ought to look at this, because the American people are looking at it the taxpayers of this Nation are looking at it the package before the House today sets aside 90 percent of the projected budget surplus over the next 10 years. We are very, very fortunate today that based on the philosophy of Ronald Reagan and Reaganomics, we have had this surging economy now for all these years, very unusual in the history of this Nation. But it has happened because of major, major tax cuts that were implemented way back in 1981. That pumped money back into the pockets of people so that they could either spend it on things they wanted to spend it on, whether it was on buying a house, buying a car, educating their children, or saving it so that they would have monies available to them later on when they got around to retiring.

So let me just repeat one more time, this package before the House today sets aside 90 percent of all of that new projected surplus that is rolling into the coffers of this Nation, and that is about $1.4 trillion over the next 10 years. That money is set aside to help replace the monies that have been legitimately and legally stolen out of the Social Security trust funds.

Now, the remaining 10 percent of that surplus, which is only $80 billion of the $1.4 trillion, $80 billion is used to provide tax relief to families, to farmers, to small businesses across this Nation.

Mr. Speaker, the issue before the House today is really quite simple. Do we believe that the American people, both families and businesses, deserve lower taxes? It is as simple as that. Of course, we know what the answer is. It is unequivocally yes.

As the chairman of the Committee on Ways and Means said so eloquently during debate in my Committee on Rules meeting yesterday, when testifying before our committee, he said the tax burden on American families is higher today than at any previous point in our peacetime history.

That means we are taking more money out of the pockets of people than ever in peacetime before. This vibrant domestic economy, driven by the hard work of both main street and Wall Street, Mr. Speaker, deserves a break. A tax cut now will provide taxpayers with more flexibility in establishing important consumer and investment priorities for families.

For instance, let me give Members an example, the Taxpayer Relief Act of 1998 will provide marriage tax relief for over 48 million married taxpayers. How many? Forty-eight million married taxpayers will receive an average tax cut of $243 per tax return.

You may not think that is much, Mr. Speaker, but I had five children. And my wife and I were struggling for a long time. And lo and behold, I came to this Congress about 20 years ago, I do not know what the salary was in those days, about $37,000 or something, but we struggled to educate those kids. I will tell you, do you know what $247 extra means? It means an awful lot. It means an awful lot to my family. It would have meant a lot to us.

Six million married taxpayers who currently itemize deductions on their returns will no longer need to do so. That means you do not have to go out and hire an accountant. Do you know what it costs the average family, a young couple, because of the complicated tax system? They are going to go out and spend 2-, 3-, 4-, 5-, $600, maybe even $1,000, if they happen to be a small businessman or family running a small business. And in this bill, these 6 million married taxpayers who currently itemize deductions on their returns will no longer need to do so. This represents tremendous simplification.

Many of the provisions of this bill simplify the tax code and result in the elimination of several tax forms that taxpayers currently are required to file.

Again, if you are a small businessman, like I was, you find the cost of doing business is so great because of all of the Federal and State and county, town, city, village, and local mandates. Aything we can do to relieve that is going to help make these businesses and these families prosper. That is what this bill does.

In addition, 68 million taxpayers are provided tax relief by excluding from taxation a portion of the interest and

dividend income received. Let me repeat that. Sixty-eight million taxpayers are provided tax relief by excluding from taxation a portion of that interest and dividend income received.

This will provide very visible tax relief for families by allowing them to keep portions of interest income that they now have to pay taxes on, even from small savings accounts. You have a small savings account with maybe $1,000 or $2,000, right now you have to pay 100 percent tax on that. This is going to give relief to these families, tax free, and simplify their tax filing.

And I think this is more important, because we have heard a lot of rhetoric, every morning we have one-minutes in this House, where Members can come down. And the Democrats line up over here and the Republicans over here, and we hear all this rhetoric. I hope that we will follow my infinite wisdom and do away with those things or put them at the end of the day and not have it stir things up in the morning. We have heard a lot of rhetoric about Social Security.

Let me tell you what this bill does for Social Security, this tax cut bill. This bill increases the Social Security earnings limit, thereby increasing the amount of money seniors can earn without losing Social Security benefits, something I have been trying to accomplish in this body for years.

My wife is drawing a Social Security check. She worked all of her life, and now she is in a part-time business. She sells real estate. And now she has earned more than the $14,500 limit, and she has had to pay back the meager I think it is about $4,000 that she had gotten she has to pay all that back. Yet that was from a forced savings account. She was forced to put aside, in Social Security all these years, her own money. Now the government is taking it away from her.

Well, this year that limit is $14,500. And now, under this bill, next year we are raising it up to $17,000. That means my wife, your wife, all the people out there on Social Security now can earn $17,000 and not pay that two-for-one penalty that should not be there at all. Then the following year, 2 years later, the limit is going to be raised to $18,500.

Do you not think that is going to make a difference to people who are living on a fixed income? Then 3 years later, in other words, in the total of a three-year period, we are raising that to $26,000. That means that a man and wife can go out and they can earn a little bit of extra money, and yet they will not have to pay a penny of their Social Security back if they earn less than $26,000. That is what this bill does.

Now, another major tax relief is the 100 percent health insurance deduction for the self-employed and farmers. It is accelerated to take full effect on January 1, 1999, providing 3.3 million taxpayers an average tax benefit of $382 in 1999, $382 into the pockets, again, of a couple who own a small business or a farmer who is trying to live on about $25,000 in income.

Credit under the estate tax, or what is otherwise called the death tax, is accelerated to take full effect on January 1, 1999. Again, I do not know about all the rest of my colleagues, but I represent the Hudson Valley in upstate New York. It has the Catskills on one end, the Adirondacks on the other. In between are very, very small dairy farms, 50 head each. It is the 20th largest dairy producing district in America. One would not think that in New York, would they, from Arkansas over there? And we have apple orchards. But these people have trouble keeping the new generation on the farm because it is so difficult, first of all, even to make a living. And secondly, they cannot even inherit the farm because of the inheritance tax.

What this does is move the credit under the estate tax up to make it fully effective January 1, 1999. And it means that those farms now are going to be turned over to the children. And we are going to be able to keep them operating.

This, combined with other small business and agriculture provisions, will provide needed and immediate tax relief to many family-owned small business and family farms, many.

Mr. Speaker, key tax relief is also provided this is something that is very close to me to military personnel by making it easier for our Nation's men and women in uniform to qualify for the capital gains tax relief on the sale of a home due to the fact that their duties often require them to be away from home for long periods of time. They lose the capital gains benefit that the ordinary citizen would have when they sell their home. Civilian homeowners can take advantage of it. Our military personnel cannot do that. So that is a glitch in the law, and we are making a correction.

The Taxpayer Relief Act also will extend various expiring tax incentives necessary to grow the economy, such as research and experimentation tax credits, very, very important.

It also extends the work opportunity tax credit and the welfare to work credit, which is extremely important.

Finally, the bill before us today includes landmark language which authorizes the creation of 20 renewal communities designed to help fight poverty.

□ 0945

This is extremely important to Members on both sides of the aisle. Patterned after the work of the gentleman from Oklahoma (Mr. WATTS), the gentleman from Missouri (Mr. TALENT) and the gentleman from Illinois (Mr. DAVIS), these communities would be eligible for capital gains tax relief, increased expensing for small businesses, wage credits for workers, deductions for cleaning up brownfields—very, very important—a commercial revitalization tax credit, and tax incentives for Family Development Accounts. This is an historic initiative aimed at addressing the travesty in impoverished rural and urban areas throughout our country.

Mr. Speaker, in closing let me just address those of my colleagues who claim that the surplus tax revenue generated by hard-working men and women of this country should be kept here in Washington and not used for tax cuts. This is something that just gets under my skin. First, let us remember that the tax revenue that pours into this city from all over this country does not belong to us, it does not belong to the government. Rather, it belongs to those who sent it here, the taxpayers of this Nation. When the taxpayers send the government more money than is necessary to run it, the government is duty bound to return that excess.

Second, everybody knows, and, believe me, all Members know it we are going through it right now everybody knows that any dollar not nailed down to a Federal program in Washington, D.C. is a spent dollar. We know the Congress is going to spend those dollars. In order to prevent the frivolous spending of taxpayer dollars the government does not need, we must cut taxes and give them back to the American people. That is exactly what this bill does.

Cut taxes and save Social Security by voting for this rule and for these two bills. It is the responsible thing to do. My grandson told me that this morning. He said, ''Granddad, it's the right thing to do.'' Ladies and gentlemen, it is the right thing to do. Come over here and vote for this rule.

Mr. Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I thank the gentleman from New York for yielding me the customary 30 minutes and I yield myself such time as I may consume.

(Ms. SLAUGHTER asked and was given permission to revise and extend her remarks.)

Ms. SLAUGHTER. Mr. Speaker, I rise in strong opposition to this rule. The rule sets the stage for Congress to take up a destructive, irresponsible set of proposals that will simultaneously raid the Social Security trust fund and explode the deficit. This package threatens to destroy our hard-won budgetary discipline and send us, like Alice in Wonderland, through the looking glass into a place where long-standing budget rules do not apply and a budget deficit is called a surplus.

This rule will allow Congress to consider H.R. 4578 and H.R. 4579, the Tweedledum and Tweedledee of budget politics. The first bill, H.R. 4578, would set aside a portion of the Social Security surplus in a mythical special reserve account where it would supposedly be saved. The second bill, H.R. 4579, would use the remainder of the Social Security surplus to pay for tax cuts. It is bad enough that these proposals are irresponsible and shortsighted. To make

matters worse, we are being denied a full and open debate on them. The modified closed rule does a disservice to the American people by barring the gentleman from Texas (Mr. STENHOLM) from offering his alternative. The Stenholm proposal would cut taxes without raiding Social Security or threatening to increase the deficit. Unfortunately this fiscally responsible bill was banned from the House floor in favor of the majority's reckless plan to raid future retirees' savings. In addition, constructive proposals sponsored by the gentlewoman from California (Ms. SANCHEZ) and the gentleman from Connecticut (Mr. MALONEY) were denied the opportunity for floor consideration.

Mr. Speaker, H.R. 4578 and H.R. 4579 illustrate how the majority is indulging in creative accounting to invent a surplus that they can use to justify tax cuts. Over the next five years our Nation is projected to have a Social Security surplus of $657 billion and a budget deficit of $137 billion. The majority is using the Social Security surplus to cancel out that budget deficit and declare a total budget surplus of $520 billion free for the taking.

But as my colleagues can see, the surplus is not a real surplus. It is a mirage. It is a surplus of Social Security taxes which we need to hold in reserve for that approaching day when Social Security begins to have financial problems. The Federal budget will remain in deficit or just barely in balance until at least the year 2005 even assuming the economy remains as robust as it is now. Federal Reserve Chairman Alan Greenspan has warned repeatedly that our economy could take a downturn which could wipe out the surplus and multiply the cost of the proposed tax cut.

H.R. 4578 places 90 percent of the Social Security surplus in a reserve account in the U.S. Treasury. This account is nothing but a budget gimmick. There is nothing to prevent Congress from spending these funds in the future. If the majority is spending the surplus on tax cuts now, what will stop them in the future for using it for other purposes? The majority is referring to their proposal as the 90–10 plan. I would suggest that that means if you live to be 90 you might get 10 percent of the Social Security benefits you are due.

Democrats are committed to reserving all, 100 percent, of the surplus for Social Security. Our alternative will place the entire surplus in a special account in the New York Federal Reserve Bank where Congress is completely unable to reach it. This is the only proposal that guarantees the surplus will be used solely to save Social Security and not for politically irresistible goodies.

Democrats support tax cuts. Most of the proposals in the majority's package were originally Democrat bills. But we will not cut taxes without paying for them. The Democratic alternative includes all the same tax cuts but provides they will not take effect until Congress has enacted legislation to preserve Social Security. Social Security is a Democrat program, and we have always kept our promises to the Nation's seniors. We will again before we start making new promises to Americans. The Democratic alternative enacts tax relief and saves Social Security.

I would like to note that the majority's misguided proposal has no chance of becoming law. The President has vowed to veto any proposal that raids the Social Security surplus to pay for tax cuts. Americans should recognize this tax bill for the cynical election-year ploy that it is. Democrats will protect Social Security while Republicans protect their majority.

We should save Social Security first. This bill is an unwelcome flashback to the Reagan era of deficit spending. The majority's proposal places in jeopardy the Social Security benefits of over 44 million older Americans, many of whom rely on their benefits as their sole source of income. While we would all like to cut taxes, we cannot do so at the expense of the balanced budget and the Social Security trust fund. We owe our senior citizens and all Americans better than that.

Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. WYNN).

Mr. WYNN. Mr. Speaker, I thank the gentlewoman for yielding time. If it is an election year, it must be time for a tax cut. At least that is what the Republicans think. And they do not really care how they finance it. We on the Democratic side like tax cuts, too. In fact, we voted for tax cuts last year because they were paid for within the budget. They were paid for in the context of a balanced budget. This year, though, the Republicans are not worried about that. They are going to raid the Social Security trust fund to pay for tax cuts. That is not right.

The fact of the matter is we do not even have a surplus yet and if we get one, we do not know how much it is going to be. So we ought to at least let the ink dry on the surplus before we start giving it away. More importantly, if the surplus is not as great as we think it will be or if there is a downturn in the economy, we will not have those revenues but we will have shortchanged the Social Security trust fund.

Americans believe that Congress ought to deal with the big issues. The big issue facing our society is how we will deal with Social Security when the baby boom generation moves into its senior years.

We on the Democratic side have a simple proposition. Any revenue we get, any and all of that surplus ought to be set aside for that rainy day. The Republicans are saying, ''Well, let's shave a little bit off and give it away.'' The problem is, that will raid the Social Security trust fund and will not maximize the security we ought to provide for our seniors.

Now, they will come down and tell you, ''We've got this terrible tax burden and that's what we're really fighting against.'' The fact of the matter is the economy is doing very well. Unemployment is down, employment is up, interest rates are down. They say, ''Well, there's a burden on the average family.'' Let me tell you this: The tax rates on the average American family are at its lowest point since 1978. We want to give tax breaks when we can pay for them, but if we cannot pay for them, we do not believe we ought to jeopardize the Social Security trust fund. We ought to put all the surplus back into the trust fund to protect long-term national interests.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia (Mr. WISE).

Mr. WISE. Mr. Speaker, I rise to oppose this rule. We hear a lot about there being a surplus but the reality is it is in Social Security. I have the greatest respect and friendship for the distinguished chairman of the Committee on Rules. He is irrepressible when it comes to the Reagan years, and certainly President Reagan was a strong President in many ways. He was also strong because he left us the strongest deficit in history. We went from $70 billion to $200 billion and deficits as long and far as the eye can see according to a former Reagan aide.

So what does this bill do? It continues the same pattern, because you cut taxes, that was part of the Reagan formula, and yet you do not do anything really about the spending. I do not support election-year tax cuts that come from Social Security.

Now, they say they are going to put 90 percent of it in a lock box. But my question is, if you are going to save 90 percent of Social Security, why not save 100 percent? What happened to that radical idea, 100 percent of Social Security? I support tax cuts but not until Social Security is preserved.

The irony to this is the American worker pays into Social Security, you are going to tell them that you are giving them a tax cut and yet the tax cut is going to come at the price of what they have been paying into for many years for their retirement.

I look at this, a lot of us, whether we are parents or grandparents or whatever take our children to McDonald's. And so what this does is, you drive in, you give them a Happy Meal today, then you take the hamburger and the fries and what the worker is left with is a plastic googol toy that after the first five minutes ends up as election-year junk in the back of the car.

Mr. Speaker, this is simply taking for election-year purposes, giving a tax cut at the expense of Social Security. What my constituents, 300,000 senior citizens in West Virginia, hundreds of thousands of more getting ready to retire, what they say is save Social Security first, then look at the tax situation.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. RANGEL).

(Mr. RANGEL asked and was given permission to revise and extend his remarks.)

Mr. RANGEL. Mr. Speaker, if I could have a statement today on this rule which I oppose, it would be to my dear friend and fellow New Yorker (Mr. SOLOMON). Because the gentleman from New York is leaving this great body, but he leaves with a great reputation as a feisty fighter for all of the things that he has believed in all of his life as a true American and a true Marine. I feel awkward, because having moved to be the senior member of the Committee on Ways and Means, some of the ways I used to think have now been replaced by having the responsibility of not being able to express my liberal ways the way I used to enjoy them before.

I would believe that if a surplus was there, spend the darn thing. Put it in education, build some houses, let America's quality of life be a little better. As far as Social Security is concerned, what the devil. If we do not have money for the check, the country is not there, anyway, so forget it.

But that is not the way Americans have been thinking. The Republicans have been so good at telling us if you do not have the money, you do not spend it. They have been so good in saying you pay as you go. They have been so good in saying that we have got budget rules, that you cannot even do it without violating the very principles of the House. Yet this rule today would allow us just to waive all of the disciplines that we have learned to work together in a bipartisan way to respect.

The whole idea of having a tax cut that you cannot pay for is repugnant to everything I thought Republicans stood for. For those reasons and others, I oppose the rule.

□ 1000

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. PALLONE).

Mr. PALLONE. Mr. Speaker, I want to tell my colleagues what my constituents are saying about this bill and why they want me to oppose this Republican tax plan.

What they are saying is that a few years ago; I think it was in the 1970s; this Congress passed a tax increase in order to provide more money for the Social Security Trust Fund through the payroll tax essentially because there was a recognition that in a few years there would be a lot more baby boomers who turned 65 and we would need more money in the Social Security Trust Fund to pay benefits for that baby boom generation. But that money now is being borrowed by the general revenue, by the budget in general, used for purposes other than Social Security, and now we are being told that even though that surplus is there in the Social Security Trust Fund to be paying benefits in the future, we are going to take even more of it and spend it on a tax cut that primarily, I would say, goes to wealthy individuals.

Well, my constituents are saying that that is not fair, it is not fair to raise taxes on the average guy, on his earnings, on his payroll tax and then take it away in a tax cut when that money is supposed to be saved for the future when it has to be paid out in benefits. And my constituents are saying what Congress is telling me is that the money is not going to be there to pay out the benefits when I get to be 65 even though I have been paying more to make sure that it is there. And then they are saying we know what is going to happen in the future. We are going to have to raise taxes because we have taken the money away that supposedly we were saving.

So the consequence of this Republican action is that 5–10 years down the road we are going to have to raise taxes more, most likely, on that wage earner, on the payroll taxes, to make sure money is there for Social Security or, alternatively, that there will be pressure to cut back on Social Security benefits, to cut back on the COLA, to raise the age before one can get Social Security or to even suggest other kind of crazy ways to deal with retirement because there is no money in Social Security.

This is wrong, and that is why we have to vote against this rule and vote against the Republican tax cuts.

Ms. SLAUGHTER. Mr. Speaker, I yield 1½ minutes to the gentleman from Arkansas (Mr. BERRY).

Mr. BERRY. Mr. Speaker, I rise today in support of a tax cut but not to raid the Social Security Trust Fund.

My esteemed colleague from the 17th District of Texas (Mr. STENHOLM) yesterday introduced a rule before the Committee on Rules that would provide for a tax cut but not to rob the Social Security Trust Fund, and that is what we should do.

This rule waives the budget rules that got us to the balanced budget; it throws it out the window. It says what we have been doing is the wrong thing to do. This is how we get to a $5 trillion debt. We owe the American people more than this. We owe them more than to rob Peter to pay Paul.

Yesterday in the Committee on Rules the point was made that was quite outstanding that said we have got to spend this money before someone else does. I cannot think of a more ridiculous idea or a less responsible idea than this.

These folks have a heart as big as a washtub, as they say where I come from. We are going to rob Social Security on one hand and leave our constituents in poverty at age 65, but we are going to give them a small tax cut before we do that.

Let me urge my colleagues to vote against this rule and vote for responsible fiscal management.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I do not think I heard right. The gentleman from Arkansas said he heard something upstairs that Republicans want to spend this money before somebody else does.

We want to cut taxes and put the money back into the pockets of people.

Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. SMITH), one of the most fiscally responsible Members of this body.

Mr. SMITH of Michigan. Mr. Speaker, first of all, I invite the gentleman from New York (Mr. RANGEL) to come over and join the Republican party. We still believe in that philosophy that he is starting to think.

Mr. Speaker, I am disappointed that there is so much rhetoric, and we are shy on some upright honesty on what is happening in Social Security.

First of all, let me suggest that with a unified budget deficit last year of over $20 billion, this year, in that same way that we figure surplus and deficit, we are going to have a surplus of $70 billion. And let me also suggest that almost every Democrat on that side of the aisle last year voted for the tax cuts even though we had a much larger deficit than we do this year. And what happened? Because of the fact that there is some way to treat taxes to make it more fair to stimulate the economy we have ended up bringing in more tax revenue this year, and it has been a stimulus to a stronger economy in this country. That is part of the solution, long term, to any Social Security solution.

Let me additionally suggest, Mr. Speaker, to whoever might be listening to our debate, that neither approach, the Rangel amendments, nor this rule, move in the direction of saving Social Security. All we are saying is, let us start paying down the public debt a little bit, and that is good. That is going to help a little bit. But what we are really going to have to do to save Social Security is to increase the return on the investment that working men and women in this country are putting into their Social Security tax.

Right now, Mr. Speaker, the Tax Foundation says that, on average, they are going to have a negative return on that money that they pay into Social Security. A negative return; the estimate is between a negative ½ and a negative 1½. What we have got to do to save Social Security is have a better return on that investment. We cannot continue as a pay-as-you-go program for Social Security. So, all of this pretense that we are setting the money aside is just that, it is pretense.

I went to the Committee on Rules, and my amendment in the Committee on Rules, and that is my disappointment, Mr. Speaker, with the Committee on Rules; my amendment incorporated my House Bill 4033 that says from now on when the government borrows money from Social Security it should be marketable, negotiable

Treasury bills. It is not that today. They are just blank IOUs, as will this new account be. It also said that from now on OMB and CBO, the administration and Congress' budget people, will not consider the surplus coming into the Social Security Trust Fund as revenue in terms of defining a deficit or a surplus.

I think the important thing as we start solving Social Security, that we be up front, that we be honest with the American people.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. DEFAZIO).

Mr. DEFAZIO. Mr. Speaker, there is going to be a lot of talk today on the floor of the House about a surplus. Let us get one thing straight. There is no surplus. The so-called surplus, 100 percent of it is the Social Security Trust Fund. We are overcollecting today in Social Security taxes. Seventy-three percent of Americans pay more in Social Security taxes to the United States Government than they do income taxes, with the idea that that money will be available tomorrow and the day after to pay future Social Security benefits.

But guess what? The Republicans want to spend that money today. They want to over collect from 73 percent of the American public with the false promise of Social Security being there in the future, and they want to spend that money tomorrow in a new tax cut. That is the worst of bait and switch. At least they could have the guts to do both bills on the same day and say to the American people, ''Yes, we are spending your Social Security and tax cuts that will flow to a different group of people than paying the tax, but we think that's good policy. And don't worry, we'll somehow honor your benefits 10 and 15 years hence.''

This is bad legislation. The Republicans know it is bad. They want to give tax cuts. Yes, actually they are not bad tax cuts for the Republicans, probably the best tax cuts the Republicans have ever proposed because they are trying to hang Democrats out to dry. But we are not going to be hung out on the line here. It is the Republicans that are being hung out because they are spending the Social Security Trust Funds. They are not protecting the Social Security Trust Funds. What a magnanimous gesture. They will only spend 10 percent of them, and they will put the other 90 percent in a phony account in the Treasury that will be immediately borrowed and spent on other things.

Mr. Speaker, this provides zero protection for Social Security. What is worse, it spends the Social Security Trust Fund of tomorrow on tax cuts today.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. MENENDEZ).

(Mr. MENENDEZ asked and was given permission to revise and extend his remarks.)

Mr. MENENDEZ. Mr. Speaker, I rise against the Republican rule in the bill because it does not put Social Security first, it does not put senior citizens in this country first who work to build communities, families and to protect the country, it does not protect working families who are paying the FICA taxes for both their future security and their present security of their parents and grandparents and because it is fiscally irresponsible.

On the tax bill this rule that we are considering would automatically adopt a provision to waive the budget law, and what does that law say? It requires that all tax cuts be fully paid for. The provision is intended to keep the country, the reason that law exists, is to keep the country from returning to the days of creating huge tax breaks at the expense of the deficit in terms of going back to that credit card mentality.

Instead of following the path of fiscal responsibility, Mr. Speaker, Republicans have irresponsibly decided to dip into the Social Security Trust Fund for tens of billions of dollars to pay for the costs of these tax cuts even before any action has been taken to deal with Social Security's long-term solvency.

Now where are my friends from the CATs, the conservative action teams? As my colleagues know, we are constantly talking about being fiscally responsible. How is it that my colleagues can begin to spend money, how is it possible to begin to spend money before the ink even dries on a projected surplus? That is clearly not fiscally responsible.

And this question about a separate account; the separate account has no lock, has no guarantee, has no provisions to preserve Social Security. It is fiscally irresponsible, it does not put our seniors first, it does not put our country first, and it does not continue us on the path of fiscal stability.

The fact of the matter is, if we want to put our seniors first and working families, we should reject the rule, reject the bill and adopt the Democrat proposal.

Ms. SLAUGHTER. Mr. Speaker, I yield 4 minutes to the gentleman from Texas (Mr. STENHOLM).

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

Mr. STENHOLM. Mr. Speaker, I rise in strong opposition to this rule. All Members who care about fiscal discipline, all Members who care about the Social Security system, all Members who care about the legacy we leave for future generations should vote against this fiscally irresponsible rule.

I was sincerely disappointed that the Committee on Rules choose to report a rule which did not allow for consideration of the bipartisan Stenholm-Berry-Neumann amendment which would require that tax cuts be paid for out of general revenues and prohibits funding a tax cut out of the Social Security surplus. Once again the Committee on Rules denied a free and open debate on an issue of which some of us on both sides of the aisle feel are very important. That is the reason why everyone should oppose this rule, Mr. Speaker.

The Stenholm-Neumann amendment would establish the common-sense position that we should wait until a true budget surplus materializes before tax cuts which are not paid for take effect.

The rule does make in order a Rangel substitute that delays implementation of the tax cuts until the Social Security trust fund is restored to actuarial balance. I will support the Rangel substitute because it would make the underlying bill more responsible and add meaningful protections for the Social Security trust fund. However, the Stenholm-Neumann amendment would have set a significantly tougher standard by requiring us to balance the budget without using the Social Security trust fund surplus. The vote on the rule will be the only opportunity Members will have to express support for the principle set forth in the Stenholm-Neumann amendment that we should not be funding a tax cut from the Social Security trust fund.

Let me be clear. I, too, support tax cuts, but not if they are paid for with Social Security Trust Funds. We should not talk about budget surpluses so long as we are counting Social Security Trust Fund. Under current projections there is no surplus available to use for tax cuts unless we are willing to use Social Security Trust Funds.

The substitute amendment that Mr. NEUMANN and I proposed contained all of the tax cuts in the package reported by the Ways and Means Committee, but would add a requirement that any tax cuts which are not paid for be delayed until we have an on-budget surplus large enough to pay for the tax cut without relying on the Social Security trust fund surplus. This amendment would have ensured that the tax cut is not funded out of the Social Security surplus, and establishes the position that we should wait until the surplus materializes before tax cuts which are not paid for take effect.

We should not talk about budget surpluses so long as we are counting the Social Security trust fund surplus. Under current projections, there is no surplus available to use for tax cuts unless you are willing to use the Social Security trust fund surplus.

Over the next 5 years, CBO estimates the surplus of Social Security Trust Funds will be $520 billion, of which 657 of that 520 is Social Security Trust Fund. Over the next 10 years, it takes 10 years before we find $31 billion that are not Social Security Trust Fund.

Enacting a permanent tax cut that is not paid for would result in continued deficits into the future as far as the eye can see.

In a letter sent our earlier this week, the Concord Coalition warned us that ''the election year temptation to use Social Security surpluses for other purposes will lead to a dangerous breakdown in fiscal discipline.'' We should maintain the discipline that has put us on a path to a truly balanced budget that puts Social Security off budget once and for all by 2002.

The West Texas tractor seat common sense I hear when I go home also reminds me that we should not count our

chickens before they are hatched. The surplus exists only in projections, not reality. According to CBO, a recession similar to the 1990–1991 recession would turn the projected surplus into a deficit.

Even a modest slowdown in economic growth could reduce revenues and increase spending by tens of billions of dollars, quickly turning a projected surplus into a deficit. Lawrence Lindsey, a Republican economist and former Federal Reserve Governor, warned that the surge in income taxes that has contributed to the surplus in the unified budget may not continue, arguing that ''The prudent thing to do when you enjoy a windfall from some good luck is to save it, you might need the cushion in bad times.''

□ 1015

I cannot believe my friends on the other side of the aisle are not taking a conservative approach to the economy today, when everyone is saying that is what we should be doing. People out in West Texas know that when we get a little extra money, our first priority should be to pay off our debts, particularly if we have a debt.

We should use the opportunity presented by the strong economy and improved budget projections to reduce the $5.4 trillion national debt, instead of leaving that burden for future generations. The current projections of a budget surplus follow years of deficit spending that has resulted in a national debt of $5.4 trillion. Federal Reserve Chairman Alan Greenspan, former CBO Director Rudy Penner and countless other economists have told us that the best course of action for the economy is for Congress to use the surplus to reduce the debt. Reducing the national debt will help maintain a strong economy by reducing interest rates and increasing the amount of savings available to the private sector to invest in the most effective way possible.

The senior representative in my State in the other body the other day echoed the view that I share when he said, ''I think I know the people I represent would agree we ought to save social security. I do not have to see a poll to know that.''

We have a tremendous opportunity to prepare for the retirement of the baby boom generation by reducing the debt and reforming entitlement programs.

I have worked extremely hard over the last 3 years in a bipartisan effort with the chairman, the gentleman from Arizona (Mr. KOLBE), the gentleman from South Carolina (Mr. MARK SANFORD), the gentleman from Michigan (Mr. NICK SMITH), and other Members on both sides of the aisle to bring us to a point where we are seriously discussing the long-term reforms necessary of the social security system. The task of enacting meaningful social security reform will be even harder if we use the projected budget surplus for a short-term, politically attractive tax cut.

Members know that. I know that. Anyone that is serious knows there are going to be transition costs. We should not spend it today.

I also strongly oppose this rule because it includes several major waivers of the Budget Act discipline. This legislation represents one of the largest violations of the budget enforcement rules since the enactment of the Budget Enforcement Act.

At the same time that the Committee on the Budget is considering legislation that would take a positive step towards making it harder to waive the Budget Act, we are being asked to vote for a rule that makes at least four major waivers of the Budget Act. These are not routine waivers of technical violations of the Budget Act, but are major, substantive waivers of budget discipline.

I hope that my colleagues who have joined me over the years in complaining about waiving the Budget Act would join me in opposing now the blatant violation of budget discipline in this rule.

The gentleman from New York (Mr. SOLOMON) and I have joined in this fight so many times over the years, when the gentleman was in the minority and I was in the majority, and I was differing with my party. The gentleman and I stood on this floor and said, we should not do this. Today, Mr. Speaker, the gentleman is bringing a rule that does it, and he is waiving it. I cannot believe it that the gentleman is doing that.

Mr. Speaker, the exemption from the PAYGO rules that allows the bill to be funded out of the Social Security surplus instead of being offset by spending cuts or revenue increases is a dangerous step toward weakening existing budget enforcement rules. The pay-as-you go budget rules have put us on a path to a balanced budget. Now is not the time to be waiving, suspending or otherwise violating our budget discipline rules. The recent volatility of world financial markets makes it even more critical that we reaffirm our commitment to maintaining the discipline that has produced a dramatic improvement in the federal budget and a strong economy.

The conservative thing to do with the budget surplus is to be conservative. It is extremely important that we follow the path of fiscal responsibility and take advantage of this opportunity to preserve the Social Security system for future generations. The bill before us, for all its merit, would undermine fiscal discipline and jeopardize our ability to preserve Social Security. I strongly encourage all members who are committed to maintaining fiscal discipline and maintaining the integrity of the Social Security trust fund to vote against this rule so that the House may consider a tax cut that is not funded out of the Social Security trust fund.

Vote down this rule and let us do what the country needs.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just say that I respect every Member of this body. I love all of them. The gentleman from Texas is one of my best friends. However, sometimes we have to ask whose ox is being gored here?

I heard the gentleman stand up here and say that he is for tax cuts, but he is not going to vote to cut taxes if it is going to have anything to do with Social Security. Yet, I am looking at a bill here that just passed the House September 15. It was a bill that spent billions of surplus funds on the agriculture emergency bill. It is the same surpluses. Then it was okay to spend it, but no, it is not okay to cut taxes with it now.

Mr. Speaker, I am just looking at the whole list of all my good friends on that side of the aisle. Every one of them—I just drew the line here—every one voted for that surplus bill. Spend those surpluses, take it out of that Social Security. Yet, when we start talking about 48 million Americans that are married taxpayers, we cannot spend some of the surplus on them. We cannot give them a tax break. We cannot give 6 million other Americans an exemption on their itemizations. We cannot give 68 more million Americans a tax exemption on their interest on their income.

Mr. Speaker, I yield 2 minutes to the gentleman from Morris, the south suburbs of Chicago, Illinois (Mr. WELLER).

(Mr. WELLER asked and was given permission to revise and extend his remarks.)

Mr. WELLER. Mr. Speaker, I thank the gentleman for yielding me the time.

We can tell this is an election year, with the political rhetoric we are hearing. People are talking about the social security trust fund, and of course politicians say a lot of things in an election year, particularly 6 weeks before the election.

As a member of the Subcommittee on Social Security, I thought I would share with everyone here, the Social Security Administration says that the tax cuts we are going to vote on tomorrow eliminate the marriage tax penalty for a majority of those who suffer. It will have no impact on the social security trust funds.

In fact, in response to a question by the gentleman from Texas (Chairman ARCHER), ''As a result of the tax bill being considered by the committee today, will there be any impact on the monies in the social security trust fund,'' the chairman asked Judy Chesser, deputy commissioner of the Social Security Administration, she had a very simple answer: ''No.''

So if we want to be honest about this, this legislation has absolutely no impact. The tax cuts have absolutely no impact on the social security trust fund. Let us be honest today. The Social Security Administration is honest. All politicians should try and be honest once in a while.

Mr. Speaker, this is an exciting day. Let us think about it. As a result of last year's balanced budget, we now have projected a $1.6 trillion surplus. Today we are going to vote to set aside $1.4 trillion to save social security. What a victory. 2 years ago we had massive deficits. Today we have that opportunity to save social security, setting aside $1.4 billion.

I was one of those who stood up and applauded in January of this year when

the President said, let us take the surplus from the budget and use it to save social security. I applauded. In fact, I stood up like everyone else in this room, and said, good idea. At that time the surplus was projected to be $600 billion. Today we are going to vote to set aside more than twice what the President asked for, $1.4 trillion.

I have heard a lot of messages in the forums and town meetings I have had on social security in the south suburbs and south side of Chicago: Keep politics out of it, use most of the surplus to save social security, and let us eliminate the marriage tax penalty.

Ms. SLAUGHTER. Mr. Speaker I yield 2 minutes to the gentleman from Maryland (Mr. CARDIN).

(Mr. CARDIN asked and was given permission to revise and extend his remarks.)

Mr. CARDIN. Mr. Speaker, I thank the gentlewoman for yielding me the time.

I oppose this rule, Mr. Speaker, and I am very disappointed that the Republican leadership is bringing this forward. We have worked very hard for the past 6 years to bring in a balanced budget, including the 1993 economic program on deficit reduction, that we passed without a single vote from the Republican side of the aisle. But we did come together, Democrats and Republicans, on budget discipline.

The pay-go rules were put in for a reason. The pay-go rules say very simply that we cannot spend money unless we have a way to pay for it. We cannot cut taxes unless we have a way to pay for it. It is very simple.

Yes, we have voted for tax cuts, we did last year, but we paid for them. We did not take it out of the surplus. We paid for it. Yes, we can fund true emergencies through the budget rules without waiving the budget rules, because that is the rules we are operating under. But we cannot cut taxes, we cannot raise spending, unless we pay for it under the pay-go rules.

What do the Republicans do? They bring out a rule that waives the pay-go rules. It says that ''We waive pay-go requirements with respect to a bill making the revenue loss not covered under pay-go,'' the height of hypocrisy. If they did not do that, they would have a Medicare cut next year of $6.7 billion under sequestration; the year after that, $8 billion. They did not want that to happen, but they did not want to pay for it.

That is wrong. There is no surplus, but for the fact that social security is running a cash surplus. We do not have any surplus to spend. It is very possible that we are going to enact permanent tax cuts, and then what happens two or three years from now, if we do not have the money they are talking about, it is not going to be 10 percent of the projected surplus that comes about as a result of social security, but it could be 20 percent, 30 percent, or 40 percent. That is wrong. That is why we worked together, Democrats and Republicans, for budget discipline rules.

I urge my colleagues to reject the rule.

Ms. SLAUGHTER. Mr. Speaker, I yield 4 minutes to the gentleman from South Carolina (Mr. SPRATT).

(Mr. SPRATT asked and was given permission to revise and extend his remarks.)

Mr. SPRATT. Mr. Speaker, I thank the gentlewoman for yielding time to me.

Mr. Speaker, in a week, just a week, the government will declare a budget surplus for the first time in 30 years. This is a landmark achievement, and in large measure it is the result of rigorous budget rules that Congress enacted in 1990, in 1993, and in 1997, which were followed consistently. Now, on the verge of the first surplus in 30 years, the House is about to throw budget discipline to the wind and dissipate the surplus before we have even declared it, even put it in our pockets and realized it.

When we did the budget summit agreement with President Bush in 1990, we adopted something we call colloquially the pay-as-you-go rule. Congress extended that rule in 1993, we extended it again in 1997, because it has worked. It has been the foundation of our fiscal discipline, and it has been a major factor in bringing the budget to balance.

Under that statutory rule, increases in entitlement spending or decreases in taxes have to be fully offset. If not offset, the initiatives have to be paid for. They are entered on a pay-go scorecard, and money is sequestered at the end of the fiscal year which otherwise would go to the farm program or Medicare or Medicaid, certain selected entitlement programs.

We all know there is a unified budget surplus over the next 5 years, but we also know that when the surpluses in the social security trust funds are backed out, the budget is in deficit by $137 billion.

If this rule is enacted and if H.R. 4579 is enacted, we will raise that deficit from $137 billion to $217 billion, and postpone the date when we are truly in surplus well beyond the year 2008. This is backpeddling. This is the first step down the slippery slope. When we are finally at the point of success, we are about to blow it.

I support tax cuts. I find a lot of the provisions in this tax bill very appealing. But I think it is a mistake to dispense with our budget rules and the budget discipline that has brought us this far in order to pass this bill.

The rule for H.R. 4579, everybody should note this, everybody should know it when they vote for it, has to bust the budget rules, has to break the budget rules and the discipline that we have established in four different ways for this bill to come to the floor.

First of all, it has to amend the tax bill to provide the pay-as-you-go requirements, to override these pay-as-you-go requirements which are present, which this Congress reaffirmed and extended just last year. We have to override them altogether.

It is buried here. It is the last paragraph in this thing. It says, ''Upon the enactment of this Act, the director of the Office of Management and Budget shall not make any estimates of the changes and receipts under section 252 of the Balanced Budget and Emergency Deficit Control Act of '85 resulting from the enactment of this Act.'' In other words, disregard fiscal reality.

Secondly, we have to violate section 306 of the Budget Act, which says that only the Committee on the Budget, not the Committee on Rules, can change statutory budget rules like the pay-go rule.

Thirdly, this rule waives section 311 of the Congressional Budget Act, in effect because the tax bill cuts go well beyond the tax cuts that we explicitly agreed to in last year's budget agreement and implemented in the Tax Relief Act of 1997.

Fourth, the rule must waive section 303 of the Congressional Budget Act, because it amends the revenue law before Congress has agreed to a budget resolution for this year. We do not have a budget resolution. We passed one in the House, the Senate passed one. We never even had a conference. The rules say that we cannot do this until we have adopted a budget resolution.

This is a long list of violations which we will waive. They are serious, not trivial violations. I urge that we stick with the fiscal discipline that has brought us to this day on the verge of a surplus, and not throw budget discipline to the winds. Let us vote against this rule.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am just surprised to hear the gentleman, whom I have great respect for. He was a member of the Committee on the Budget in 1993, along with the gentleman from Minnesota (Mr. SABO). They asked for the same kind of waivers, but for spending, not for tax cuts. In 1997, the same thing happened, for spending, not for tax cuts.

By the way, if there is an attempt to defeat the previous question and to make in order the Stenholm substitute, it, just like the Rangel substitute, requires the same kind of budget waivers. Let us get that straight, so Members, when they come over here, know what they are voting for.

Mr. Speaker, I yield 2 minutes to the very distinguished gentleman from Staten Island, New York (Mr. VITO FOSSELLA).

(Mr. FOSSELLA asked and was given permission to revise and extend his remarks.)

Mr. FOSSELLA. Mr. Speaker, I thank my good friend, the gentleman from upstate New York, for yielding time to me.

Mr. Speaker, I am very happy that we are having this discussion, this debate, and indeed the opportunity to

vote on this rule, because really, what we have is providing the American people, people on Staten Island and Brooklyn, the opportunity to determine what side here is for providing more tax relief for the American people, more tax relief for married couples, better opportunities for small business owners, and what side just wants to keep all our hard-earned money here in Washington for more big government, more spending, more bureaucracy.

□ 1030

I think the issue is clear. Frankly, I believe the American people are taxed too much. I think they work hard every single day. When their paycheck comes every couple of weeks or every month, or when they are filing their taxes, they recognize that they pay too much in taxes.

The reality is, we want to send that money back to the people, whether it is in Staten Island or Brooklyn or San Diego or anywhere across this country.

Last year, there was a debate about cutting taxes on hard-working Americans to stimulate our economy and allowing people to keep more of what they earned. We were told that there was a budget deficit and that we could not afford to cut taxes.

Now we are told that there is a budget surplus and we cannot afford to cut taxes. This is the logic that defies ordinary Americans. If we have a deficit and a surplus and we cannot afford to cut taxes in either case, then when can we?

The reality is that we have a great opportunity today to support a rule and underlying legislation that brings tax relief to hard-working married couples, to small business owners across America. Let us get the money out of Washington back to Staten Island and Brooklyn and across this great country where it belongs. Where people who work hard every single day who created the surplus, not the people here in Washington, the Americans, let us give them the tax relief they need.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma (Mr. WATKINS), an outstanding Member.

(Mr. WATKINS asked and was given permission to revise and extend his remarks.)

Mr. WATKINS. Mr. Speaker, I stand in support of the bill. I think we all need to be grateful from the standpoint of being able to balance the budget. One of the reasons why I returned to Congress, was to do anything I could do to balance the budget, and also to try to provide some tax relief for a lot of the working families in this country.

We can also be very proud of the fact that we are setting aside 90 percent of the projected surplus to help protect and secure Social Security. A 90 percent set-aside or $1.4 trillion is more than any other time in the history of our country. An historic record breaking amount of dollars that we are willing to set aside to protect Social Security.

Also, as one of the previous speakers said, President Clinton, proposed a set-aside in January, of approximately $600 billion. We are setting aside over twice as much; $1.4 trillion is over twice the amount that President Clinton proposed in January.

So, I think we can be very thankful with what we have done to protect Social Security. The 10 percent will help save our farmers and our ranchers. Let me share with you what that 10 percent does.

One, it allows us to provide income averaging with a 5-year carryback to farmers and ranchers. And let me tell my colleagues, my farmers and ranchers who are hurting with low prices and the worst crisis since the Great Depression. They feel that the 5-year carryback is one of the best provisions they could possibly have to help them survive through this time.

It also allows 100 percent deductibility on health insurance for the self-employed. We are not only talking about farmers and ranchers being able to have health insurance, but also the small business on Main Street. Most of them are self-employed and they do not have the opportunity to have health insurance today, or they are not allowed to have 100 percent deducted.

A lot of ministers are under this provision of being self-employed. This is something that they have been wanting for a number of years.

The elimination of the marriage penalty which affects millions of people across this country. This is a good working family middle-class tax cut and our senior citizens will receive 90% or $1.4 trillion to help protect Social Security well past the year 2030.

Ms. SLAUGHTER. Mr. Speaker, I want to urge my colleagues to join me in opposing the rule. Vote ''no'' on the previous question.

Mr. Speaker, I ask unanimous consent to insert the text of the amendment that will be offered if the previous question is not ordered at this point in the RECORD.

The SPEAKER pro tempore (Mr. KOLBE). Is there objection to the request of the gentlewoman from New York?

There was no objection.

On page 4, line 1, strike ''and (3)'' and after the semicolon, add the following:

''(3) a further amendment printed in the Congressional Record and numbered 2 pursuant to clause 6 of rule XXIII, if offered by Representative Stenholm or his designee, which shall be in order without intervention of any point of order, which shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (4)''.

Ms. SLAUGHTER. Mr. Speaker, I yield the balance of my time to the gentleman from Texas (Mr. GREEN).

The SPEAKER pro tempore. The gentleman from Texas (Mr. GREEN) is recognized for 30 seconds.

Mr. GREEN. Mr. Speaker, I rise in opposition to the rule, the bill, and in support of the Democratic substitute.

For too long this Congress has had the habit of using the Social Security trust funds to hide the true amount of our deficit. Now Republicans want to use the Social Security trust fund to inflate the value of the budget surplus.

This money should not only be saved, but it needs to be saved to ensure the solvency of the Social Security program. Let us be honest about the budget. It is only in balance because of Social Security. If we remove Social Security trust funds from our budget calculation, we would still have a deficit.

This bill to supposedly save 90 percent of the surplus for Social Security is a sham. By supporting this bill, the Republicans are doing nothing more than taking from America's seniors to pay for a tax cut.

Democrats want to save 100 percent of the surplus to pay for a program that has worked well for seniors and their families but is in need of repair—Social Security.

By voting for the Republican fig-leaf bill and against the Democratic substitute, Republicans are voting to cut the money available for strengthening Social Security.

Mr. SOLOMON. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I want my colleagues to read this sign here. It says: Social Security Administration says the tax cut plan has no impact on Social Security trust funds. Quote, ''As a result of the tax bill being considered by the committee today, will there be any impact on the monies in the Social Security trust fund? No.''

Now, who said that? It is Mrs. Judy Chesser, Deputy Commissioner, Office of Legislative and Congressional Affairs, Social Security Administration of the Clinton administration.

Is that clear?

Later on this year, before we adjourn in the next couple of weeks, we are going to be voting on some very critical things where we have to come up with emergency monies. One of them is Bosnia. Ever hear of it? We have to pay for it. Y2K, billions of dollars. We have to pay for it. Disaster aid in New York and California and all across this country. We have got to pay for it. National security, we have to pay for it.

As I pointed out before, 178 Democrats did not hesitate for a minute to come on this floor 2 weeks ago and vote to spend billions of dollars of these surpluses—spending it, not cutting taxes. Now today we want to put aside 90 percent of these funds, 90 percent of over $1.5 trillion and save that for Social Security. But we want to take 10 percent of it and we want to give 87 million Americans a tax break in this country, all middle-income, low-income Americans that need the help.

Mr. Speaker, what is this all about? I urge Members to come over here and vote for the rule and let us vote for the Social Security bill and then let us vote for the tax cut bill.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise to speak against this rule, which governs the debate on two separate bills that gravely affect our Social Security and tax systems.

This rule prohibits the free and open debate of the social security system. It only allows for one amendment to be made on each of these important bills, that effect the lives and livelihoods of millions of Americans around the country.

Social Security is an extremely important program. For many Americans, it provides their only source of retirement. Their only source for sustenance after they retire from work. Both of these bills threaten the stability of their accounts. They take part of the money, that should entirely be set aside on their behalf, as was contracted the moment that funds were garnered from their paychecks, and put it towards election-year tax cuts. Such important legislation should not be unreasonably limited in debate, or in deliberation, as they are here today.

H.R. 4578 purports to save Social Security, but any elementary school teacher would be quick to stamp it ''incomplete''. It puts aside only a portion of the hard-earned money of the American people. The Republicans admit it is a 90–10 plan. They acknowledge that 10% of the Social Security Fund is left unprotected. I say that 10% is 10% too much.

The Democratic substitute for this bill sets aside every penny of Social Security and places it into the New York Federal Reserve for safekeeping, away from lawmakers looking to earn quick votes. I intend to vote for the substitute, and hope that its passage signals to the Republicans that their efforts to bring about tax cuts do not have to come at the expense of the people around the country.

Now, this resolution does allow for one Democratic amendment to H.R. 4579, which takes funds out of the Social Security surplus and uses it for tax cuts. Tax cuts that are intended to benefit the middle class. However, to truly ensure that the middle class will receive the benefits, those cuts must be carefully targeted. Targeting requires careful debate and deliberation. Under this rule, we are afforded neither. We get only one substitute.

Furthermore, under this rule, H.R. 4579 ''self-executes'', meaning that a portion of the Budget Act is waived automatically! The Budget Act requires that all tax cuts be fully paid for before being enacted. Why is that waived in this case? Because the Republicans know that there is no surplus to spend. It is prima facie evidence that this bill takes money away from the Social Security Trust Fund.

I urge all of you to vote against this rule, and for the workers of this great nation.

Mr. SOLOMON. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. SLAUGHTER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to clause 5 of rule XV, the Chair will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of agreeing to the resolution.

The vote was taken by electronic device, and there were—yeas 219, nays 202, not voting 13, as follows:

[Roll No. 461]

YEAS—219

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Crapo
Cunningham
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Graham
Granger
Greenwood
Gutknecht
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Manzullo
McCarthy (NY)
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Morella
Myrick
Nethercutt
Neumann
Ney
Northup
Nussle
Oxley
Packard
Pappas
Parker
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Rogan
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Traficant
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—202

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gonzalez
Goode
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McDermott
McGovern
McHale
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Mollohan
Moran (VA)
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Towns
Turner
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn
Yates

NOT VOTING—13

Burton
Cubin
Engel
Goss
Kennelly
Livingston
McDade
Meeks (NY)
Moakley
Norwood
Paul
Pryce (OH)
Rogers

□ 1056

The Clerk announced the following pairs:

On this vote:

Mr. BURTON of Indiana for, with Mr. MOAKLEY against.

Mrs. LOWEY and Mr. ACKERMAN changed their vote from ''yea'' to ''nay.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. QUINN). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. SLAUGHTER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 215, nays 208, not voting 11, as follows:

[Roll No. 462]

YEAS—215

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coble
Collins
Combest
Cook
Cooksey
Cox
Crane
Crapo
Cunningham
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Graham
Granger
Greenwood
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Manzullo
McCarthy (NY)
McCollum
McCrery
McHugh
McInnis
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Myrick
Nethercutt
Ney
Northup
Nussle
Oxley
Packard
Pappas
Parker
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tauzin
Taylor (NC)
Thomas
Thune
Tiahrt
Traficant
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—208

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Coburn
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gonzalez
Goode
Gordon
Green
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McDermott
McGovern
McHale
McIntosh
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Mollohan
Moran (VA)
Morella
Murtha
Nadler
Neal
Neumann
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Smith, Linda
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Towns
Turner
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn
Yates

NOT VOTING—11

Burton
Cubin
Goss
Kennelly
McDade
Meeks (NY)
Moakley
Norwood
Paul
Pryce (OH)
Thornberry

□ 1106

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROTECT SOCIAL SECURITY ACCOUNT

Mr. ARCHER. Mr. Speaker, pursuant to House Resolution 552, I call up the bill (H.R. 4578) to amend the Social Security Act to establish the Protect Social Security Account into which the Secretary of the Treasury shall deposit budget surpluses until a reform measure is enacted to ensure the long-term solvency of the OASDI trust funds, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. QUINN). Pursuant to House Resolution 552, the bill is considered read for amendment.

The text of H.R. 4578 is as follows:

H.R. 4578

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

SECTION 1. ESTABLISHMENT OF SPECIAL RESERVE ACCOUNT.

Section 201 of the Social Security Act is amended by adding at the end the following new subsection:

''(n)(1) There is established within the Treasury a special reserve account to be known as the 'Protect Social Security Account' (hereinafter in this subsection referred to as the 'account'). The account shall be used to save budget surpluses until a reform measure is enacted to ensure the long-term solvency of the OASDI trust funds.

''(2) The Secretary of the Treasury shall pay into the account annually during the fiscal-year period beginning on October 1, 1997, and ending on September 30, 2008, amounts totalling, in the aggregate, 90 percent of the projected surplus (if any) in the total budget of the United States Government for that fiscal-year period.

''(3) Within 10 days after the date of enactment of this subsection, the Secretary of the Treasury, in consultation with the Director of the Office of Management and Budget, shall project the budget surplus (if any) for the total budget of the United States Government for the fiscal-year period beginning on October 1, 1997, and ending on September 30, 2008.

''(4) The Secretary of the Treasury shall invest the funds held in the account pending enactment of the reform measure referred to in paragraph (1). The purposes for which obligations of the United States may be issued under chapter 31 of title 31, United States Code, are hereby extended to authorize, in the manner provided in subsection (d), the issuance at par of public-debt obligations for purchase for the account. The interest on, and the proceeds from redemption of, any obligations held in the account shall be credited to and form a part of the account.

''(5) As used in this subsection, the term 'total budget of the United States Government' means all spending and receipt accounts of the United States Government that are designated as on-budget or off-budget accounts.''.

SEC. 2. EFFECTIVE DATE.

The amendment made by section 1 shall apply to fiscal years beginning on or after October 1, 1997.

The SPEAKER pro tempore. The amendment printed in the bill is adopted.

The text of H.R. 4578, as amended pursuant to House Resolution 552, is as follows:

H.R. 4578

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

SECTION 1. ESTABLISHMENT OF SPECIAL RESERVE ACCOUNT.

Section 201 of the Social Security Act is amended by adding at the end the following new subsection:

''(n)(1) There is established within the Treasury a special reserve account to be known as the 'Protect Social Security Account' (hereinafter in this subsection referred to as the 'account'). The account shall be used to save budget surpluses until a reform measure is enacted to ensure the long-term solvency of the OASDI trust funds.

''(2) The Secretary of the Treasury shall pay into the account annually at the end of each fiscal year during the fiscal-year period beginning on October 1, 1997, and ending on September 30, 2008, amounts totalling, in the aggregate, 90 percent of the projected surplus, if any, in the total budget of the United States Government for that fiscal-year period.

''(3) For purposes of determining budget surpluses under paragraph (2), within 10 days after the date of enactment of this subsection, the Secretary of the Treasury, in consultation with the Director of the Office of Management and Budget, shall project the budget surplus, if any, for the total budget of the United States Government for the fiscal-year period beginning on October 1, 1997, and ending on September 30, 2008.

''(4) The Secretary of the Treasury shall invest the funds held in the account pending enactment of the reform measure referred to in paragraph (1). The purposes for which obligations of the United States may be issued under chapter 31 of title 31, United States Code, are hereby extended to authorize, in the manner provided in subsection (d), the issuance at par of public-debt obligations for purchase for the account. The interest on, and the proceeds from redemption of, any obligations held in the account shall be credited to and form a part of the account.

''(5) As used in this subsection, the term 'total budget of the United States Government' means all spending and receipt accounts of the United States Government that are designated as on-budget or off-budget accounts.''.

SEC. 2. EFFECTIVE DATE.

The amendment made by section 1 shall apply to fiscal years beginning on or after October 1, 1997.

The SPEAKER pro tempore. After one hour of debate on the bill, as amended, it shall be in order to consider the further amendment printed in the CONGRESSIONAL RECORD numbered 1, which shall be considered read and debatable for one hour, equally divided and controlled by the proponent and an opponent.

The gentleman from Texas (Mr. ARCHER) and the gentleman from New York (Mr. RANGEL) each will control 30 minutes of debate on the bill.

The Chair recognizes the gentleman from Texas (Mr. ARCHER).

GENERAL LEAVE

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and include extraneous material on H.R. 4578.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we consider a plan to set aside 90 percent of the surplus until we can save Social Security and use the remaining 10 percent to cut taxes now.

The plan we vote on establishes a special reserve account within the Treasury called the Protect Social Security Account. This account will save budget surpluses until a reform measure can be considered to ensure the long-term solvency of Social Security.

Ninety percent set aside, Mr. Speaker. Ninety percent of the surplus. The American people expect us to save Social Security, and they need tax relief. This plan gets the job done on both accounts.

We are committed to saving Social Security. We are also committed to letting people keep a part of the taxes that they have generated for this government by their work.

But, Mr. Speaker, I hear there is opposition to this plan from my friends on the other side of the aisle. Why would anyone oppose setting aside 90 percent of the surplus until Social Security can be saved? It is because they do not want to save the surplus. They want to spend the surplus. The Democrats do not want to use the surplus for Social Security. They want to use it to increase spending, expand the size of government, and grow bureaucracy. Under the Democrats' proposal, the very people who need help will be hurt. The Democrats are proposing to punish husbands and wives, farmers and ranchers, senior citizens and small businesses by denying them tax relief now. Why? So they can spend the taxpayers' money.

Earlier this year, President Clinton spent $2.9 billion of the surplus to help the people of Bosnia. Already this fall he is proposing to spend another $13 billion of the surplus on more government. Not to pay for it, not to offset it, but to simply increase government spending. When will this end? If we do not return a portion of the surplus to the people whose income taxes created this surplus, the politicians will spend it. They always have, and they always will. Make no mistake about it, we have a surplus only because of the increase in income taxes, not payroll taxes. We have a surplus instead of a deficit only because of the increase in income taxes, not an increase in payroll taxes.

Mr. Speaker, the best way to stop the politicians from spending the taxpayers' money is to take it away from them before they can waste it. We now have a chance to set aside enough money to save Social Security and to cut taxes. They are both important goals. They are both within our reach.

Now is not the time for anyone to say ''no'' to families who pay marriage penalties, farmers and ranchers who are suffering, and small business owners who create jobs. Now is not the time to say ''no'' to senior citizens whose Social Security checks are reduced because of an unfair earnings limit when they decide voluntarily they want to continue to work.

□ 1115

Now is the time to say yes to saving Social Security and cutting taxes, and our 90–10 plan does both. We can save Social Security and cut taxes. The job begins today with this vote.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield myself 5½ minutes.

(Mr. RANGEL asked and was given permission to revise and extend his remarks.)

Mr. RANGEL. Mr. Speaker, I may be wrong, but I thought I heard some sense of partisanship in the gentleman from Texas' presentation on this bill, and I am going to try to restrain myself and try to remind my Republican friends that things that they are talking about today are Democratic concepts. These are concepts that we Democrats have and continue to support. The only difference that separates us today is that we believe that until we have the fiscal discipline to abide by our budget rules that we should have the money to pay for these tax cuts before we cut the taxes.

Now I had thought, and probably my colleagues have had a caucus and changed their mind, but the last I heard from my Republican leadership friends was that they were running around the country pulling up the Tax Code by the core. They were pulling it up by the roots. They were saying that the system was too complicated. And they had the majority, and they had the opportunity to fix it, and they came back with a $300 billion bill, which we supported, that was far more complicated than any code the Democrats left them.

So let us forget all this talk about flat tax, consumer tax and retail tax. They should say that they would like to be realistic and deal with taxes that most of the people want. But they also have to let the senior citizens know that they have decided that the moneys that Americans have paid to make Social Security solvent, that they are only entitled to 90 percent of it because they have decided to take 10 percent of the money that provides the surplus that was basically there for survivors and widows and disabilities and Social Security to give a pre-election tax cut.

Now some people talk about Democrats and the leader of the free world, President Clinton, going into the surplus for emergencies. So what would they have it? That the farmers not get any assistance? Shall we tell our citizens in Puerto Rico that we are not going to help them? Are we going to say to our military, our boys and our girls in the military that are in Bosnia, that they are not going to be helped because we do not touch the surplus?

We are talking about a one-shot emergency as opposed to a permanent tax cut, as long as they are in the majority that is. And so let us wait and do what the President has asked and that is to say we support tax cuts, Republicans support the suggestions that the Democrats have. The only difference between the two is we say save Social Security first.

Now what is so remarkable about us coming back and in a bipartisan way going to the Social Security Trust Fund and making certain that actuarially it is going to be solvent, and then under the democratic rule it triggers, without us going into conference and without us going into debate, it triggers off the tax cuts, but what it does not do is violate the rules of fiscal responsibility.

So I do not know when the gentleman from Texas (Mr. ARCHER) talks about do not let the politicians touch it. My God, the politicians have to be those who have the majority. They are the ones that have their fingers in the cookie jar that the taxpayers put in the cookies for the Social Security Trust Fund.

So I do not know how many votes they have. I do not even understand the politics of their tax bill. All I know is this: that politically I do not see why their leadership would have them to vote for a bill that raids the Social Security system, that the Senate may

not even take up, that the President is going to veto and that they know in the bottom of their hearts they do not have the votes to override the veto. So if they want to go back home and be counted among those who cared more about a political advantage in November than preserving the funds for our seniors, they can do it, but it almost frightens me that we are about to lose the rule, because I truly believe, if we are going to show the difference between us and them, this is going to be the issue.

So I do not know how many votes they have for fast track, I do not know how many votes that they are going to have for Social Security, but I do believe that if we are going to save Social Security, do not put it in an accounting system and say we are not going to touch it, that we really take it out of the system, off budget, put it in the Federal Reserve, and then we would know not 90 percent but a hundred percent of the taxes are going to be used for what the taxpayers think it should be used for.

Mr. Speaker, I reserve the balance of my time.

Mr. ARCHER. Mr. Speaker, I yield 5 minutes to the gentleman from Kentucky (Mr. BUNNING), the chairman of the Subcommittee on Social Security, who is a sponsor of the base bill on which we are voting today. It is interesting to also note that the gentleman from New York (Mr. RANGEL) is a cosponsor of that bill.

(Mr. BUNNING asked and was given permission to revise and extend his remarks.)

Mr. BUNNING. Mr. Speaker, just to respond in a small way to the gentleman from New York, the gentleman from New York voted just last week on the floor of the House of Representatives to spend part of the surplus on agricultural disaster relief. If it is okay for him to spend part of the surplus, why is he proposing to punish farmers and ranchers and others by denying them relief now?

Throughout my tenure in Congress, I have devoted myself to protecting and preserving Social Security. The Committee on Ways and Means' Subcommittee on the Social Security, which I chair, has conducted a series of hearings, 11 to be exact, on the future of Social Security for this generation and the next. Our subcommittee has worked to fully explore every option for Social Security reform. The information obtained through these hearings will be invaluable to the Congress as they proceed to save Social Security. And we will save Social Security just like we balanced the budget, reformed welfare, saved Medicare and cut taxes.

The President has also worked to advance the Social Security debate, vowing in his State of the Union address to reserve every penny, then $680 billion of future budget surpluses, until Social Security has been strengthened. Unfortunately, however, somewhere between his State of the Union and the drafting of the President's budget proposal this commitment to Social Security got lost in the shuffle. The President's budget did nothing to redirect budget surpluses to Social Security, included no new trust fund investment strategies, no changes in Social Security taxes or spending. It proposed nothing new.

That is why in March of this year I introduced legislation to create a new Treasury account, the Protect Social Security Account, into which each year's budget surplus would be deposited. My bill, as introduced, walled off 100 percent of all budget surpluses so that they could not be frittered away on new spending programs. Due to lower inflation, increased corporate taxes and increased income tax revenue from hard-working Americans, the projected surplus we reached is $1.6 trillion. That is an additional 1 trillion since the President's State of the Union.

So I say we can do more. We can save Social Security, and we can cut taxes for those Americans who need it most: married couples, farmers, small businesses and senior citizens. Today, using language virtually identical to my original bill, we will pass legislation to wall off 90 percent of the budget surplus until a solution for Social Security is found.

While less sounds like less, in this case less is more. Ninety percent of the surplus today is just about 1.4 trillion, nearly double the amount that would have been saved at the time of my original bill. Certainly Social Security has no guarantee of any kind right now, no guarantee of any kind that it will get any of the surplus without some kind of protection like that provided in this bill. The President and Congress will spend the surplus on anything they want.

Even the President has already proposed 31 billion in new government spending funded from the very budget surplus he promised to reserve. Americans deserve better than more broken promises. This bill, by including my wall-off provisions, will guarantee in law that 90 percent of the surplus will be held aside to strengthen and protect Social Security. It will guarantee that we have the funds needed to implement Social Security reform when Congress takes action on it. That is 1.4 trillion for Social Security.

The Federal Government has never done anything like this. I wanted a hundred percent, but 90 in hand and guaranteed in law is better than a whole roomful of wishes that it was 100 percent. This bill locks in that protection in law.

My primary goal in this bill and since I came to Congress is to protect and preserve Social Security. The bill with the wall-off provisions will do more to protect and strengthen Social Security than anything Congress has considered in the 12 years that I have been here.

Mr. Speaker, I want to assure everybody to vote in a positive manner on this bill.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. BONIOR), our Democratic Whip.

Mr. BONIOR. Mr. Speaker, I thank my friend from New York (Mr. RANGEL) for yielding this time to me.

For years the Republicans talked about fiscal responsibility. So what is happening now? They are rushing to spend a surplus that does not exist. This bill is nothing but camouflage to cover that up. It is just an accounting trick to permit siphoning off funds from Social Security Trust Fund.

Let us remember something here. Social Security is the foundation of America's retirement system. It has worked well for more than half a century, and we have to strengthen it for future generations.

Even as we speak today, 44 million Americans are receiving Social Security benefits, our fathers, our mothers, grandparents, our friends, our neighbors. Protecting these benefits for today's seniors and protecting them for baby boomers and future generations beyond that is our responsibility.

Of course everybody likes tax cuts. We favor tax cuts. We supported tax cuts just a year ago, and they became law. But Americans have been very clear with the Congress about their priorities. They want us to save Social Security first.

□ 1130

We cannot give a surplus that does not exist. Americans believe that people who have worked hard all of their lives have a right to a secure retirement. They expect us to guarantee that right. This is why we need to address the long-term challenges of Social Security. If we fail to come up with a long-term plan, if we squander today's Social Security revenue on a short-term election year giveaway, then the retirement for millions of Americans will be put in danger.

Now, the Republicans say they only want to divert just 10 percent of the revenue from Social Security. Well, that is like rowing into the middle of a lake and then announcing you only want to drill one hole in the bottom of the boat; just one hole.

This bill is a prelude to a raid on the Social Security trust fund, and that raid will probably happen tomorrow when we meet here to pass the raid itself, the robbery, the stealing of the fund.

Perhaps my friends on this side of the aisle think that while the country is distracted they can pick its pocket and dip into our retirement funds. Well, I have news for you: The country understands what is happening here. They know it is not right and not fiscally responsible, and you are not going to get away with it.

To my senior friends in Florida, and we have many Michiganders who have

gone down to Florida and live, let me say, you are going to about to get hit by Georges, the hurricane, that is going to deliver that left hook to you. But tomorrow the Republicans are going to give you the uppercut, the knockout punch.

Vote no on this camouflage.

Mr. ARCHER. Mr. Speaker, I yield three minutes to the gentleman from California (Mr. HERGER), a respected member of the Committee on Ways and Means.

Mr. HERGER. Mr. Speaker, I would like to begin by respectfully pointing out that the gentleman from Michigan voted just last week on the floor of the House to spend part of that surplus on agricultural disaster relief. If it is okay to spend part of the surplus, why is the gentleman proposing to punish farmers and ranchers by denying them tax relief now?

Mr. Speaker, I rise today in strong support of the Republican plan to save Social Security and reduce our Nation's record high tax burden. We are also dedicated to fulfilling our commitment to our Nation's seniors as our plan sets aside the vast majority, some 90 percent of our entire expected surplus until we agree on a plan to save Social Security.

At the same time, we believe it is entirely appropriate to return at least a small portion, some 10 percent of this projected surplus, to those who created it in the first place, hard-working American taxpayers.

According to the Congressional Budget Office, taxes are now higher than they have been at any other time in America's peacetime history. So to my friends on the other side of the aisle who say we should not use even one penny of our Nation's surplus to provide middle class tax relief, I say, yes, we do have crucially important task ahead of us in saving Social Security, and our plan sets aside $1.4 trillion to do precisely that. But, at the same time, we should, at least at this time, not pass up this opportunity to provide 48 million married taxpayers relief from the marriage penalty. After all, when a couple stands at the alter and says ''I do,'' they are not agreeing to higher taxes. And why should we deny Americans new incentives to save? Why should we deny farmers and ranchers relief from the death tax? Why should we deny the self-employed the opportunity to fully deduct the cost of their health insurance? And why should we deny seniors a chance to earn a little more outside income without facing the loss of their Social Security benefits?

Today we have the opportunity to do all of this, while at the same time setting aside 90 percent of our surplus to save Social Security. I would urge my colleagues on both sides of the aisle, please, do not turn your back on husbands and wives; do not turn your backs on farmers and ranchers; and do not turn your backs on seniors and small businesses in your districts. Support the Republican plan to reduce America's record high tax burden and, at the same time, save Social Security.

Mr. RANGEL. Mr. Speaker, I yield myself 30 seconds to say to the gentleman from California (Mr. HERGER) that I am one of the friends on this side of the aisle, and we support those tax cuts. We just think we ought to save the Social Security system first.

In terms of the emergency spending for the poor farmers that were hit by an act of God with floods and droughts, we thought at one time that America wanted to help them. We think that is different than a pre-election tax cut.

Mr. Speaker, I yield three minutes to the gentleman from Georgia (Mr. LEWIS).

Mr. LEWIS of Georgia. Mr. Speaker, I want to thank my friend and my colleague from New York for yielding me time.

Mr. Speaker, this debate reminds me of an old gospel song, ''Ninety-nine and a Half Won't Do.'' The song tells us that when you believe in a cause, when you truly believe, you have to give 100 percent; ninety-nine and a half won't do.

Mr. Speaker, when it comes to Social Security, when it comes to our workers and the elderly, ninety-nine and a half won't do. And if ninety-nine and a half won't do, then 90 percent just won't do.

My Republican colleagues want a tax cut, but they do not want to pay for it. So what do they do? They raid the Social Security trust fund; they steal from our workers and our seniors. They take 10 percent, and then they brag this they let the elderly keep 90 percent of their own money. They brag that they left 90 percent of the money in the Social Security trust fund.

Mr. Speaker, 90 percent just won't do.

How can you do this to the old? How can you do this to our workers, hard working American families that have paid into the Social Security trust fund for 30 and 40 years? Now Republicans want to give them 90 cents on the dollar.

Mr. Speaker, 90 percent just won't do.

Democrats, my side of the aisle, will accept no compromise when it comes to the savings and the retirement of American working families. Every penny paid in the Social Security trust fund must be used to save Social Security first.

So I urge all of my colleagues to reject this bill; to reject any effort to sell Social Security short; to sell Social Security down the river; to give anything less than 100 percent.

Mr. Speaker, 90 percent just won't do.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume simply to quickly and briefly respond to the gentleman from Georgia (Mr. LEWIS), for whom I have the greatest personal respect.

Mr. Speaker, the gentleman's statement that we want to raid the Social Security trust fund is totally irresponsible and is totally false. In our committee's markup of this bill, there was a political appointee of the Clinton Administration from the Social Security Administration that was asked this precise question and responded that what we were doing did not raid the Social Security trust fund nor in any way impact on the payroll dollars that go into that fund.

That should be very clear. We are going to hear a lot of rhetoric today and tomorrow, and Members should realize that much of it is false.

Recently the minority leader from the other body commented that we were taking Social Security reserves out of the fund. That also was repudiated by the administration's representative from the Social Security Administration.

This type of rhetoric should not enter this debate. I regret it, but the facts should be laid out for what they are.

Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. STEARNS).

(Mr. STEARNS asked and was given permission to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, Judy Chesser, Deputy Commissioner of the Office of Legislation of the Social Security Administration said that statement.

Mr. Speaker, I rise in support of H.R. 4578 Save Social Security Act.

H.R. 4578 establishes a new account in the U.S. Treasury to preserve Social Security system. This account is being set up for the vote we will have tomorrow on the tax relief or the 90–10 plan. What we are talking about on this amendment is to set up this fund with the understanding that 10% of the surplus will be used for tax reduction for the middle income citizens of this country.

Mr. Speaker, the House will consider Mr. RANGEL's amendment to transfer 100 percent of the Social Security trust fund surplus to the Federal Reserve Bank of New York, to be held in trust for the Social Security system. But under this substitute, Congress must default on publicly traded debt obligations before it could default on its obligations to fund the Social Security system.

This is a Faustian bargain and is not what we want to do. I represent a District with a large elderly populations.

While I do like Mr. RANGEL's idea about setting aside 100 per cent of the surplus for Social Security, I do not think it is prudent to do so at the risk of allowing the country to go into default to achieve that end.

There is must good in the tax relief bill. Our tax cut focuses on middle-income Americans. The centerpiece is marriage penalty relief. We also help small business, make health care more affordable, and we will make filing tax forms a lot easier. Plus we will lower tax penalties on people who save, reduce death taxes, and provide tax relief for senior citizens, for education and child care. We also provide help for farmers and ranchers who have been hit hard this year. This is a compromise that I can support.

Our plan protects Social Security and reduces the worst penalties in the tax code, but

it is also a safety check against big government and wasteful spending.

For those who say we are hurting the Social Security Trust Fund . . . let's go the Administration themselves. When Ms. Judy Chesser, Deputy Commissioner, Office of Legislation and Congressional Affairs, Social Security Administration was asked if these tax cuts would impact the Social Security Trust Funds she said ''NO.'' Therefore this tax relief plan has no impact on the Trust Funds. Period.

And finally . . . isn't it possible that if we reduce taxes ever so lightly we will also give more incentives for Americans to create more jobs and to ultimately provide more revenues to the Government. This will mean more surplus to the Government which will again shore up the Social Security trust fund.

All of us here must also remember that we might not have a surplus if it does not stop these emergencies supplements appropriations for all these monies that the President is talking about. Every day he is proposing a new program and every country he goes into he promises more money without true accountability. So let's stop these emergency appropriations.

For those Senior Citizens who want tax credit relief for estate taxes and a social security earnings limit, I suggest that this bill our plan will actually help Senior Citizens.

There are many other things that make H.R. 4578 a good bill towards passage tomorrow of our 90–10 tax relief plan.

Seniors have done their part to make this country great and deserve to be treated with dignity and respect. When the President receives this bill, he can sign it thereby ensuring that Social Security will remain solvent for generations to come. For these reasons I support H.R. 4578.

Mr. ARCHER. Mr. Speaker, I yield three minutes to the gentleman from Illinois (Mr. WELLER), a respected member of the Committee on Ways and Means.

Mr. WELLER. Mr. Speaker, I first want to begin by commending the gentleman from Texas (Chairman ARCHER) and the gentleman from Kentucky (Chairman BUNNING) for their leadership on this effort, which not only will save Social Security, but begin the process of eliminating the marriage tax penalty, an issue which affects 28 million married working couples.

We hear a lot of rhetoric and have to recognize it is an election year, and politicians in many cases will say just about anything in an election year.

Of course, we have heard some claim that this plan somehow harms the Social Security trust fund. I thought it was so important when the gentleman from Texas (Chairman ARCHER) asked a representative of the Clinton Administration, the Deputy Commissioner of the Social Security Administration, Chairman ARCHER asked as a result of the tax bill being considered by the committee, which, of course, we will be voting on tomorrow, will there be any impact on the monies of the Social Security trust funds? And Judy Chesser, the Deputy Commissioner of the Social Security Administration was pretty direct. Sometimes politicians are not very direct, but she had a very simple answer. She said no. This plan in no way harms, hurts, hinders, impacts the Social Security trust fund.

So let us be honest about it, this is an important piece of legislation. We are going about saving Social Security here. This is a big day. If you think about it, since 1969 Washington not only was spending money beyond the means of this Federal Government, but we never had the opportunity to save Social Security. Now, thanks to a balanced budget, we have a projected surplus; extra money that we can use for important priorities. Today we are voting to make saving Social Security first the number one priority.

If you think about it, the same folks who oppose this effort to save Social Security and to eliminate the marriage tax penalty are the same people that said we could not balance the budget. They are the same people that fought down here and fought against lowering taxes for the middle class. They are the same people who opposed our efforts to change and reform our welfare system that was failing, with more children living in poverty than ever before, and also they are the same people that objected when we wanted to tame the tax collector and bring about IRS reform.

This is important legislation because, just as the Deputy Commissioner of the Social Security Administration pointed out that our legislation does not impact the Social Security trust fund, in fact we are going to have extra money to help save Social Security, that we set aside $1.4 trillion.

Think about that. When President Clinton gave a speech, which we all applauded, talking about saving Social Security and setting aside the surplus for Social Security, there was $600 billion in the projected surplus at that time. Today we are setting aside more than twice what the President asked for, $1.4 trillion. Think about that. $1.4 trillion. That is a lot of money. Yes, it is 90 percent, but it is more than twice what the President originally asked for.

I have often had a series of town meetings and forums on Social Security, and the senior citizens and the working people that attend these forums have had a pretty common message. Number one is they say as we work to save Social Security, let us keep the politics out of it. Let us make it a nonpartisan effort.

Democrats and Republicans should work together. This legislation deserves bipartisan support. Let us vote to save Social Security and eliminate the marriage tax penalty. We have that opportunity today and tomorrow.

Mr. RANGEL. Mr. Speaker, I yield myself one minute.

Mr. Speaker, I had thought under the House rules it was a violation to take the official transcript of a markup or committee meeting, other than a public hearing, that it should not be published or distributed to the public in any way except by majority vote of the committee. But having seen how the majority has waived the budget rules, I suppose you have waived the House rules, and so I am not in violation.

□ 1145

Now, Ms. Chesser was asked to respond to the majority, yes or no. Her answer was no. That was the chart we saw.

The gentleman from Kentucky (Mr. BUNNING) then asked her to come back, and he said, I just want to make sure, unless I misunderstood, Ms. Chesser, would you please come back to the table and repeat what you have said.

The answer was, it does not affect the money currently going into the trust fund. However, it would make a far smaller amount of the surplus available when there is a bipartisan attempt to resolve the social security's current financial problems, which we hope to do in a bipartisan way. As Members know, we are not in actual balance over the next 75 years.

It helps, when we take part of the transcript out and publish it, that we put in the whole amount.

Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. NEAL).

Mr. ARCHER. Mr. Speaker, would the gentleman yield for 5 seconds?

Mr. NEAL of Massachusetts. I yield to the gentleman from Texas.

Mr. ARCHER. Mr. Speaker, on the statement made by the gentleman from New York, I am not sure where he got what he presented to the House, but we received what we presented to the House off of C-Span. Therefore, it was not in violation of the rules.

Mr. NEAL of Massachusetts. Mr. Speaker, this is one of the details, when we come into this Chamber, that makes us really feel good about being Democrats.

I have to tell the Members, when I hear speakers march to that microphone and suggest that this side is playing politics with social security, after they have scheduled the tax cut 6 weeks before the national elections, that we are playing politics? Do Members know what the name of this account they have offered today is? The Protect Social Security Account. It is Orwellian, that is really what it is, because only George Orwell would have suggested that we should protect social security by raiding it. That is precisely what they are doing today.

For them to complain about politics, politics, 6 weeks before a national election, to offer a tax cut to the American people by raiding the social security account, that is politics. We ought to have a substantive debate in this Chamber about what we really mean by ''protecting social security,'' and spending it for a tax cut is not the way we protect social security.

This bill that they are offering today locks up what they say is 90 percent of the social security trust fund. What about the Asian fiscal crisis? What about a recession that could loom on the horizon, and alter dramatically

every fiscal projection we have seen in this Chamber for the last year? Are we blind to the realities of what is happening across the globe?

This is a time when we should be taking satisfaction from the fact that it was the Democratic Party, with the leadership of President Clinton in 1993, that balanced that budget. Do Members know what else is ironic? Let us not forget the role George Bush played in 1991 when half of his own party split from him, when he looked at the reality of where we were headed as we turn the page on this century.

I have to go back to what I said earlier. To complain that the Democrats today are using politics, we are honoring the contract we made with Mr. Roosevelt, which the American people have said time and again they subscribe to and they do not want to see it altered.

A tax cut 6 weeks before the national election, who among us believes that that is intelligent fiscal policy? And at the same time, they violate that sacred trust that Democrats hold dear and senior citizens hold dear. Social security should be saved and protected before we discuss any tax cuts.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would once again point out that the term ''raiding the social security trust fund,'' which obviously is programmed to be in each of the Democrats' presentations, is completely and totally false, and it is reprehensible that it continues to be used on the floor of the House.

Members should be well aware that it is not the case. But I guess if they say it enough, long enough, maybe some people may believe it. The gentleman, who is a very good friend of mine, again, and whom I respect personally, also said that we were locking up 90 percent of the social security trust fund. That is false.

I would suggest that the Members on the other side read the bill. The gentleman from New York (Mr. RANGEL) cosponsored it, other than the change from 100 to 90 percent. The bill does not say that. It says, ''A projected surplus will be set aside.'' Let us try to be accurate in what we say.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. JOHNSON), a respected member of the Committee on Ways and Means.

Mr. SAM JOHNSON of Texas. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I would like to respectfully point out that the gentleman from Massachusetts who just spoke ahead of me voted on the floor of the House to spend part of the surplus on agricultural disaster. If it is okay to spend the surplus that way, why is the gentleman proposing to punish farmers and ranchers by denying them tax relief now?

I want everyone to listen to the Democrats' rhetoric. They are forgetting one simple fact, that for 40 years the Democrats never set aside one penny to protect social security. Instead, they spent taxpayer and social security dollars on government programs. They are talking about 40 days from election, and suddenly they are concerned about saving social security. In this bill today we are protecting social security, and the Democrats are going to have a chance to put their money where their mouths are.

In 1960, the Democrats said that we could not win the Cold War. We did. In 1996, the Democrats said we could not reform welfare. We did. In 1997, the Democrats said we could not give tax relief and balance the budget, and we did. They also said we could not and should not reform the IRS. Well, we did that, too.

Now the Democrats say we cannot provide tax relief to families, farmers, small business, seniors, and protect social security. Once again, they are wrong. We will.

This bill does set aside 90 percent of the $1.6 trillion surplus for social security. That is a lot of money. In return, we want to give the families, farmers, small businesses, seniors a break from high taxes. They deserve a break. Taxes are just too high.

Let me say it one more time. I think people deserve a strong social security system and tax relief. What they do not need is for the surplus to stay here in Washington, D.C., where Democrats and the President will steal it to create a bigger government.

The choice is simple, taxpayers over bureaucrats. How can anybody argue with that?

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana (Mr. JEFFERSON), a member of the committee.

Mr. JEFFERSON. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise today in opposition to H.R. 4578 because it breaks our promise to the American people to keep social security whole. Mr. Speaker, this debate should not be about politics or partisanship but about people, the American people.

Social security is the foundation of retirement income for American workers and their families. Two-thirds of older Americans rely on social security for 50 percent of their total income. Thirty percent rely on it for 90 percent or more. It is the principal insurance against family impoverishment due to death or disability for 96 percent of America's work force, and it is a lifeline for more than 43 million retirees and disabled workers and their spouses and their children.

Because of its importance to the American way of life, my Democratic colleagues and I join the President in his commitment to preserve social security for future generations. This is not a debate about who favors tax cuts. Both Democrats and Republicans favor tax cuts in this bill. This debate is about whether we have the resolve, the fiscal discipline, to do what is right, or whether we will, once again, say that we can have it all, let the good times roll, and do the wrong thing: rob from our social security trust fund to give a tax cut we know we cannot afford.

Mr. Speaker, if we are serious about preserving the benefits of social security for our children and grandchildren, setting aside 90 percent to save social security is not enough. Even diverting 10 percent of the social security surplus before enacting a proposal to save social security undermines the future financing of the system.

In fact, this diversion of 10 percent from social security, which our Republican friends dismiss as small and rather unimportant, amounts to more than a $200 billion hole in the social security trust fund over the next 5 years, at a time when we owe $2.235 trillion to the fund already.

As my Democratic colleagues have already stated, the surplus in the unified budget consists of funds raised from social security payroll taxes and from the interest accrued on social security Treasury bond. Today we have a surplus in the social security fund due to the policies of President Clinton and most of the Democrats on this side. However, as millions of baby boomers age, the social security fund is projected to begin losing money in 2013, and would become insolvent a few years later unless reforms are enacted.

The bottom line is that we must begin to take steps to ensure that sufficient resources are building up in the social security system, so they are building to pay the promised social security benefits in the future and that will not be threatened.

H.R. 4578 therefore amounts to an illusory election year tax plan that might be right to pander for votes in an election year, but it is dead wrong for the future of social security and the direction of our Nation's fiscal policy.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. HULSHOF), a respected member of the Committee on Ways and Means.

(Mr. HULSHOF asked and was given permission to revise and extend his remarks.)

Mr. HULSHOF. Mr. Speaker, first of all, as a member of the Subcommittee on Social Security, I have to commend the chairman of the committee, the gentleman from Kentucky, with having a series of hearings about saving social security. I participated in the first great debate in Kansas City with the President about the discussion about social security.

But I think what we are trying to do today, Mr. Speaker, is rather than just talking about saving social security, we are putting actions with our words. We are putting the peoples' money where our mouths are.

There has been a lot of talk about billions and trillions of dollars, about the surplus, but let me put it in language that everybody can understand.

Mr. Speaker, I have in my hand ten $1 bills, a projected surplus. This is not money that is needed to balance the Federal checkbook, which we are doing. But of these ten $1 bills of surplus money, we want to take 9 of those bills and put them aside for social security for safekeeping. We want to take this single dollar bill of surplus money and leave it in the pockets of the people who sent it here.

How dare these Members say to married couples across this country, we want to continue to punish you because you choose to get married, we are not going to let you have this dollar? How dare we say to the farmers of this country, who feed us, or the small businesspeople who employ the majority of people, no, you sent the money here, but you cannot have it back?

It is laughable, Mr. Speaker. Even in this tax relief measure we are providing relief for seniors who choose to work beyond retirement. There is tax relief for seniors in this bill. Yet, our friend on the other side say no.

In fact, the gentleman from Michigan earlier today in this debate said that we were picking the pockets of the taxpayers of this country. There is such a death grip on this dollar by those on the other side that they will not even let it stay in the pockets of those who sent it here.

I say no. I say it is time to say no to the Rangel substitute and yes to the bill. We can save social security, and let the American people keep what they earn.

Mr. Speaker, I am proud to rise today to speak in strong support of the Save Social Security Act.

Social Security is perhaps the most important and successful program in the history of our republic. It has helped generations of Americans retire with dignity and respect. There is bipartisan agreement that we should take advantage of projected budget surpluses to address the long-term financial challenges facing the system. We owe it to retirees and future generations to do this, and I commend Representatives BUNNING, the Chairman of the Social Security Subcommittee, for the series of hearings he has held over the past year and a half to take an honest, straightforward look at the choices we must make to save Social Security for our children and grandchildren.

To make sure there are enough resources set aside from future budget surpluses, the Save Social Security Act proposes that we wall-off $1.4 trillion of future budget surpluses in a special Save Social Security Account. That's right, $1.4 trillion. Clearly, this is a responsible commitment to the future of Social Security that will help preserve the program's solvency.

By setting aside $1.4 trillion to save Social Security, we can not only protect the program, but allow the American people to keep more of their hard-earned money. Taxes are currently at their highest levels in our Nation's peacetime history. The House has a clear choice today. Those who think your constituents pay too much in taxes should vote for the Save Social Security Act. Those who think that Americans are not overtaxed or do not pay enough in taxes should vote against the bill before us. It is shameful to scare seniors and hide behind Social Security to cloak opposition to letting the American people keep more of their hard-earned dollars. It is even more shameful to hide behind Social Security to spend more on government programs, like the Administration's proposal to spend $13 billion of the surplus on new spending.

I'm going to illustrate what this debate is all about. I am holding in my hand ten one dollar bills. What we are proposing is to take these nine dollars and put them aside to save Social Security. A truly worthy goal.

Given the willingness of the Administration to spend the surplus on government programs, $13 billion at last count, the debate then becomes what do we do with this remaining one dollar. I think we should let the American people keep it. After all, it is their taxes that have created the surplus in the first place. Those who agree with me that this one dollar is best returned to the taxpayers will vote for the bill before us.

Or, we can give this money to the Federal Government for new spending programs and let Americans continue to pay the highest level of taxes in our Nation's peacetime history. Those who favor this approach should vote against the Save Social Security Act.

Putting aside enough money to protect Social Security is not the issue. The issue is more government programs or tax relief. The choice is clear. If you favor letting the American people keep more of their money, vote for the Save Social Security Act. If you want more Washington programs, vote against the bill.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. BECERRA), a member of the committee.

Mr. BECERRA. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I, too, will pull out those same 10 $1 bills. I, too, will tell the Members that if I have $10 because I work for the government, and I got them because someone is working every day contributing to the social security trust fund for his or her retirement, I am not going to tell them, well, I am only taking one of your $10 you just gave me for your social security investment in retirement, and I am going to use this to give out tax cuts, mostly to folks who are better off and do not need to worry about your retirement the way you maybe do. So you keep your 9 and I get to spend your one.

□ 1200

That is what we are talking about. And, by God, please do not tell me that they are willing to tell an American farmer that they are going to punish them because this Congress, some here, are willing to say that we want to help them in time of need because of the drought and because of floods and because of all that done through an act of God.

But my colleagues on the other side are saying to them, no, we cannot let this Congress help them out in their time of need. But, by the way, we do have money, that $10 that they just gave in their contributions out of their paycheck every month, to take one of those $10 and give a tax cut 6 weeks before the election. We can do that. Punish the farmers for an act of God.

Do not do that. And please do not punish seniors for the political acts of men in this House.

Now, when those folks out there in the country that are earning this money that they are putting into the Social Security trust fund go to the supermarket, they do not expect to receive 90 percent of the groceries they just paid for. When we buy a home, we do not expect to own nine-tenths of that home. When we pay for our child's education, we do not expect them to receive 90 percent of a college degree.

Mr. Speaker, when Americans deposit money in a bank, they certainly do not expect that bank to give them only 90 percent back of their original deposit, or 90 percent of the interest that their money has earned. They expect 100 percent.

The fact is, the budget surplus is not a surplus, other than Social Security funds contributed every day by people who work and give of that money out of their paycheck. American workers are doing what Republicans here are unwilling to do in this House. They are saving and investing for their retirement.

In fact, what Republicans are proposing through this tax cut is to take those savings and investments because, again, the surplus we are talking about is created by all the trust fund dollars that American workers are contributing. The fact that we are not using every dollar out of the trust fund for Social Security and paying out for today's retirees does not mean that we should tell those folks who are working and contributing that right now we have a surplus, because they are paying a little bit more than we have to pay out today, because those workers know that tomorrow when the baby boomers retire we are going to go in the opposite case and we have to save now to take care of that problem later.

Mr. Speaker, I urge my colleagues, please do not take even one dollar out of the $10 that American workers are earning every day and depositing into the Social Security trust fund to pay for tax cuts right after an election.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. THOMAS), a highly respected member of the Committee on Ways and Means.

Mr. THOMAS. Mr. Speaker, I thank the gentleman from Texas for yielding to me.

Mr. Speaker, I had not intended to speak on this, but some of the examples are just getting absolutely ridiculous. The gentleman from Texas (Chairman ARCHER) has cautioned a number of folks that they really ought to deal with a debate about the facts and not about some political rhetoric that they wish to argue.

The reason we have a surplus right now is because people are paying more

in income taxes, the economy is doing well, and inflation is lower than anticipated. It is always relative to what people said was going to happen. And what is happening today is that people are better off than the projections and inflation is lower. So, more money is coming in than anticipated.

The Social Security trust fund does not go bankrupt until 2030. We have a few years to be prudent about the way we spend our money. And I would tell the gentleman from California (Mr. BECERRA), the $9 he counted out is not money that is in the trust fund. It is money that people paid in income taxes beyond what the government's current obligations are.

The point that needs to be made repeatedly, and I know folks on the other side know it but will not admit it, but what the American people need to understand is that all 10 of those dollars are theirs. All we are proposing to do is to give them back one of them, as the gentleman indicated, and set the other nine aside for the ongoing obligation for Social Security leading toward the year 2030.

Now, what we propose to do is have a surplus every year, not just this year. This is not a unique event. In 1999, in 2000, in 2001, in 2002, on and on and produce a surplus, every year. We want to make sure if we miscalculate on collecting revenue that we set aside a reasonable portion to deal with tomorrow, the day after tomorrow, till 2030. But there is no reason whatsoever why people who are overcharged by this government on their income tax cannot get a small portion of it back, whether it is the first day of a Congress or the last day of a Congress.

Mr. Speaker, what my colleagues on the other side of the aisle continually forget is that the money is the people's in the first place.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from California (Mr. FARR).

Mr. FARR of California. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding me this time.

Mr. Speaker, hearing this debate leads one to believe that the only thing we have to fear is truth itself. The truth, according to the tax committee, is that we have in the next 5 years, according to this chart, we have a national fiscal situation that is still in deficit. $137 billion of the fiscal picture is in deficit.

We have a $520 billion fiscal picture over the next 5 years which is in the plus side, and that is all in the Social Security account. There is no free lunch in this business. We have to rob from Peter to pay Paul. If we are going to give tax breaks, we have to pay for the lost revenue. And the only surplus that we are going to have is in the Social Security account. That is it. So, we will have to rob from the Social Security account.

Now, if this tax plan is not an election year gimmick, I ask the Republican leadership, they have been in the majority for 4 years, if this was such a great tax plan, why did they not bring it to us before, instead of 6 weeks before the election?

Mr. Speaker, this is not fiscal responsibility. This is fiscal foolishness, election year fiscal foolishness.

I urge my colleagues to vote ''no'' on this bill.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona (Mr. HAYWORTH), a respected member of the Committee on Ways and Means.

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman from Texas (Mr. ARCHER), chairman of our committee.

Mr. Speaker, hearing my good friend from California typifies the incendiary nature of this debate. For what the American people see today, Mr. Speaker, is a clear example of those who eagerly embrace the politics of fear rather than the policies of hope.

The case is clear, the facts these: In excess of $1 trillion, $1.4 trillion set aside to do nothing but save and protect Social Security.

My colleague from California and others who expound on the politics of fear talk about the short-term calendar. But, Mr. Speaker, for purposes of full disclosure, it is far better to take a long-range view and let history teach us.

Mr. Speaker, in terms of full disclosure, the facts are clear and undeniable. In 40 years' time, when the liberals had the majority in this Chamber, they never set aside one single penny to save Social Security. Zero. Zilch. Nada. Not a thing did they save.

Oh, they were happy to raise payroll taxes. They were happy to take more and more of Americans' hard-earned money. And now when we have the opportunity to set aside in excess of $1 trillion, they say no, because, Mr. Speaker, the message is clear, if somewhat confusing, from the other side. They once again say no tax relief, no time, no how. It is the taxpayers' money, but somehow they should not have it.

Shame. Mr. Speaker, I urge my colleagues to adopt the majority proposal, reject the minority substitute.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from Maryland (Mr. CUMMINGS).

Mr. CUMMINGS. Mr. Speaker, I stand in support of my colleague, the gentleman from New York (Mr. RANGEL) and his amendment to protect Social Security.

Without Social Security, an additional 11.5 million older Americans, our mothers, our fathers, our brothers and sisters, would be impoverished, dramatically increasing the overall poverty rate from 13 percent to nearly 50 percent among those over the age of 65.

It is very simple. Social Security works. Social Security reduces poverty, and the American people want this Congress to ensure that Social Security remains solvent well into the future. I, for one, intend to do whatever it takes to make sure that this body meets that demand.

Mr. Speaker, it is ironic to me that the very party that at one point would have turned Social Security over to Wall Street is proposing to use the potential budget surplus not for Social Security but rather for a tax cut that I find imprudent, ill-timed, inefficient, poorly targeted and risky.

Mr. Speaker, we may end this fiscal year with a budget surplus. If we do, we owe it to the American people to put that money, all of that money, and that is the difference, all of it, aside until we are sure that we can maintain the long-term solvency of Social Security. Therefore, I stand in support of the Rangel substitute.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from Washington (Mr. ADAM SMITH).

Mr. ADAM SMITH of Washington. Mr. Speaker, the key fact in this debate is that there is no budget surplus. The only surplus that exists, exists in the Social Security trust fund.

So, when we hear the other side talking about how they are setting aside $1.4 trillion for Social Security, we cannot set aside money that is already spoken for. That money is borrowed. It must be paid back, plus interest.

We would not borrow $200,000 for a home mortgage and say we are setting that aside for our child's education, because we have to pay it back. That is the fundamental flaw in the Republican argument. The money is already in the Social Security trust fund. We should keep it there.

We saw that chart that the gentleman from California (Mr. FARR) brought up. We saw the truth. The only surplus that exists outside the Social Security trust fund, which we have to pay back, is $31 billion. Now, if they wanted to be honest and offer a bill to say we should set aside 90 percent of the real surplus, 90 percent of $31 billion would make sense, because that is the only surplus that we have.

Mr. Speaker, we cannot spend money twice. I will agree with the Republicans on one point. We were wrong for 40 years. I use ''we'' loosely, because I was not here. We should not have borrowed that money and used it to reduce the size of the deficit, and the public agrees. They sent us that message in 1994.

What I am afraid of is that the Republican majority has forgotten the very message that sent them here. I hope that the American public will send them the same message in 1998: Do not borrow from the Social Security trust fund and treat it as income. That is manipulative rhetoric, and it is wrong.

The reason is that money is already spoken for. We have to pay it back. We should not let the Republicans, any more that we would let the Democrats, spend money twice. It gets us into big deficits.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Speaker, I thank the gentleman from New York for yielding me this time.

Mr. Speaker, I rise in very strong opposition to H.R. 4578. I oppose any Republican attempt to undermine Social Security by proposing a big tax cut during this election year.

In the 1930s, before Social Security, many hard-working Americans who had no family to care for them lived in the streets, and sometimes they starved. Social Security was created to reduce this type of primitive poverty, conditions that are unconscionable in our time and in our Nation of wealth and resources.

We need Social Security for the 30 million hard-working Americans who, after a lifetime of low-wage jobs, have no money for retirement. Without Social Security, they would have nothing. We need Social Security for the 5.5 million Americans with severe disabilities who are unable to work. They would be destitute without Social Security.

This Congress has an obligation to strengthen Social Security, because working people have earned and deserve Social Security. It is the most sacred, fundamental measure for the survival of all Americans. That is why tax cuts are not an option until Social Security is 100 percent secure.

Mr. Speaker, I strongly urge a ''no'' vote on H.R. 4578.

□ 1215

Mr. RANGEL. Mr. Speaker, I yield the balance of my time to the gentleman from Texas (Mr. BENTSEN).

The SPEAKER pro tempore (Mr. QUINN). The gentleman from Texas (Mr. BENTSEN) is recognized for 2 minutes.

Mr. BENTSEN. Mr. Speaker, since everybody was using props, I think I will use a prop, in my opinion, that talks about the deficit. It is a credit card. It is not cash. We do not have the cash yet.

Anybody who believes a 10-year projection on what the surplus is going to be really has lost their mind. We do not know if it is going to be $1.5 trillion. We hope it is $1.5 trillion. We do not know that.

This whole tax cut and this whole 90/10 scenario is predicated on a surplus that we do not even have yet. It is a fraud on the market, and it is a fraud on the public.

The fact is, we are looking down the barrel at $5.5 trillion of debt that we are going to have to pay, including the debt in the Social Security trust fund. To go and start spending all that money now without a rational plan of how it is going to be done means that we are going to end up adding more debt. And, ultimately, our debt-to-gross-domestic-product ratio will go to 200 percent, and then Social Security will really be in trouble. So bills like this are not going to strengthen Social Security. In fact, it probably makes it worse.

This is nothing more than a political gimmick to cover what the true intention is, which is to take us back to supply side economics and back to the days of $200 billion deficits, because many Members on the other side just seem to think that does not really matter.

The fact is, if they ran a business the way they are proposing to do this now, and I came from the business world, they would run it into the ground. They would never be able to get credit, and now they are talking about spending credit that they do not have.

This is a terrible, terrible idea. The best thing we could do would be to start paying down the debt, get the debt-to-GDP ratio down. That would make Social Security stronger and honor our obligations, not only to the senior citizens and future senior citizens that are going to rely on Social Security, but also honor the obligations of the United States taxpayers to the Treasury bonds that are out there.

This is a fraudulent, risky policy that will lead us back into the problems that we came out of. I guess if we pass this tax bill, we can say that the days of fiscal responsibility, which we only have enjoyed for a fleeting moment, are dead, and they are dead at the hands of the Republican Party.

Who would have believed it?

Mr. Speaker, I rise in opposition to H.R. 4578. This bill does nothing to strengthen Social Security and, in fact, it may weaken it. It is nothing but a political gimmick that allows the Majority to argue, falsely, that they voted to protect Social Security. This legislation is only a cover-up for tomorrow's attempted raid on the Social Security Trust Fund.

The best way and the most responsible way to strengthen Social Security is to buy down the Federal debt, which today stands at $5.5 trillion. The debt to GDP ratio is 67 percent, double what it was in 1981. Interest paid on the Federal debt, $244 billion this year, has more than tripled since 1981. It is now the third largest Federal program after Social Security and defense. If we do not start paying down the debt, it will mushroom to 200 percent of the Nation's economic output by the middle of the next century and interest payments will consume more and more of the Federal budget.

We should take advantage of this window of opportunity to begin paying down the debt before the retirement of the Baby Boom generation a decade from now begins to require additional spending on programs such as Social Security and Medicare. By paying down the debt, we will be able to add to private investment and expand national income to pay the costs of the Baby Boom's retirement and reduce the share of Federal spending taken by interest payments on the debt.

The Republican Majority says that they will pledge 90 percent of the projected surplus to Social Security, but at least 98 percent of it comes from Social Security. Furthermore, the surplus does not yet exist and the Republicans want to go ahead and spend it. If it does not materialize, the Congress will be spending far more than 10 percent of the Social Security surplus. To propose a tax cut that is not paid for means more debt. If you run a business that way, you would run it into the ground.

There is no difference between the Social Security Trust Fund and the ''Protecting Social Security Account.'' This is spending the surplus and there is no reason why the Majority could not dip into the ''Protecting Social Security Account'' to fund another ill-timed, ill-advised, and irresponsible tax cut. Mr. ARCHER has said that as long as the Republicans are in charge, there will be a tax cut every year. So it looks like the Republican tax bill is just a downpayment on the $700 billion raid on the Social Security surpluses they proposed earlier this year.

The Majority's proposed tax cut is not paid for, so my colleagues have to resort to political gimmicks. This legislation is a sham. It will neither strengthen Social Security nor will it help us buy down our $5.5 trillion national debt. Mr. Speaker, I urge my colleagues to oppose H.R. 4578.

Mr. ARCHER. Mr. Speaker, I yield the balance of my time to the gentleman from Ohio (Mr. KASICH), highly respected chairman of the Committee on the Budget.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. KASICH) is recognized for 4½ minutes.

Mr. KASICH. Mr. Speaker, what is an interesting proposition is that everybody in America now, from the President to the Democrats to the Republicans, claims we have a balanced budget. Why is it that we claim that we have a balanced budget? Well, it is not complicated. It is because we are taking in more money this year than we are spending.

Now, when we take a look at the surplus, we are actually going to spend less than what we take in. And let us just presume that the surplus is $40, two twenty-dollar bills. You said to me, so, JOHN, the surplus is $40. Where does that $40 come from? I say, well, 20 of the $40 comes from the Social Security FICA taxes that we all pay. That is the difference between how much we collect in FICA taxes and how much we pass out to our seniors. So of the $40 surplus, 20 of it is Social Security FICA taxes. We are going to put it on this side of the podium.

The other $20 comes from all the other taxes that we levy in the country, the income taxes, all the taxes that Americans are subjected to; and we are going to put that $20 on the other side of the podium.

Now, the $20 that comes in from the FICA tax, the Social Security tax, we are going to save it. We are going to put it right in our pockets. We are going to save it, and we are going to use it to fix Social Security long term, to save it for three generations of Americans.

But the other $20 that gets generated from the income taxes and all the other taxes, we are going to give part of it back to the American people.

It is just that simple. It has nothing to do with robbing something from Social Security. It is about giving people some of the taxes that they pay in excess of the Social Security taxes.

One more time, for all those watching, $40 in surplus, $20 comes from the

Social Security tax. We are going to save it and put it in our pocket. The other $20, we are going to start to give some of it back.

To my colleagues and those who want to be in favor of change, let me just suggest to you what this is about. For those that are watching this debate, in my opinion, this is not really about tax cuts. School choice is not really about just school choice. Social Security reform is not just really about Social Security. It is about power. It is about whether we are going to run America from the bottom up, where the people and the families and the communities have the power, or whether we are going to continue to run America from the top down, where just a handful of people in America think they know better and they run our lives.

If I can give you more money in your pocket, you and your family, then you have personal power and you can begin to solve the problems in your community. But if the government tells you they want to keep it all here in Washington, they not only do not want to give you a tax cut, they want to use the surplus to spend, to create even more government.

Would it not be an irony for a party and individuals who are committed to shrinking the size of government to take the benefits of balancing the budget and then use it to increase the size of the governmental elites in this town?

I ask you all to think, when you come for this vote, where do you want the power to be? Do you want it to be vested in Washington with a handful of people running this country from the top down, or do you want to be in charge of where your kids go to school? Do you want to be in charge of the ability to provide for yourself in your retirement years? Do you want to be in charge of designing a welfare program in your own community? And, finally, maybe the best manifestation of personal power, do you want more money in your pocket and less money, less of your money in the hands of the government?

I would argue to you, as we go into this next century, the strength of America is not going to be based on the big shots, on the elite. The strength of America is based on the power of every man and woman and child and family and community inside of this Nation.

This is about power and this is about giving you more of it.

I hope my colleagues will reject this notion of keeping the governmental elite powerful and accept the notion and have the confidence that we, working together, can make America better. Support the gentleman from Texas (Mr. ARCHER).

Mr. STOKES. Mr. Speaker, I rise in strong opposition to the majority's legislative measures that would jeopardize the solvency of the Nation's Social Security trust fund. It is just ''mean spirited'' and ''irresponsible'' to further burden seniors by weakening their most stale source of income.

Social Security accounts for more than 40 percent of the income of the elderly. In fact, 44 million retired and disabled workers, their dependents and survivors, are counting on us to do the right thing. Preserving the safety net for elderly Americans is one of the most pressing issues facing our Nation today, and impacts each one of us individually and collectively. More importantly, how we as a Congress choose to address this issue today will impact the quality of life for generations to come.

Mr. Speaker, seniors are in the twilight of their lives, and we should be considering measures that are designed to improve the quality of their lives. Instead, the majority in Congress is once again playing a game of Russian roulette and using ''smoke and mirrors'' tactics to trade seniors' economic security for an election year tax cut. This is just irresponsible, and threatens the lives of the weakest and most vulnerable among us.

As the current baby boomer generation approaches retirement, our Nation stands on the brink of an incredible demographic shock. According to the Congressional Budget Office, between the years 2010 and 2030, the over-the-age 65 population will increase by more than 70 percent. However, the population paying payroll taxes will rise by less than 4 percent. This is firm and compelling evidence that the budget surplus must be invested in protecting Social Security.

The Nation is enjoying a record budget surplus, and we had promised the American people that if they would help us to control spending, and help us to balance the budget, and that if we could yield a budget surplus those funds would be used to protect Social Security. Now, the Republican majority is reneging on that promise.

In fact, 98 percent of the more than $1.5 trillion budget surplus is due to the surplus in the Social Security trust fund. These funds are needed to pay future benefits to senior citizens.

We must do all that we can to protect Social Security's long-term solvency. The Democratic proposal would save 100 percent of the Social Security surplus and place it in a ''lock box'' account at the Federal Reserve until it is released to be used or Social Security.

We must keep our word to our seniors and to the American people. We must keep our promise to use the surplus to ensure the solvency of our Nation's Social Security system.

Seniors must not be forced to choose between food and shelter, or between food and medicine. They have worked hard for their country, and their country must not turn its back on them. Let's do what is right—protect Social Security. I ask my colleague to join me in voting no to H.R. 4578, a bill that jeopardizes Social Security's solvency.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in opposition to this bill, not because I am against reducing the tax burden on my constituents, but because I am a firm believer in keeping promises—in this case, the promise to our citizens that Social Security will be there for them when they retire.

The debate on this bill involves one point of contention. Republicans believe that the funds in our coffers are surplus, and we Democrats believe that we ought to honor the contracts that we have entered into.

Why do I call this a contract? When we originally passed the Social Security Act, we had to justify the additional amount of money that was being taken out of the paychecks of our constituents. It was explained to them at that time, that the money would be held and given back to them at the time that they chose to retire.

As proof, I have brought with me a copy of a letter, that was sent out in 1936 as a mass mailing to people all over the country. The pertinent part reads:

> Under this law the United States Government will send checks every month to retired workers, both men and women, after they have passed their 65th birthday . . . This means that if you work in some factory, shop, mine, mill, store, office, or almost any other kind of business or factory, you will be earning benefits that will come to you later on. From the time you are 65 years old, or more, and stop working, you will get a Government check every month of your life.

Most importantly, the statement reads: ''The checks will come to you as a right.'' A right.

We cannot deprive the citizens of this country this right. Last month I held a series of town hall meetings. Although the meetings were all held in different neighborhoods, with people of different races and backgrounds, with people from different financial strata, and with people of all age groups, at each of the meetings there was a clear consensus that Social Security must be there for them when they call upon it. It must be saved for them, not out of the generosity of our hearts, but because we owe them the money. It is their right?

This position is supported by the National Committee to Preserve Social Security and Medicare, who recently stated: ''An $80 billion election-year tax cut proposed by the U.S. House Republican Leaders wrongly taps Social Security funds and ignores Congress's obligation to protect the nation's social insurance program . . . The diversion of these Social Security funds undermines the future financing of Social Security, and Congress should reject this proposal.''

We all agree that our middle class is taxed too heavily. However, it does not make sense to remedy that by raiding the Social Security Trust Fund, before the Social Security trustees tell this Congress Social Security is safe. Instead, what should be done is follow the democratic tax relief bill which gives tax relief to working Americans once Social Security is saved.

We Democrats voted for significant tax cuts last year. However, that bipartisan bill was paid for. This one is not. In order to even debate this bill, we had to waive part of the Budget Act. If you need any indication of how bad this bill, is, all you have to realize is that it is just a few votes away from violating another federal statute.

I strongly urge all of you to vigilantly protect against this robbery of the American people, and vote against this passage of H.R. 4579.

Mr. TAYLOR of Mississippi. Mr. Speaker, at 7:00 p.m. on September 25, National Weather Service and civil defense officials indicated that the projected landfall of Hurricane Georges would be somewhere between Baldwin County, Alabama, and Bay St. Louis, Mississippi. Based on this information, Representative SONNY CALLAHAN and I have decided that it would be in the best interest of the constituents we serve to return immediately to our respective congressional districts to make the necessary preparations before this major hurricane strikes. We understand that the House

will consider tomorrow H.R. 4579, the Taxpayer Relief Act. Although we do not share the same opinion on H.R. 4579, I oppose it, both Congressman CALLAHAN and I do realize the important nature of the legislation being considered. However, due to overwhelming threat of impending natural disaster, we plan to go home to help our families and constituents prepare for Hurricane Georges. Therefore, we have decided to pair our votes and depart for our congressional districts.

Mr. Speaker, had I been present I would have voted against H.R. 4579 for the following reasons: there is no surplus. We are $5.5 trillion in debt. Its the first time in 30 years that we haven't had to borrow money to pay for our annual operating deficit. Its not the time to incur new responsibilities.

We still owe $800 billion to the Social Security Trust Fund. When Social Security was started there were 19 contributors for every one recipient. By the year 2025, it is projected that there will be 2 workers for every one Social Security recipient. If we don't repay the debt now, while we can, we never will.

People don't feel they get enough from their tax dollars now. They're right. The biggest chunk of their taxes ($365 billion) goes for interest payments on the national debt (approximately $1 billion per day). The amount of money squandered on interest continues to grow every day. Our taxpayers money will be squandered forever unless we retire the debt.

This is especially bad for national security. These dollars could be better spent replacing 30 year old warplanes, helicopters, ships, and land weapon systems. National defense spending has shrunk since the Republicans took control of Congress. In Fiscal Year 1995, the first fiscal year under the leadership of the new Republican majority, defense budget outlays in constant dollars amounted to $295.4 billion. The Fiscal Year 1999 level of defense outlays in constant dollars is $265.6 billion. That is a $30 billion reduction in constant dollars under Republican leadership. Now, the GOP is dreaming up ways to give tax breaks to rich contributors, instead of addressing our pressing national security needs.

We need to fulfill the promises that have been made. First and foremost, is honoring the promise of a ''lifetime of free medical care'' made to those who served in our nation's armed forces. Just yesterday, the House National Security Committee was informed that the Defense Health Program was underfunded for the next year by $623 million. As you may know, the Defense Health Program provides funding for the treatment of our uniformed service personnel, their families, and military retirees. It also provides funds for the operation of our military medical treatment facilities. It really doesn't surprise me that House Speaker GINGRICH, Senate Majority Leader LOTT, House Budget Committee Chairman KASICH, and Senate Budget Committee Chairman DOMENICI do not consider keeping our promises to our nation's military retirees as important. After all, not one of them served one minute in uniform. However, I do think that fully funding our nation's defense and military health care needs is important. This is where we should be spending any surplus that may be left after we've restored the financial integrity and stability of Social Security.

Mr. VENTO. Mr. Speaker, I rise in strong opposition to this election year GOP tax gimmick that would raid and expend the Social Security Trust Funds and jeopardizes the solvency of the most successful domestic program in our nation's history. The Republican leadership has opted for instant gratification with an untimely and irresponsible tax expenditures that would spend much of the projected federal budget surplus in the midst of the ongoing global economic contagion. In this bill, the Republican Majority breaks the 1997 budget deal and has turned its back on our retirees by reneging on their prior promise and advertised position to ''Save Social Security First.''

This irresponsible bill simply undermines the core effort to protect the solvency of the Social Security Trust Funds and provide sufficient resources to fulfill our commitments to all retirees. I this plan, Republicans spend the first projected budget surplus in almost 30 years on tax cuts. Plain and simple, this GOP action speaks louder than words. Tax breaks and election year gimmicks take first place over a sound Social Security system. Whether or not this surplus will actually materialize is not at all guaranteed. And virtually every economist, inside the government and out, believes that any surplus could be short-term and will vaporize shortly after the Baby Boom generation starts to collect Social Security and Medicare in 2008. It would be foolish to spend any of this money before we have assured the long-range solvency of the Social Security system. Almost every plan that has been offered to date to reform and strengthen the Social Security Trust Funds would use the entire budget surplus. This suggests that the GOP wants to manufacture a Social Security Insurance system crisis to compound and ensure that radical changes will and must occur to this time honored defined benefit program.

Rushing to spend the hard-won and long awaited budget surplus is reckless and irresponsible for several reasons. First, this tax cut plan reduces the amount available for Social Security from $520 billion to $430 billion during the next five years. Next, the Republicans are spending money that is not in the federal government coffers. The surpluses the GOP want to spend is not real; such funds are only projections made by the Congressional Budget Office (CBO) and the Office of Management and Budget (OMB)—the kind of unreliable budget projections that the Republican leadership criticized only a few months ago. The GOP view is colored by partisan motives and has changed as the CBO has made more rosy projections.

Moreover, the recent turmoil in the financial markets and the ongoing economic and financial crises in Russia, Japan and the other Asian Pacific Rim nations, and now, Brazil could have a significant impact on the U.S. economy. This would result in the further weakening of both the stock markets and real economic growth more than CBO expected in the July projections. As a senior Member of the House Banking Committee, I visited southeast Asia last winter and met with political and financial leaders in China, Korea and Japan. Following the trip, I was convinced then and recognize today that the Asian economic contagion is not isolated to Asia. This global crisis will further impact adversely the rosy United States budget picture of today without a doubt.

In response to this partisan and careless Republican tax plan, I support the Democratic alternative tax plan, which safeguards Social Security, is fiscally responsible and invests in our nation's future. Unlike the Republican tax plan, the Democratic alternative sets aside every penny of the projected federal budget surpluses to ensure the long-term solvency of the Social Security Trust Fund, increases the standard deduction for a joint return to an amount equal to twice the amount allowed on a single return to provide some marriage penalty relief and would permanently extend income averaging for farmers by providing a tax relief package that would take effect immediately. Furthermore, the Democratic tax bill would take the entire amount of the Social Security surplus in each fiscal year and transfer it to the Federal Reserve Bank of New York to be held in trust for Social Security. This would safeguard the temptation to expend it on pet tax breaks schemes. Furthermore, this would limit the use of the Social Security surplus and place a control on Congress. Under the bill, Congress would have to default on publicly traded debt instruments before it could default on its obligation to the Social Security system. Moreover, the Democratic bill would really lock up 100% of the Social Security surplus, while the Republican proposal pretends to safeguard 90% of the Social Security Insurance system surplus.

Deciding now to use the surpluses for tax cuts before addressing Social Security's long-term problems will siphon off resources that will be needed to maintain the solvency of the Social Security Trust Fund. Budget surpluses should be reserved until a Social Security Commission, the President and the Congress address the long-term requirements of Social Security. This initiative represents just another step in the Republican agenda to eliminate the Social Security Insurance program and squander away the projected surplus as they cast about for an issue in the upcoming mid-term elections.

Unfortunately, while House Republican leaders praised the concept of ''Saving Social Security First,'' they turned around and then passed a budget that broke this pledge. However, its telling that the Senate has never agreed to this scheme up-front in a budget blue print. This broken promise has led to dissention and differences among their own party and has entrenched the budget conference process with the GOP led Senate, which strongly endorses the President's call to save every penny of the budget surplus to strengthen the Social Security Trust Funds. To date, we have no budget. This is not governing. There is little doubt that the GOP Senate will finally be seduced into accepting tax breaks. However, the Administration and most Democrats will not accept this raid on the Social Security Insurance System. Nothing is going to happen if these surpluses and funds are justified. Such funds will be available once the solvency of Social Security is resolved. Meanwhile, this ''surplus'' will translate into a lower overall national debt. A good positive result that most citizens believe must be reduced.

I urge all members to vote no on this Republican attempt to raid the Social Security Trust Funds for election year tax breaks.

Mr. CONYERS. Mr. Speaker, Social Security is the single most popular federal program ever conceived. It provides millions of seniors with retirement income. But it does more than just pay out retirement benefits. Social Security is a retirement program, a life insurance program and a disability insurance program all

in one. Social Security provides benefits to more than forty-three million Americans each year, only thirty million of whom are retirees. Seven million Social Security beneficiaries receive survivors benefits—one and one-half million of those survivors are children. Five and one-half million Americans receive Social Security disability benefits. Social Security has paid these benefits on time, month after month, like clockwork, for the past sixty years. Social Security has always been there when we have needed it and its our responsibility to ensure that it will always be there in the future.

But now, the part of Social Security which Americans are most worried about is its retirement portion, and with good reason. Since Social Security was created six decades ago, Americans have depended on the ''three-legged stool'' model of retirement planning. The first leg of the stool is personal savings; the second leg of the stool is the employer provided pension plan; and the third leg of the stool has always been Social Security.

Social Security has rightly been considered the bedrock upon which retirement security rests for all Americans. No matter what damage vagaries in the stock market might have on personal savings, no matter what damage employer carelessness or dishonesty might have on pension plans, people have always believed that Social Security would be there, the strongest and most important leg of the stool.

Unfortunately, over the years, the stool has weakened. As income stagnated in the 1970's, Americans had to dip into their retirement savings to pay for their children's education, or put a down payment on a house, or pay for increasing medical costs, thus weakening the first leg of the stool.

Employer provided pension plans are also dwindling with the loss of secure jobs with reliable benefits. Nowadays, less than half of all workers have employer provided pension plans, and those that do are receiving less and less in contributions from their employers, thereby weakening the second leg.

Now, when people are beginning to depend on it the most, some people want to weaken or even saw off that third leg of the stool. Those people say that Social Security will go bankrupt in the next century, that Social Security doesn't pay beneficiaries a high enough rate of return. They believe that instead of fixing Social Security by saving the surplus, and sitting Americans' retirement security firmly on the three-legged stool, Americans would be better off trying to balance their futures on only two legs. I wouldn't try to sit on a two-legged stool, and I wouldn't recommend anybody trying to balance their retirement future on one either.

Right now, some Republicans in this House are mounting an attack on Social Security. Not a direct attack, though they have tried that in the past, but an indirect attack. These Republicans are planning to spend our budget surplus, the first budget surplus we have had for 30 years, on tax cuts. Tax cuts are not necessarily a bad idea. In fact, I would seriously consider supporting some of these tax cuts, if we really had any money to spare. But the fact is that we do not.

The ''surplus'' that some in this House so desperately want to spend on tax cuts is in fact needed to support Social Security once it begins running a deficit early in the next century. The only reason why a surplus exists at all is because the Social Security trust fund is taking in more money than it is spending. But that will change in 2013. That year, Social Security starts paying out more money than it takes in. That year, we will need the money which we should be saving from the surplus to pay for the baby boomers' retirement. The surplus that exists now, and with good economic luck will exist for the next several years, is nothing more and nothing less than our and our children's future.

But there are those who believe that Social Security is not worth saving because its return rate is too low. Social Security is not meant to provide workers with a big bonanza. It is intended to provide an income floor, a minimum below which we will not allow beneficiaries to fall. And it has worked. When Social Security was created, senior citizens were the most poverty stricken group in America. Now only 12% of older Americans are poor. Without Social Security, 42% of older Americans would be poor.

Some may think that Social Security is too conservative. It may not pay out as high a rate of return as more risky and speculative investments. But it is that caution which guarantees that Social Security will be there for all of us when we retire or are injured or the person we depend on to provide for us dies. So if the stock market fails us, if our savings are eaten up by illness, if our pension plan disappears, we will be still able to live with dignity.

When you are already at retirement age, there are no second chances. There is no time to build up a new nest egg. There is no time to play the stock market for big returns. You retire with what you've got, and if there is no Social Security, and you've made a mistake in the stock market and your employer took the pension money and ran, you've got nothing. Nothing at all to fall back on. Our mothers, our fathers, our brothers, our sisters, our sons and our daughters, all of us deserve better than that.

Don't let the short term gratification of a fleeting tax cut distract us from saving for our future. Before we consider cutting taxes, save Social Security first.

Mr. BORSKI. Mr. Speaker, I rise today in opposition to H.R. 4578, the so-called Save Social Security Act. This legislation is an assault on one of the most successful government programs in American history—the Social Security program.

H.R. 4578 would rob Social Security recipients of the very benefits that they earned through their hard work and dedication. This bill sets up a separate account for Social Security, and requires the Treasury Department to deposit only 90% of the currently projected surplus in that account. There are several problems with this bill. First, the bill does not protect the Social Security Trust Fund—it does not prevent these funds from being used for additional tax cuts or spending increases in the future. Secondly, it does not reserve the full amount of money that Social Security has accumulated. None of the projected surpluses should be touched until the long-term solvency of Social Security has been fully secured.

As the representative from the 20th oldest district in the nation, I have always let the thoughts and views of my senior constituency guide me through my legislative decisions. More than 113,000 individuals in my District rely on the benefits of Social Security. They depend on this sacred program on a daily basis and I have consequently worked my hardest to ensure the solvency of their program! Today was one of the most offensive attacks on the Social Security program that I have witnessed thus far in my 16 years of working in the House. The seniors in my district have asked me to vote against this fraud of a bill—it does not adequately protect their hard earned money.

I believe that the Social Security program must remain sacrosanct and excluded from budgetary gimmicks. Let us do what is right by reserving every penny of the Social Security Trust Fund for the people that contributed to its solvency. It is not our money to waste, but it is our money to protect. This Republican bill does not properly address the current issues facing Social Security. Instead of safeguarding current Social Security funds, these Members would rather jeopardize this remarkable program with a false plan to assure their existence.

As a true Representative of the Pennsylvania's Third District, I will do all I can to Save Social Security the right way! I suggest that all Members of this body do the same by concerning themselves will valid legislation that will focus on strengthening our current Social Security system that has been successful for more than 60 years. It has provided a sense of certainty for more than 160 million workers and their families. Let us Save Social Security First, not last.

Mr. COSTELLO. Mr. Speaker, I rise today in strong opposition to H.R. 4578, the ''Save Social Security Act''. The title of this legislation gives the impression that it will actually save Social Security when, in fact, the Republican leadership has called this legislation up for a vote to take away 10% of any budget surplus from Social Security. The passage of this bill is a slap in the face to the millions of Americans who have paid into Social Security their entire working lives.

This legislation is another attempt by the Republican-led Congress to undermine our safety-net programs. It is not fair to spend the projected surplus on tax cuts when Social Security is in need of shoring up for the upcoming baby-boom generation. Of the projected surplus of $1.6 Trillion, 98% is generated by payroll taxes for Social Security. If it wasn't for Social Security, the federal budget would have an estimated deficit of $137 Billion over the next five years.

Mr. Speaker, I believe we should solve the long-term Social Security Trust Fund solvency problems before we pay for tax cuts out of a surplus funded by Social Security. I support tax cuts for marriage penalty relief, self-employed health insurance deduction, education and child care tax credits, however, I believe it must be paid for through responsible fiscal planning.

I urge my colleagues to oppose this legislation and ensure Social Security benefits for generations to come.

Mr. SMITH of Michigan. Mr. Speaker, the ''Protect Social Security Account'' developed in H.R. 4578 should increase awareness of the Social Security problem. However, the legislation does nothing to solve the problem.

The bill requires the Secretary of Treasury to make annual nonnegotiable ''IOUs'' to this new account each fiscal year from 1998 to 2008. The new government debt owed to this ''Protect Social Security Account'' would equal

90% of the projected total unified budget surplus for each of those fiscal years.

In addition, the Treasury will make out IOUs to the Social Security Trust Fund for its annual surplus, as it has done in the past. The Social Security tax revenues surplus, which is the social security taxes in excess of benefit payments for that year, is a major part of any unified budget surplus. This means we are creating a $1.90 in debt for every dollar borrowed in those years that the unified budget surplus is greater then the Social Security surplus. Total government debt will increase faster than if the new account was not established. In other words, the increased debt to the Social Security trust fund will be about $80 billion for the 1998 fiscal year. Because the calculations for government IOUs into the ''Protect Social Security Account'' is 90% of the unified budget surplus in most years, there is double accounting for government indebtedness for the same money. That results in total debt going up faster than it otherwise would. The Congressional Budget Office (CBO) estimates that Congress and the President will have to increase the existing $5.95 trillion in debt ceiling two years earlier if this bill would become law 2001 instead of 2003. Ironically, the more unified budget surplus that is spent by government, the less debt subject to debt limit there would be.

There will never be any actual money that is going into this account, just more IOUs. I am voting for the Rangel substitute because it has the effect of investing the Social Security surplus in marketable bonds as does my bill, H.R. 4033. I am voting for H.R. 4578 in the hopes that a future Congress will pay back the debt in the ''Protect Social Security Account'' to help solve the Social Security problem. We should all recognize that by the year 2008 the general fund of the Treasury will owe $2.252 trillion to the Social Security Trust Fund. This does not include the money that will be owed to the new fund. Unless there are sufficient resources in the general fund of the Treasury to repay that borrowing, the ability to pay the promised Social Security benefits will be threatened.

The fact is, none of the rhetoric by Republicans or Democrats or the President that we should save the surplus to save Social Security does anything to fix Social Security. The legislation I introduced (H.R. 3082) has been scored by the Social Security actuaries to keep Social Security solvent.

Others that have done real work to save Social Security include Representatives STENHOLM, KOLBE, SANFORD, and PORTER, and Senators MOYNIHAN, KERREY (NE), GREGG, BREAUX, GRAMM, and DOMENICI. I applaud all of their efforts. I acknowledge the tremendous increase in awareness that the President has helped stimulate by announcing in his State of the Union address last February that we've got to save Social Security. As Chairman of the bipartisan task force on Social Security, I am setting our first goal to be a discussion of the real facts and the real problem of the current system.

Senator MOYNIHAN said during Social Security reform discussions in 1983, ''Everyone is entitled to their own opinion. However, no one is entitled to his own set of the facts.'' If we can have honest bipartisan discussion of the issue, and if we can increase public understanding, then we can pass real Social Security reform legislation in 1999. That is important, because the longer we put off the resolution, the most drastic the changes will have to be.

Mr. HILL. Mr. Speaker, I am in full agreement with the goal of reducing taxes on hard-working American families. The Republican way of reducing taxes is by reducing spending and reducing government. That's why I voted earlier for a budget that reduced spending for these tax cuts.

But the President likes to say, from one side of his mouth, that he wants to save Social Security. Yet, from the other side of his mouth, he calls for billions of dollars of new spending from the Social Security Trust Fund.

Senate Democrats claim they want to save Social Security while proposing to spend Social Security taxes on increased spending.

And my own Republican leadership wants to cut taxes—offsetting the cuts with the Social Security Trust Fund.

On this issue, I say: A pox on all their houses.

I want tax cuts. I support these tax cuts. I just don't want them funded out of Social Security taxes.

I had hoped that the leadership would find a way to phase in tax cuts from the projected surplus in the general fund, but this plan does not do that.

When I was in business, we had good years and we had bad years. Sometimes we needed to borrow money to get through the lean times. But every businessman knows that you don't raid the employees' pension fund to meet payroll.

In the 40 years that Democrats controlled Congress they raided Social Security for other programs. It was wrong. It's still wrong. And that's why this measure is wrong today.

I'm not voting with the Democrats today. They can't wait for the chance to spend the Social Security Trust Fund on more government programs. But his vote today underscores the need to put this money into personal accounts for each and every American. Those accounts should be personalized with the name of an individual, not the name of Congress.

I will not support this legislation today. Not because I don't support the tax cuts, but because Montanans tell me the real path to tax reduction is to reduce the size of government.

Mr. THOMPSON. Mr. Speaker, the budget surplus which will be obtained this year is the greatest achievement of common sense and foresight in decades. While much of the world around us flounders in economic chaos, the United States' economy continues to drive forward, largely due to this success.

Now we are casting to the wind the same common sense planning—and if I might add, conservative policies—which eliminated the budget deficit and created the budget surplus. Six weeks away from the election we are voting on tax cuts, many of which I admittedly support and would like to see enacted, even though we can not yet pay for them without taking money needed for saving Social Security.

The truth is that we only have a budget surplus today because a surplus exists in the Social Security Trust Fund. According to the Congressional Budget Office, 98% of the budget surplus from 1999 to 2008 will come from the surplus in the Social Security Trust Fund. Only 2% will come from non-Social Security sources. However, this surplus is only temporary. The hordes of retiring ''Baby Boomers'' will draw heavily on Social Security, and the Trust Fund will become bankrupt by 2032.

The Democratic Substitute to the Republican's so-called ''Save Social Security Act'' we are now considering makes a very simple proposal: we set aside 100% of the budget surplus in a special fund to be used solely for keeping the Social Security Trust Fund solvent until a long term solution can be found. The Republican bill, on the other hand, will take the surplus which really belongs to Social Security and use it for funding the tax cuts we will vote on tomorrow.

The Republican proposal risks Social Security and it risks America's future. What happens if the worldwide economic crises seriously affected American markets and the surplus turns out to be less than predicted? The result, I fear, will be less than welcome. We will be stuck with these new tax cuts, which I know this House will not have the political capital to repeal. We will return to the days of budget deficits, and our economy will be trapped in the same cycle of stagnant growth we thought we left behind when the last recession ended six years ago.

In recent years the improving economy has permitted the vast majority of Americans to cast aside their fears and look towards their future with renewed hope and newly minted dreams. I hope that either this House or the more sensible policy-makers in this city reject the risky political games we are playing and return to the common sense that has served us well to date. Let us save Social Security first and enact tax cuts when we can pay for them.

Mr. RAMSTAD. Mr. Speaker, I would like to dispel some of the misleading hyperbole the American people are being fed today. Americans are sick of political double talk. They want the truth—so here it is.

This surplus we are talking about here today—do you know where it came from? It came from you—your hard earned pay checks, your savings accounts, your investments and even the deaths of your family members and friends. It's not the government's money—it's yours!

You know what happens to your money when it gets to Washington? Well, for the last 40+ years, the Democratic majority spent it—spent well above it—and often wasted it. In fact, if it weren't for the Republican majority you elected, we wouldn't even be standing here today talking about a surplus or how to use the excess taxes you have sent us.

You deserve some of your money back. And, yes, your money—$1.4 trillion—should also go toward preserving and protecting Social Security. Both can be done.

Let me reassure you right now that under the bill before us today, fully 90% of your surplus goes into a ''Protect Social Security Account.'' Some $1.4 trillion of your money is set aside until we pass legislation to ensure the long term solvency of Social Security.

And do you know what the impact on the Social Security Trust Fund will be from giving you back 10% of your money? None. Let me repeat that. None. The Social Security Trust Fund will not lose one dime by passing this legislation today and the tax bill tomorrow. Not a penny.

So, to recap the truth for Americans sick of all the political legalese and double talk: Passing this legislation gives you, the overtaxed

American, 10% of your money back. It secures 90% of your money in a new account to be used for preserving and protecting your Social Security program. Let's pass the ''Save Social Security Act.''

Ms. DELAURO. Mr. Speaker, Social Security is one of our Nation's greatest success stories. It is the financial bedrock for our country's elderly, and for all hard working American families who want to retire with some peace of mind. Two-thirds of our seniors depend on Social Security for more than half their retirement income.

But right now, Social Security is under attack: this bill would raid Social Security to pay for a tax bill. The Archer bill pays for its tax plan with money from the Social Security Trust Fund—money that Americans have invested for their retirements, money that the program needs for long-term survival. I believe in tax cuts, but I believe we must protect the Social Security Trust fund first. We cannot undermine our retirement security for the sake of ten cents per day today.

I urge my colleagues: don't be irresponsible. Protect our Social Security trust fund, and protect our retirement savings. Vote for the Rangel tax cut, which ensures the solvency of the Social Security trust fund. Oppose the Archer Social Security raid.

Mr. COYNE. Mr. Speaker, I rise in opposition to this misguided legislation. It combines commendable tax cuts with an unacceptable funding mechanism. The bill would take money from the Social Security Trust Fund to pay for these tax cuts. I consider this a fatal flaw.

This bill is the legislative equivalent of the Trojan Horse. It contains a collection of tax cuts that Democrats would usually support. Most of the tax cuts contained in H.R. 4579 have, in fact, been proposed and supported by Democrats in the past. The marriage penalty provision is similar to one offered by Representative MCDERMOTT during the Ways and Means Committee mark-up of the 1997 Taxpayer Relief Act—and rejected unanimously by the Republicans on the Committee. The same is true of the 100 percent deduction for health insurance for the self-employed. Similarly, I do not think that anyone is opposed to extending the expiring tax provisions contained in H.R. 4579—they are non-controversial, and most of us have voted to extend these provisions a number of times. The provision in the bill which would allow non-refundable credits against the alternative minimum tax is similar to a change proposed in legislation introduced recently by Representative NEAL. And the provision assisting military personnel who sell their homes after returning from temporary postings is similar to a change recommended by the Administration earlier this year.

The problem with this bill, of course, is not primarily with the proposed tax relief, but rather with the way that this tax relief would be paid for—with money from the Social Security Trust Fund.

The Federal Government is expected to collect $1.6 trillion more in revenues than it is projected to spend in outlays over the next ten years. That figure, however, hides the fact that the Federal operating budget—the budget excluding Social Security—is projected to run a surplus of only $31 billion over the next ten years, and that in fact it is not even expected to produce a significant surplus until the year 2006. The reason that CBO has projected a unified Federal budget surplus for fiscal year 1998 and the subsequent 5 years is that the Social Security trust fund is currently running a surplus of over $100 billion annually. Without the surplus in the Social Security trust fund, the Federal Government is actually projected to run a deficit of $137 billion over the next five years.

The point that my colleagues on the other side of the aisle forget or choose to ignore is that after 2010, first the unified Federal budget and then the Social Security Trust Fund begin to run huge deficits as the number of Social Security beneficiaries doubles from 40 million to 80 million. In fact, even counting the projected trust fund surpluses, outlays for Social Security are expected to exceed receipts by trillions of dollars over the next 75 years.

Moreover, there is no guarantee that the projected $1.6 trillion surplus is going to materialize at all. CBO has estimated that a recession next year could change the projected surplus of $520 billion over the next five years to a deficit of $44 billion. I think that, given the current global economic uncertainty, it would be wise for Congress to actually run a surplus before it spends it.

Mr. Speaker, we all support taxpayer relief. And I suspect that we all would agree on the need to preserve Social Security. The question before us today is whether we should reduce the amount of money in the Social Security Trust Fund before we have taken action to ensure the program's future solvency. I do not think that we should. Most experts agree that we will need the surplus—and then some—to keep Social Security solvent in the next century.

43 percent of retiree households in my congressional district depend on Social Security for all of their retirement income. That means that roughly 33,000 people are living on an average of $9,000 a year. The 45,000 retirees who have pensions or income from savings get by on an average yearly income of about $16,000 a year. We shouldn't risk the retirement security of millions of senior citizens in order to score political points in an election year. We don't have the right. Consequently, I urge my colleagues to resist the temptation to spend money from the Social Security Trust Fund to pay for tax cuts—no matter how meritorious those tax cuts might be—until we enact legislation that ensures the future security of Social Security. If we restore Social Security's financial health next year—and if it looks like we won't need all of the money in the trust fund to pay out benefits—then we might want to take a look at lowering the Social Security payroll tax rate. That might be the fairest tax cut financed by Social Security receipts. I do not think that such a situation is likely, but I would be pleased if it turned out to be the case. Short of such a remarkable turn of events, I urge my colleagues to keep their hands out of the Social Security Trust Fund.

Instead of this ill-advised bill, Congress should enact legislation before it adjourns that will wall off the Social Security Trust Fund surplus. Then, next year, this body can work to craft a long-term solution that will ensure the solvency of Social Security. If we follow such a course, Social Security will be able to continue paying out benefits for the foreseeable future.

I will support the Democratic alternative. The Democratic amendment to H.R. 4579 would allow all of the tax cuts contained in the original bill—but it would delay these tax cuts until the Social Security trustees certify that Social Security will be solvent for the next 75 years and OMB certifies that the Federal budget—excluding the Social Security trust fund suplus—is running a surplus and will continue to run a deficit for the following five years. The Democratic amendment to H.R. 4578 would take all of the surplus in the Social Security trust fund—100 percent of it, not merely 90 percent—and lock it away in an account at the Federal Reserve Bank of New York where it would earn interest at the market rate. By putting the money in this ''lock box'' account, Congress could ensure that it wouldn't be spent on other programs—as many of my Republican colleagues fear—or on tax cuts benefitting the well-to-do—as many of my Democratic colleagues fear. The difference between 90 percent and 100 percent of the trust fund surplus may sound insignificant at first blush, but once one realizes that 10 percent of the projected Social Security surplus amounts to over $160 billion, the importance of preserving this money for Social Security becomes clear. Diverting $160 billion from the Social Security program is not responsible. It is not reasonable. It is outrageous. It is nothing short of a raid on our children's future.

I urge my colleagues to join me in exercising restraint, foresight, and fiscal conservatism. Save the surplus—and preserve Social Security.

Mr. POSHARD. Mr. Speaker, I rise today to oppose this legislation. When I came to Congress 10 years ago, my foremost priority was to work towards balancing the Federal budget. As I prepare to leave this institution, I am very proud of the fact that this goal has been reached during my tenure. But reaching a balanced budget is only the first step. We must continue to pursue fiscally responsible policies to ensure that we can accomplish related objectives, such as maintaining a solvent Social Security program for today's seniors and future retirees, and saving our children from an increasing mountain of debt.

I am not opposed to tax cuts. I supported them in the Balanced Budget Act last year, and I have been a forceful advocate for some of the proposals us today, especially the 100% deductibility of health insurance costs for the self-employed. But this is not the time to be considering these measures. I fear this vote has political motivations, and the subject is too dear to me and critical to the country. We must be certain that Social Security is properly funded, that our parents, our friends, and our neighbors that rely on that program can continue to depend on it. Let us do the right thing here today, I urge my colleagues to preserve the Social Security trust fund for its intended purpose, and support the Rangel substitute.

Ms. MCCARTHY of Missouri. Mr. Speaker, I rise today to support the Rangel Democratic Amendment and oppose H.R. 4578. I strongly support the Democratic Amendment which would create an account at the Federal Reserve Bank for the entire Social Security surplus.

It is fiscally irresponsible for Congress to spend any of the anticipated surplus before we have addressed the long-term retirement needs of working men and women, or before the surplus has even materialized.

In order to claim a budget surplus, the majority will use money from the Social Security

trust fund. We cannot let this happen. We must restore the $9 trillion in unfunded liability owed to individuals who have paid into this most successful government program all of their working lives.

Mr. RANGEL's Amendment would transfer 100% of any Social Security surpluses to the Federal Reserve Bank of New York to be held in trust for the Social Security system.

Congress should stand firm to ensure that Social Security will remain strong for future generations. I urge my colleagues to support the Democratic Amendment sponsored by the gentleman from New York, Mr. RANGEL. Mr. Speaker, we need to save Social Security first.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise to oppose H.R. 4578, which contains the Republicans' plan to save Social Security. I oppose it because it is a job incomplete.

It is not a coincidence that this bill is being brought to the floor at the end of the session, and immediately before the House will consider a Republican bill that spends a significant portion of the Social Security surplus on a tax cut.

This bill comes to the floor only because the Republicans must have some response ready for the millions of Americans that they plan on taking money from tomorrow, when we debate the Republican Tax bill. They want to be able to say that they voted to save 90% of the budget surplus to Social Security.

Ninety-percent sure sounds good. It sounds like a good score on an exam, but this is not an exam. This is the money of the American people. This is money that should all be put into a safe place, away from politicians, especially in election years.

Furthermore, this Republican plan does not really take the Social Security Trust Fund off-budget. This means that not even the 90% that they claim is safe, is truly safe. It is still reachable by Congress when the next election-cycle comes around. We need legislation that puts the money of the American people in a truly safe place, like a Federal Reserve bank.

Democrats, on the other hand, are committed to preserving all, that means 100%, of the budget surplus for Social Security. That is because we know that this money is not really a surplus. It is, rather, a debt. A debt that we owe to all of the Americans that have dutifully paid into this plan over their entire careers.

The Chairman says, ''Let's be conservative.'' The trouble is the Chairman's proposal is not conservative enough. The most conservative thing to do is to take all of the surplus money and lock it away, until we know that Social Security is saved.

This is not money that we should be using to play election-year politics. I urge all of you to vote against this bill, and for the democratic substitute.

Mr. BEREUTER. Mr. Speaker, this Member rises today to express his support for H.R. 4578. This bill ensures that funds are saved for Social Security, while at the same time allowing taxpayers nationwide to benefit from a Federal income tax cut in H.R. 4579.

It is projected that we will have a $1.6 trillion surplus in the Federal budget. House Resolution 4578 would set aside 90% of the budget surplus, $1.4 trillion, to protect the Social Security system by depositing this amount into a new Treasury account entitled the ''Protect Social Security Account.'' The Social Security system is a supplemental retirement benefit to recipients for their life of diligent service and dedication to their jobs, their families, and their community. Accordingly, H.R. 4578 will help stabilize the Social Security system from the threat of permanent insolvency. In turn, H.R. 4578 will help to ensure that the future inheritors of the Social Security system reap a harvest from the seeds of hard work and toil that they will sow as time progresses.

In closing, H.R. 4578 is certainly one important step forward in ensuring a sound Social Security system for future beneficiaries. This Member encourages a ''yea'' vote for H.R. 4578.

Mr. DAVIS of Illinois. Mr. Speaker, I rise today against the Republican Social Security bill because it raids the Social Security Trust Fund in order to provide Republican tax cuts, six weeks before an election. These tax cuts are a short-term, one-shot use of the surplus.

Mr. Speaker, this is wrong. Those working-class Americans who have paid into the Social Security Trust Fund deserve to have Social Security for them.

Social Security has provided benefits to more than 160 million workers and their families since the program began in 1940. Without this vital program, half of our Nation's elderly would live in poverty. Two-thirds of our Nation's elderly depend on Social Security for one half or more of their income.

Make no mistake about it. The issue is not whether cutting taxes aimed for reduction should or should not be cut certain reductions might be beneficial. The heart of the matter is, it is unacceptable to finance the tax cut package with Social Security funds.

Mr. Speaker, I urge my colleagues on both sides of the aisle to stand up for the elderly and the working poor—preserve 100% of the surplus for Social Security. They have been there for us, let us not let them down and leave them behind now.

The SPEAKER pro tempore. All time for debate has expired.

It is now in order to consider the amendment numbered 1 printed in the CONGRESSIONAL RECORD.

AMENDMENT NO. 1 IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. RANGEL

Mr. RANGEL. Mr. Speaker, I offer an amendment in the nature of a substitute.

The SPEAKER pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment No. 1 in the nature of a substitute offered by Mr. RANGEL:

Strike all after the enacting clause and insert the following:

SECTION 1. RESERVATION OF SOCIAL SECURITY SURPLUSES SOLELY FOR SOCIAL SECURITY SYSTEM.

(a) IN GENERAL.—Section 201 of the Social Security Act (42 U.S.C. 401) is amended by adding at the end the following new subsection:

''(n)(1) The Secretary of the Treasury, before the beginning of each fiscal year, shall estimate the amount of the Social Security surplus for such year. For purposes of this subsection, the term 'Social Security surplus' means the excess of the receipts in the Trust Funds during the fiscal year (including interest on obligations held in such funds) over the outlays from such funds during such year:

''(2) If the Secretary of the Treasury determines that there is a Social Security surplus for any fiscal year, such Secretary shall transfer during such year from the General fund of the Treasury an amount equal to the amount of the surplus to the Federal Reserve Bank of New York. Such transfer shall be made monthly on the basis of estimates by the Secretary of the Treasury of the portion of the surplus attributable to the month, and proper adjustments shall be made in amounts, subsequently transferred to the extent prior estimates were in excess of or less than amounts required to be transferred. Amounts transferred under this paragraph shall substitute for (and be in lieu of) equivalent amounts otherwise required to be transferred to the Trust Funds.

''(3) The Federal Reserve Bank of New York shall hold the amounts transferred under paragraph (2), and all income from investment thereof, in trust for the benefit of the Trust Funds. Amounts so held shall be invested in marketable obligations of the United States with maturities that the Managing Trustee determines are consistent with the requirements of the Trust Funds. Amounts held in trust under this paragraph (and earnings thereon) shall be treated as part of the balance of the Trust Funds.

''(4) If, at any time, any obligation acquired under paragraph (2) has a market value less than its acquisition cost by reason of a change in interest rates, the Federal Reserve Bank of New York may, at any time, present such obligation to the Secretary of the Treasury for redemption, notwithstanding the maturity date or any other requirement relating to such obligation, and the Secretary of the Treasury shall redeem such obligation for an amount that is not less than such acquisition cost.

''(5) Upon request by the Managing Trustee, the Federal Reserve Bank of New York shall transfer to the appropriate Trust Fund the amount determined by the Managing Trustee to be necessary to meet the obligations of such Fund.

''(6) All transfers to the Federal Reserve Bank of New York under paragraph (2) shall be treated as Federal outlays for all budgetary purposes of the United States Government, except that such transfers shall not be subject to section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 and all transfers to the Trust Funds under paragraph (5) shall be treated as offsetting receipts.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to fiscal years beginning on or after October 1, 1998.

Amend the title so as to read: ''A bill to reserve 100 percent of the social security surpluses solely for the Social Security System.''.

The SPEAKER pro tempore. Pursuant to House Resolution 552, the gentleman from New York (Mr. RANGEL) and a Member opposed, each will control 30 minutes.

The Chair recognizes the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Earlier in the debate, somebody said the only difference between the bills is that I wanted 100 percent and the Republicans wanted 90 percent. That is not the only difference, because, in this substitute, we take that 100 percent, not just merely put it in a separate accounting system in the Social Security trust fund, as I once supported, but we take it away completely from the opportunity of politicians, Republican or Democrats, and lock it into the Federal Reserve Bank so that it cannot be touched.

But I would just like to say, with all of this display of currency on the floor, that we should recognize for those who have the $40, that the 40 bucks was owed to the Social Security trust fund. We have not used the money that has been collected for the trust fund. We have used it for other things.

So if Members want to say the only difference between Republicans and Democrats is they want a total commitment to the system and Republicans want a partial commitment, then we may be closer to the facts, because we say that after we fix Social Security first, then we would trigger the exciting and the ever-inviting tax cuts, as my colleagues in the majority have suggested.

Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. TRAFICANT).

(Mr. TRAFICANT asked and was given permission to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, I, for one, do not question the reasons or demean the intentions at all of the gentleman from Texas (Mr. ARCHER), the Republicans and the former speaker the gentleman from Ohio (Mr. KASICH). I think the gentleman from Texas (Mr. ARCHER) is a great chairman, and I think America is very fortunate to have the gentleman from Texas (Mr. ARCHER) and the gentleman from New York (Mr. RANGEL), two of the best.

I want to talk taxes today. I voted for the previous tax cuts. They made sense. Social Security is funded by its own tax. That tax is to ensure the solvency of Social Security. I philosophically and in my heart believe that not one of those pennies should be used for anything else.

Having said that, let us take a look at the situation in America today. I can remember from my devastated community, when the CEOs of the companies were so desperate to try and save their companies, they used the pension funds, maybe with good intentions. The economy slumped, and retirees lost their pensions, and Congress had to bail them out.

Let me caution Congress today about this so-called booming economy. This just may be a paper tiger. It seems to me if Wall Street sneezes, the world catches pneumonia and Social Security, once again, needs an ambulance.

The Archer plan is a good plan. The Rangel plan is a good plan. Today I am going to support the Rangel plan for one major reason: The Rangel plan is the safest and the most pragmatic for our country.

I will support the Archer plan. It is one of the best tax packages brought before this Congress, without a doubt. I will support it when you find the money elsewhere or after you have implemented the safeguards brought forth by the gentleman from New York (Mr. RANGEL).

I think we should leave the politics aside today. This is not Rotary. Republicans are not trying to rip us off. Democrats are not trying to stop a tax cut. We have a difference of philosophy on this and a difference of opinion.

I honestly believe there would be a budget deficit without the Social Security monies of surplus. Let us take care of Social Security. Let us make it solvent. Then let us go on to the Nation's business, to cut taxes or, if necessary, find that money elsewhere.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

When I was first appointed to the Committee on Ways and Means in January of 1973, I took an immediate interest in Social Security. There was no subcommittee then, but I knew how vital it was, not just to current retirees but to future generations, the most important program the Federal Government has.

As a result of that, I was appointed by Ronald Reagan to the Social Security Commission in 1982. No one in this body recognizes more the importance of Social Security and how sacred it is. So let it be clear that there is a determination on my part and the part of the majority to protect, to guard, to reform and to save Social Security.

But what we are talking about today is a different issue. No one should be fooled about it. If I believed, as my friend from Ohio said, that this is the only safe way to move, I would not be here urging an alternative. But the Rangel scheme will not dedicate 100 percent of the surplus to Social Security. Why? Because surplus, in his definition, is only what is left over after all of the spending that is urged upon the Congress occurs in each year. It is an open door to pave the way for Democrats to increase government spending, reduce the surplus that is available in each year and, at the same time, expand the size of government and grow the bureaucracy, grow the power of Washington, as my friend, the gentleman from Ohio (Mr. KASICH) said.

□ 1230

Save 100 percent of the surplus for Social Security? How can they claim to support saving every penny when President Clinton is leading the charge to spend the surplus now? Extrapolated over a five-year period, the additional spending this year alone could well reach $100 billion of surplus that will not be there when they are through. The President has already spent $2.9 billion from the surplus to help the people in Bosnia. That was not an emergency. We knew ahead of time, for at least a year, that those moneys would have to be spent. Yet it was okay to spend the surplus on the people of Bosnia. And already this fall the President has asked Congress to spend $13 billion in additional surplus money on other government programs some claimed to be emergency, and yet clearly were planned in advance, known in advance and should have been paid for in advance.

Mr. Speaker, if it is acceptable for the Democrats to spend the surplus on the people of Bosnia, why do they oppose using it to give tax relief to the taxpayers of America who send it here in the first place? It is not our money. It is their money.

Do not be fooled. This substitute is a risky scheme to squander the surplus on more government while denying tax relief to husbands and wives, farmers and ranchers, senior citizens and small businesses.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. GEPHARDT) our minority leader.

(Mr. GEPHARDT asked and was given permission to revise and extend his remarks.)

Mr. GEPHARDT. Mr. Speaker, I urge my colleagues to vote for the Democratic substitute offered by the gentleman from New York (Mr. RANGEL) that will truly save the surplus for Social Security. I challenge my Republican colleagues to put the money where their mouths are. Join with Democrats in using all of the surplus to save Social Security first.

Republicans talk a big game in election years when it comes to protecting Social Security. Listening to their rhetoric today, one would have thought that they were the ones who came up with the idea of Social Security in the first place. They did not. Republicans fought it in the 1930s and they are fighting it again in the 1990s. They want to weaken it by eroding its financial stability. They want to starve Social Security so that it withers on the vine. That is exactly what the Republican bill does. It puts Social Security second. It raises and raids funds from the Social Security trust fund to further their ultimate goal, killing the system that lifts millions of our senior citizens out of poverty. This is the first step in their plan to transform Social Security from a guaranteed fundamental bedrock into a crapshoot in the markets. They are not really committed to saving Social Security.

All one has to do is take a look at the Republican bill today to see how weak their commitment to Social Security really is. If you are really committed to something, you stand 100 percent behind it. You do not go halfway in fighting for your bedrock values. You do not go almost all the way. You go all the way. But the Republicans' 90 percent solution does not really protect the crown jewel of our efforts, to make sure that seniors can live in respect and dignity no matter what. Republicans only want to throw Social Security a string instead of a lifeline. And Republicans only want to go the whole eight yards to save Social Security. In baseball, 90 percent of the way only gets you a pop-out on the warning track, not a home run. We want to knock this ball straight out of the park.

Democrats are 100 percent committed to Social Security. We are going to

dedicate the entire surplus to saving Social Security, not just part of it, not just 90 percent of it. It is important that we stop these Republican raiders in their tracks, because this year they will steal 10 percent of the surplus from Social Security and next year they will come back and try to get more. The gentleman from Texas (Mr. ARCHER) has said so himself. ''As long as there is a Republican majority,'' he said in a press conference, ''we're going to have a tax cut every year.'' He said, ''We need to take a stand now.'' Well, I think we need to take a stand now and show the American people that we will save all, 100 percent, of the surplus for Social Security.

When you have a jewel, you do not keep it on your kitchen table. You lock it up in a safe deposit box. That is exactly what we want to do with the surplus for Social Security. Our substitute puts the money under lock and key, at the Federal Reserve Bank, so that neither Republicans nor Democrats nor anyone will be able to get their hands on it.

Let us take the surplus away from the Republicans. Let us shore up the system and show the American people that we can save Social Security first.

Mr. ARCHER. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana (Mr. MCCRERY) another respected member of the Committee on Ways and Means.

Mr. MCCRERY. Mr. Speaker, much of the debate here today has been misleading, to say the least, including the remarks of the previous speaker.

Look. Democrats, I believe, do want to preserve Social Security. So do Republicans. There is no difference. We both want to preserve Social Security. The difference is that for 40 years of Democrat control, they ran a deficit. They spent more at the Federal level than we took in, mounting up a debt on which we had to pay interest and, of course, we could not use that money for Social Security or anything else. So if they had remained in control and continued 40 years of history, of spending more than they were taking in, the only solution to Social Security would have been to raise taxes. Thankfully Republicans gained control of the legislative branch 3½ years ago, and thanks to our fiscal policies getting government spending under control, we are now running a surplus. We are bringing more money into the Federal Government than we are spending for the first time in 30 something years. So, thanks to our policies, we now have an opportunity to save Social Security, to preserve Social Security that the Democrats want to do and that we want to do, but our way to do it is to use the surplus to finance a transition from the current Social Security program to one that will be smarter, use our money more wisely and even give people back more than they are getting now from the Social Security system.

If we take a look at the solutions that have been proposed, none of them spend the entire projected surplus for the next 10 years. They range anywhere from about $650 billion to $900 billion. So we want to use that money to transition to a new Social Security system that will give people more and at least preserve what they have got now. That should be the debate, and that will be the debate, I hope, over the next couple of years, how to preserve the Social Security system. What we have heard here today is a bunch of poppycock and I am tired of it.

Let us be honest. Republicans want to save Social Security, Democrats want to save Social Security. Thanks to our fiscal policies, we now have a chance to do that without raising taxes, and I am thankful for that. Dadgum.

Let me just speak for a minute about the substitute that we are debating now. If the gentleman from Ohio (Mr. TRAFICANT) is correct and if the gentleman from Missouri (Mr. GEPHARDT) is correct and we are really going to lock that money up in the Federal Reserve in New York, well, guess what? Under the wording of the Rangel substitute, we are not only going to lock up the unified budget surplus, we are going to lock up the Social Security surplus. That is what it says. So if the Social Security surplus is more than the unified budget surplus, which it is over the next five years, you are going to have to come up with some spending cuts to finance your plan. What are you going to cut, Medicare? Give me a break.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. STENHOLM), one of the strongest supporters of our Social Security system.

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

Mr. STENHOLM. Mr. Speaker, I am holding up 10 one-dollar bills. But as you can see, there are none there. Because we do not have a surplus to distribute as yet from anywhere. All of what we are talking about today is projected. Projected.

Let me remind all of us now the facts, because my colleague from Texas is a little sensitive about raiding, and I will not use that, because I agree with him, to a point. But when you have a projected surplus of $520 billion over the next five years, of which $657 billion of the $520 are Social Security trust funds, what else can you define the utilization of those funds other than misuse of Social Security trust fund?

Now, my colleague from Louisiana, I happen to agree with the tone of his comments a moment ago, because I do agree. I have been working with a lot of folks on his side of the aisle on the long term of Social Security. That is why I stand here today absolutely supporting the Rangel substitute and absolutely supporting not supporting the tax cut. Because anyone that has spent any time at all looking at what it is going to take to transcend into a new and survivable Social Security system knows there are transition costs up front that have to be paid for. I challenge anyone, and I would be glad to yield to anybody that would challenge me on anything that I have said thus far. Because anyone, and I know the chairman of the committee has worked on this and the gentleman from Kentucky (Mr. BUNNING) about to speak has worked on this and I believe he will agree. If we are going to solve the long-term problems of Social Security, we have got to have some transition costs. That is why I oppose a short-term political fix of a tax cut because I want to spend the money on Social Security. Because we cannot get from where we are to where we want to be unless we do that.

No one as yet has talked about the debt, $5.4 trillion, and we can point the fingers at what caused it. I am reminded when I point my finger, there are three pointing back at me. But no one also has talked about the $9 trillion unfunded liability of the Social Security system. That is why some of us are so opposed to a tax cut right now, 60 days before an election, because we want to start the day after the election working together in a bipartisan way with our colleagues to solve the long-term Social Security problem. That is why I am here. I do not want my remarks mischaracterized as some have done this morning on the rule. I want it to be perfectly clear why I oppose the tax cut today using Social Security trust funds, because no one can refute me when I say when the projected surplus over the next five years, that is projected, and look at the world economy and tell me that it may not happen.

The conservative thing for us to do is to bank the surplus of Social Security, reserve it for the future of Social Security, and reserve it for perhaps an economy that may not be as good next year as it is today.

Mr. ARCHER. Mr. Speaker, I yield 5 minutes to the gentleman from Kentucky (Mr. BUNNING), the chairman of the Subcommittee on Social Security.

(Mr. BUNNING asked and was given permission to revise and extend his remarks.)

Mr. BUNNING. I thank the gentleman for yielding time. Mr. Speaker, the Democratic alternative is not a good deal for Social Security. On the face of it, one might think that putting aside $1.6 trillion in excess FICA taxes seems better than the $1.4 trillion the GOP would reserve at 90 percent of the total budget surplus. But the amendment adds risks to Social Security that are totally unnecessary. The Democratic substitute sends all excess FICA reserves and receipts to the Federal Reserve Bank in New York City where the central bankers are to invest them in marketable securities.

□ 1245

The Fed's job is to control inflation and provide market liquidity, not invest Social Security funds. This is not the role of the Federal Reserve and only creates a conflict of interest.

When the Federal Reserve buys securities to keep financial markets steady, what will it do with the FICA receipts? Will the Fed's first priority first be to stabilize markets or getting the best deal for Social Security?

After all, investing FICA funds in marketable securities introduces a new risk, market risk from the changing prices of bonds, from which Social Security, under current Treasury investment practices, is spared. While the Treasury Secretary is ordered in this bill to make up the losses, the trackings of trillions of bonds would be so complex Social Security might not receive what it is due.

The Republican plan avoids all this by using the current investment procedures in special Treasury securities that have no price volatility.

For all the increased risk in complexities to Social Security, the bill still has the same budgetary outcome as current law. The surplus would still be on the Federal books and still considered Federal money available for Federal purposes according to the Congressional Budget Office. And if there is a budget surplus other than FICA receipts, is it the intention of the minority to give a tax break to the working Americans, as this Congress will do tomorrow in the tax bill, or spend it away?

Perhaps, however, the intent of the Democratic proposal is larger than what is written here. Is this the prelude, as some Democrats have proposed, of government bureaucrats investing Social Security funds in the private capital markets?

As my colleagues know, Fed Chairman Greenspan fears the interference of government ownership of American businesses and the financial and competitive penalties this could bring to workers and investors.

Private investment of Social Security funds is something we should debate as part of the Social Security reform, not a tax bill, and I, for one, want to take no step, no matter how innocuous it might seem now, to give government, not individuals, control over such enormous sums of money.

When the President spoke to us about reserving the surplus to save Social Security, I believe he meant all types of excess revenues, not just FICA receipts as in the Democratic bill. Under their amendment, if the surplus gets larger due to the historical rise in individual and business income taxes, not a penny of it will be saved for Social Security. The Republican bill captures every penny of this increase and could actually end up reserving greater amounts than the Democratic plan.

Finally, let us put this in perspective. Under current CBO projections, our bill reserves $1.4 trillion over 11 years, and the Democratic plan, $1.6 trillion. For no change in the bottom line, are we willing to have the system take on more risk, alter the income the funds receive and upset the important financial operations of the Federal Reserve? It is just not worth it.

The Democrat substitute introduces new risk for Social Security that we do not need. It creates uncertainty that we cannot justify. The Republican bill is straightforward, honest and safe. It sets aside $1.4 million to save Social Security, using tried and true methods.

Please stick with the Republican bill.

Mr. RANGEL. Mr. Speaker, I yield 3½ minutes to the gentleman from California (Mr. STARK), a member of the committee.

Mr. STARK. Mr. Speaker, I must say I am confused by some of the discussions here. I had assumed that the Republicans were pushing to privatize Social Security and invest in things like the long-term capital corporation on Wall Street, but they are sending conflicting messages. They have been for Social Security since 1973, but none of them were around when it came into being, voted for it, and now they want to privatize it, and all I have got to do this morning is convince my mother that her Social Security benefits will continue.

Mr. Speaker, the only thing I can tell her is to not vote Republican, because the record of the Republicans has been to dismantle Social Security since 1935 when they opposed it, and they still do.

But the real issue that we are here debating today is how we are going to pay for the tax cut that we are going to debate tomorrow. And the only way that the Republicans could pay for their tax cut that they want to bring up tomorrow is to endanger the Social Security moneys today. They have got to take 10 percent. Let us forget about the 90 percent, and let us assume that is safe. Let us assume that nobody is going to steal that money. But the 10 percent we are talking about is going out for a tax cut.

Now between now and tomorrow, with the way Republicans write bills in secret and pass them out of the Committee on Rules, they could increase that to 20 percent. Would not make any difference how we vote today, unless my colleagues support the substitute of the gentleman from New York who would lock away that money and take it out of the reach of these spending-crazed Republicans who would like to take this money and have a huge tax cut and increase the deficit even further than their 10 percent will do.

So let us try and not confuse the public with whether we are better off having the Federal Reserve buy government bonds, which are indeed supported by Federal Reserve activities so that they are better investments, or whether we should leave them in a lower interest rate account at the Treasury, which has a fixed maturity value. I think that is splitting hairs. The truth is, the Republican plan gives us no protection beyond today. They say they are going to save 90 percent, but there is nothing in their bill that prevents them from changing their mind the very next day and spending 20 percent instead of 10 percent. And there is nothing in their past history of actions that would give us any confidence that that is not exactly what they will do.

So what I am suggesting to my mom is that if she is worried about Social Security is to support the Rangel amendment which will limit the Republicans, at least, to only spending 10 percent for the tax cut that they want tomorrow, unlike the Democrats who would say, ''Let's wait, eat your spinach first, and then get your desert until there is a true surplus, and then we'll all support the tax bill.''

So please support the Rangel substitute so that the seniors can be secure that their old age retirement will be there and that my mother's grandchildren can also be secure in the knowledge that when they pay their taxes out of each paycheck there will be a retirement plan for them as well.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume simply to briefly comment on what some of the previous speakers have said.

Mr. Speaker, I believe that the gentleman from New York (Mr. RANGEL) is making a good-faith attempt to accomplish his purpose. His scheme, as designed in statutory language, will not do it, number one. And, number two, it will take an even greater risk with the very sacred Social Security funds because it will take those payroll taxes dedicated to Social Security and give them to the Federal Reserve, a Federal Reserve bank that is not accountable to the people, that is not accountable to the Congress, and that is a highly risky activity to take with these sacred funds.

Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. WELLER).

Mr. WELLER. Mr. Speaker, I rise in opposition to the Rangel substitute, and I stand here in support of the Protect Social Security Account legislation offered by the gentleman from Texas (Mr. ARCHER) which sets aside $1.4 trillion for Social Security.

This is what this debate really is all about. Today we are asking a pretty basic question: Can we save Social Security and can we eliminate the marriage tax penalty at the same time? The gentleman from New York (Mr. RANGEL) says no; the gentleman from Texas (Mr. ARCHER) says yes, and he has offered a plan.

When I think of Social Security, I think of my mom and dad, I think of my Aunt Mary, my Aunt Eileen, my Uncle Jack, my Uncle Bob, all on Social Security, and when I think of the marriage tax penalty I think of my sister Pat and her husband who, like 28 million married working couples, suffer higher taxes just because they are married, and I think we all agree we

need to do both. We need to save Social Security and eliminate the marriage tax penalty for married working couples.

What is, I think, a great victory about legislation offered by the gentleman from Texas (Mr. ARCHER) is that we are setting aside $1.4 trillion, which is more than twice what President Clinton said we should set aside back in January. The President said we should set aside the $600 billion surplus at that time. Today, we have the opportunity to set aside more than twice what the President called for, $1.4 trillion.

One clear message that I hear back home and that is, let us keep the politics out of Social Security. Let us be honest about it. We need to work together. Republicans and Democrats need to work together. We have an opportunity today to set aside $1.4 trillion to save Social Security. We also have an opportunity tomorrow to eliminate the marriage tax penalty for people like my sister Pat and her husband, 28 million married working couples who are punished under our Tax Code just because they are married.

Let us save Social Security. Let us eliminate the marriage tax penalty. Let us vote yes for Mr. ARCHER today. Let us vote yes for Mr. ARCHER tomorrow. Let us save Social Security. Let us eliminate the marriage tax penalty.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. LEVIN) a member of the committee.

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, Point one:

Let us remember history, where the deficit came from. I heard one of our colleagues on the Committee on Ways and Means talk about it as if it came when the Democrats were running the show.

Most of the deficit occurred in the 1980s when there were Republican Presidents, and we appropriated no more than those Presidents asked for. And the two major deficit reduction bills before last year, in 1990 the majority of Republicans voted no, and in 1993 every single Republican voted no.

Secondly, the emergency argument is pure bootstrap. If it is not an emergency, do not include it within the bill. The Budget Act provides for emergency expenditures. It does not provide for raiding the Social Security fund, and we have to amend the Budget Act in order to do it.

This bill before us is nothing more than an accounting gimmick, a bookkeeping contrivance that does nothing to protect Social Security. I support the Rangel substitute. Our colleagues are in a box on this, so they come up with a phony lockbox. Ours is a real one.

What it does, the Rangel substitute, it takes a hundred percent of the budget surplus each year and transfers it aside to the Federal Reserve Bank to be held in trust for Social Security. But the important point is we should not spend any of the budget surplus until we have first taken action to assure the long-term health of Social Security. Without the surplus in Social Security, there is no budget surplus this year. Without Social Security, the general fund of the Treasury will not post a genuine surplus of any size until 2006.

Look, this bill and its companion tomorrow divert 10 percent of the budget surplus, the Social Security surplus. When it comes to Social Security, my constituents and I think theirs say being a 90 percenter is not good enough.

I urge my colleagues to support the Rangel lockbox substitute. This is the time to make saving Social Security the first, not a second or third priority. We must not divert Social Security funds. Let us fix Social Security and then enact a tax cut for American families.

□ 1300

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume, simply to reiterate what I said earlier. I cannot believe that senior citizens in this country or the Association of Retired Persons could support this Rangel substitute to take greater risk with the sacred funds of the Social Security trust fund and put them in the hands of the Federal Reserve, particularly the Federal Reserve Bank that recently bailed out a losing hedge fund in order to save bankers and in order to try to reduce the threat of that, and used, of course, dollars within their control. This is highly risky. I do not know where it came from, we have not had hearings on it, but I am sure that ARP would not support this.

Mr. Speaker, I yield three minutes to the gentleman from Arizona (Mr. HAYWORTH).

Mr. HAYWORTH. Mr. Speaker, I thank my friend, the chairman of the committee, for yielding me time.

Mr. Speaker, to expound upon the comment just made by the distinguished chairman of the committee, we must rise in strong opposition to the Rangel substitute precisely because of its method of devising a so-called lockbox, because it does nothing to serve as stewards or protectors of Social Security. Oh, no, it gives the consideration to the central bankers. The Federal Reserve Bank of New York City. New York City? Why on earth would we devise this legislative sleight of hand?

We understand the desperation of those on the left. Not only intent on bankrupting the Nation fiscally, they are bankrupt and bereft of ideas. So this extension of the politics of fear is made manifest in the Rangel substitute. You see, Mr. Speaker, the left so mistrusts the American people with their own money that they will devise any scheme to put the government in the way of hard working people and their money.

There is another fatal flaw that we should point out, and I listened with great interest to the revisionist theory of my friend from Michigan who comes down with his tired old recitation of government spending, as if history occurs in a vacuum, about the 1980's, and we did not have our defenses fall into great disrepair and we did not confront a superpower intent on enslaving all the world; as if all that was brushed away with a sleight of hand, as if the world was not a dangerous place and it was not incumbent upon President Reagan and others to provide for the common defense.

But the spending question is very interesting here, because we had no less a personage than the President of the United States come to this chamber and stand in that podium for his State of the Union message and say to us all in sterling rhetoric that we should save every penny for Social Security.

Yet, Mr. Speaker, the facts are these: He has already taken $2.9 billion of that surplus to support a misadventure in Bosnia. Those are the facts. And the simple distinction is this: Do we allow the left, thankfully these days the minority, to continue to stand in the way of the American people and their money, in holding onto a small portion of their money through tax relief, or do we allow them to spend it and put the money in the hands of the central bankers?

Reject the Rangel substitute.

Mr. RANGEL. Mr. Speaker, I yield three minutes to the gentleman from Maryland (Mr. CARDIN), a member of the committee.

(Mr. CARDIN asked and was given permission to revise and extend his remarks.)

Mr. CARDIN. Mr. Speaker, the bill before us has one effect and one effect only, and that is to allow us to vote on the tax cut bill tomorrow. It does not protect Social Security, it sets up an accounting gimmick. We should be honest with the American people as to the purpose of this bill.

There are no guaranteed projected surpluses, yet the tax bill we are going to be asked to vote on provides for permanent changes in our tax laws. There is no assurance that only 10 percent of the projected surplus will be used for a tax cut; it could be 20 percent, it could be 30 percent, it could be 100 percent.

The projected Social Security surplus today, that is, payroll taxes and interest, is about $1.5 trillion. But if you ask our actuaries how much money we should have in it to provide for a 75 year solvency of the Social Security system, they will tell you that we need $3.3 trillion, or twice what we have today. So the assumption that we are flush with money just is not true. We do not have enough money to deal with Social Security in the long term, and yet we are asked to vote on a tax bill.

We are going to have the first balanced budget in 30 years, and yet, as the President said, before we even have

an opportunity to transfer from red ink to black ink on our accounting, there are those who want to start giving money away.

Let us be fiscally responsible. The tax cut that we voted last year was fully paid for under the budget rules. We did not have to waive the budget rules. Yet the bill we are being asked to vote on tomorrow will violate the budget rules and our discipline.

We talk about emergency spending. Emergency spending is not budgeted. One-time-only emergency spending is consistent under our budget rules. Ninety-eight percent of the budget surplus projected during the next 10 years comes as a result of our Social Security system. Let me put it differently. Without the Social Security system, we would not have any budget surplus. We would not be able to consider a tax bill. No one can dispute that.

So let us be honest: If it were not for Social Security, we would not have a budget surplus and we would not be considering a tax bill tomorrow.

This bill claims to protect 90 percent of the funds for Social Security. It does not do that. If we did not pass any bill, 100 percent of the funds would be in the Treasury, preserved, for preserving Social Security first. The Rangel substitute protects 100 percent of the funds until we have resolved the Social Security problem. It is the right bill to vote on.

I urge my colleagues to support the substitute, so that we can really protect Social Security first and use the surplus monies that have been generated as a result of our Social Security system to resolve the problems of Social Security first, before we consider a tax cut.

Mr. ARCHER. Mr. Speaker, I yield two minutes to the gentleman from California (Mr. THOMAS), a member of the Committee on Ways and Means.

(Mr. THOMAS asked and was given permission to revise and extend his remarks.)

Mr. THOMAS. Mr. Speaker, it is always dangerous around here to read legislation that you are looking at, but if you were to look at the substitute that the gentleman from New York is offering, it says on the first page, line 15, ''If the Secretary of the Treasury determines that there is a Social Security surplus for any fiscal year, such Secretary shall transfer''—transfer—''during such year from the general fund of the Treasury an amount equal to the surplus to the Federal Reserve Bank of New York.''

Transfer. If there is a surplus, take the money and transfer it to the Federal Reserve Bank. The Social Security surplus is to be transferred.

I would ask my colleague, the gentleman from New York, if he is going to transfer Social Security surplus monies, and we have been talking about the trust fund involving billions and trillions of dollars in terms of obligations. The Congressional Budget Office, is the facility that we use to estimate the cost of legislation, therefore I would ask the gentleman from New York, does he have a cost estimate of this transfer?

Mr. RANGEL. If the gentleman will yield, I will tell him how this works.

Mr. THOMAS. Mr. Speaker, would the gentleman have a cost estimate? Yes or no? I am asking a question. If the gentleman has a response, I would like to hear it. I have very few seconds left here. Does the gentleman have an estimate, yes or no?

Mr. RANGEL. It does not respond to a yes or no answer.

Mr. THOMAS. It does not respond to a yes or no answer. I will tell the gentleman why, because the Congressional Budget Office said this has no budgetary consequence. It is an intergovernmental transfer. The gentleman's argument is they are saving the Social Security trust fund by shipping off, according to the Treasury's recommendation, an amount equal to the Social Security surplus to New York City to a Federal Reserve Bank, and that they are lockboxing, saving Social Security, removing the money so it cannot be spent and sending it to New York City. And the Congressional Budget Office, the agency we use to determine the costs of these actions, says there is no cost. There is no cost because it is an intergovernmental transfer.

This is hogwash, vote no.

Mr. RANGEL. Mr. Speaker, I yield three minutes to the gentlewoman from Florida (Mrs. THURMAN), a member of the committee.

Mrs. THURMAN. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, a few months ago I actually thought that the Congress was going to address the Social Security shortfall in a bipartisan manner. Well, I guess we are not going to see that. I want to tell you that when I came to Congress, I told my constituents that I was going to put our house in order by reducing the deficit, providing tax relief and saving Social Security.

Well, guess what? We have reduced the deficit, and, last year, we gave tax relief, $95 billion over five years. And do you know what? We gave tax relief that we paid for, the right way, without using the surplus.

In my six years, I have rarely seen a bill so inaccurately titled, ''Protect Social Security Account Bill.'' Let us get something absolutely straight: What they intend to do is take 10 percent of the total budget surplus, which is nearly all due to the contributions that American workers have invested in Social Security, and use it to fund tax cuts. In return, they will reserve 90 percent of the budget surplus.

This is simply irresponsible. Congress does not own the trust fund. The American people, who have paid the taxes into the trust fund, own the trust fund, all of it. Not 90 percent, not 95 percent, not 99 percent, the American people own 100 percent of it. So when you tell the American people that you propose to reserve 90 percent of the surplus, you are in fact robbing them. That is wrong.

I and my democratic colleagues have committed to save Social Security first. We believe that reserving the entire budget surplus until we have resolved the shortfall will have positive results for the entire economy, far outweighing any election year tax cuts.

Let me remind my colleagues: March 5th, before the Committee on the Budget, be cautious about spending it, Greenspan said, adding that the best way to ensure continued economic expansion would be to put the Federal budget into ''significant surplus.'' Doing so, he said, would encourage better saving habits among Americans. Greater savings would promote lower interest rates for borrowers and spur productivity, enhancing investments by business.

Think what that would mean for working Americans who have mortgages, credit card bills and college loans. And to my friends with farmers, certainly they would appreciate that.

Mr. Speaker, the old tax-and-spend days are over. I have not been here for 40 years. This is a new Congress. By supporting the Rangel substitute we can finish a process we started in 1993 and uphold our commitment to the American people.

My constituents have told me time and again, take Social Security off budget. Quit spending the Social Security surplus. The Rangel substitute would save Social Security by setting aside 100 percent of the trust fund. Let us vote for the Rangel substitute.

Mr. ARCHER. Mr. Speaker, I yield one minute the gentleman from Alabama (Mr. CALLAHAN), the respected chairman of the Subcommittee on Foreign Operations, Export Financing and Related Programs of the Committee on Appropriations.

(Mr. CALLAHAN asked and was given permission to revise and extend his remarks.)

Mr. CALLAHAN. Mr. Speaker, for the benefit of our television audience and the people in the gallery, we are not today going to convince a single Member of Congress of the rights or wrong or merits or demerits of this issue. But keep in mind, I have something that I think both sides will agree with, which we need some bipartisan agreement on here.

□ 1315

The American people watching this today, and especially senior citizens, are going to be deluged in the next couple of weeks with letters from organizations here in Washington and outside Washington telling them that Social Security is endangered, and it is going to be filled with a lot of misinformation.

The bottom line, usually the postscript, is going to say, send $15 or $25 or $50, and let us save Social Security. We in Congress will work on Social Security. It will be saved. It will be solvent,

but there is no need for anyone listening to send one dime to any organization in order to save Social Security. Rely on your Member of Congress.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Florida (Mrs. MEEK).

Ms. MEEK of Florida. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in strong support of the Rangel substitute. I am a senior citizen. I am speaking on behalf of those who come after me, those who will not have the opportunity to share in the resources of the Social Security Act.

When I came to Congress, I served on the Committee on the Budget under the gentleman from Ohio (Mr. KASICH). We talked about the budget agreement. There is a budget agreement. So what the Republicans are doing, Mr. Speaker, they are breaking their promise to the American public. The American people do not like broken promises. They have heard them too many times.

Social Security is extremely important to all of us. It is extremely important to senior citizens. When Members go back to their districts and walk the byways and trailways of this country, every American will tell us, leave Social Security alone. What this Rangel substitute does is it puts it aside so we as politicians can leave it alone for a while and leave it there, where it purports to be from the very beginning.

By their actions, it appears to me that over the years, and I have been here longer than a lot of people, the Republicans do not seem to like Social Security. They have used every kind of methodology to make it look remiss. They have tried their very best to show that it is failing and it should be put aside, or to privatize it.

I am here to say to the American public, on behalf of this country, let us stick to our word. This bill is too risky. It takes too many promises that they cannot submit. Some of us may not even be here when this comes up. I say, take the Rangel substitute and turn down the Archer.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina (Mr. SANFORD).

Mr. SANFORD. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I admire the intention of my colleague, the gentleman from New York (Mr. RANGEL) on this proposal, but I would respectfully ask that my colleagues reject it. I would say that for four different reasons.

I would say, first of all, that the notion here is that this time it will be different. How many times have we heard that in Washington, D.C., this time it will be different? In other words, what we have been doing in Washington is borrowing against trust fund balances for the last 30 years, and what is proposed with this super-duper trust fund, if you will, is that this time it will be different. What people back home tell me is that they do not buy into the idea that this time things will be different.

Two, I think it offers false hope. If we look at what the trustees have said, the trustees would say, whether this proposal went through or not, Social Security would begin to run shortfalls in about 15 years, and it would be out of money, unable to pay its obligations, in about 30 years. That would not change with this.

Thirdly, I would say that it moves us in the wrong direction. We are going to go in one of two directions in this debate, over the long run, on Social Security. We are going to either move towards greater personal control of one's savings, which I think is the real way we keep politicians' hands off our money, or we are going to move toward collective investment.

I think there is nothing more dangerous than the idea of collective investment. This sets up the mechanism for collective investment, wherein $400 billion a year could go into the private sector. What people back home who care about limiting the size and scope of government tell me is that that is not a good idea.

For these reasons I would ask that we reject the Rangel proposal.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, I thank the gentleman from New York for yielding time to me.

Mr. Speaker, Social Security is one of our Nation's greatest success stories. It really is financial bedrock for our country's elderly, for hardworking American families who want to retire with some peace of mind. I think it is important to note that two-thirds of our seniors depend on Social Security for more than half of their retirement income. But in fact, Social Security is under attack. This bill would raid Social Security to pay for a tax bill.

I believe in tax cuts. Too many parents today sit at their kitchen tables trying to figure out how to pay their bills. They are raising their children, they are working harder to making ends meet. I also believe when they sit there that they have a certain relief knowing that Social Security will be there when they retire. The American public overwhelmingly wants to make sure that the Social Security trust fund is there to pay for Social Security and nothing else, not tax cuts today that jeopardize Social Security tomorrow.

Do not take my word for it. Martha Phillips, with the conservative Concord Coalition: ''Policymakers who are lining up to spend those so-called budget surpluses should keep in mind that the money they are talking about consists entirely of Social Security's annual trust fund surpluses.''

Steve Moore of the Cato Institute, another conservative organization: ''The solution is simple: Formally wall off Social Security from the rest of the budget to prevent continued thievery from the trust fund.''

Vote for the Rangel tax cut proposal. It says, let us not raid Social Security to pay for tax cuts. We can have our tax cuts when Social Security is safe and secure for the future.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, if I robbed a bank of 10 percent of its cash or its revenues, I seriously doubt the police and judge would accept my excuse that, Officer, Judge, I was really trying to save the bank. Yet, incredibly, that is what my Republican colleagues are doing today. They are saying, we just want to take 10 percent out of Social Security taxes that should be used to protect Social Security, and use that money for election-year promises and gimmicks.

Mr. Speaker, a judge would never believe my excuse as a bank robber. I do not think the American senior citizens are going to believe this explanation of the bill today. The fact is, the American people will have to choose today, who do they trust better to protect Social Security, Democrats or Republicans.

In my brief time, I would only point out that the number two ranking Republican leader in this House, the gentleman from Texas (Mr. ARMEY), said on September 28 of 1994, ''I would never have created Social Security.''

I think the American people will answer the question today. That answer will be, resoundingly, we trust the Democrats to protect our Social Security retirement.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would simply say, in response to the gentleman who just spoke, it is a good question, whom will senior citizens trust, the Treasury of the United States or the Federal Reserve Bank of New York?

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Speaker, on the issue before us, this Congress stands at a very important crossroads: Do we go down the easy path of dissipating the Social Security surplus on election year gimmicks like this proposed tax cut, or do we brace ourselves for the tough march that lies ahead to secure Social Security, to address the long-term solvency problem in Social Security so it will work as well for our grandchildren as it has worked for our parents and grandparents? It is a critical question.

Dissipating Social Security trust funds makes our problem worse. We already have bills before this session that would require someone to work until they are 70 years old before they would get their Social Security payment, or that would raise the tax on Social Security, making wage-earners pay even more into Social Security. Both of these measures are to fill the solvency hole we already have.

Mr. Speaker, a tax cut on the Social Security surplus would only make the problem worse. The question before us is one most of us have never faced before, the first surplus we have seen in 30 years. Let us hold the Social Security surplus for Social Security. Pass the Rangel substitute.

Mr. RANGEL. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, in order to save Social Security and instill trust, I rise to support the Rangel amendment.

Mr. Speaker, I strongly support the Democratic amendment. Only by transferring 100% of any Social Security Trust Fund surpluses to the Federal Reserve Bank of New York, can we look our constituents in the eye and say, ''Yes, you can trust in us. We have protected your future, your children's future, and your grandchildren's future.''

The Republican bill appears to save 90% of the budget surplus, leaving 10% to Congressional discretion. Although this figure seems fair at first, I do not believe that we should have the discretion to use 1% of our citizens' futures, much less 10%.

I fear that stealing 10% from the Social Security will create a dangerous precedent. What will stop Congress from taking out a higher percentage of the surplus in subsequent years? I may be 10% this year, but it could be 50% within two or three years. We should not give Congress free reign over this money.

Worse yet, it does not appear that the Republican plan protects the remaining 90% of the budget surplus. Unlike the Democratic amendment that places the surpluses in the Federal Reserve Bank of New York, the Republican bill does not ensure that the Social Security surplus is off-budget. In other words, Congress may still choose to delve into these funds when the next election comes around. This approach is simply unfair to the American public, and it deceives our citizens into thinking that their futures are secure.

We must put these funds in a lock box where political maneuvering cannot reach them. By placing 100% of the surplus in the Federal Reserve Bank of New York, the Democratic amendment would properly lock away this valuable resource.

Moreover, the Republican measure relies upon the spending of $200 billion of the surplus, money that may not exist. As recently as last month, we did not have a surplus. The Republicans rely solely upon a projected surplus, and the Republicans even admit that their projections may be erroneous. Our constituents, our citizens, deserve better treatment than this. What kind of message do we send when we attempt to spend what we do not have?

Even if we had a surplus, who are we to spend this money? It is not for us; it is for our retiring citizens. The money found in the surplus comes from payroll contributions. The money should be returned to the people who originally invested it.

The Republican measure endangers the future of Social Security itself, not just the people who rely upon this fund. It is well-known that Social Security will face a fiscal crisis early in the next century as the baby boomer generation retires. Too many of our citizens drink from this well, and the Republican bill would allow politicians to spill this precious resource, drying up the sole reservoir for those who truly need it.

Please do not think that I am against tax cuts. I strongly favor ''fiscally responsible'' tax relief. Democrats have proposed and voted for many tax cuts this year. The bipartisan 1997 Tax Cut bill included almost $300 billion in tax cuts over a ten-year period, and many democrats support even greater tax relief for the middle-class than was contemplated by that bill.

I just believe that tax cuts should be based upon sound reasoning. Haphazard legislation such as the Republican bill simply does not fulfill this notion of fiscally responsible tax relief.

Instead, I strongly support sounder approaches such as this Democratic amendment. I also support approaches such as the Democratic amendment to H.R. 4579 that delays tax cuts until we know for sure that the Social Security Trust fund will be available to our citizens for years to come. This idea is the true embodiment of fiscally responsible tax relief.

I urge my colleagues to vote for this amendment. It is the only way we can ensure that our American citizens have a financial future as they reach their golden years.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey, Mr. MENENDEZ.

(Mr. MENENDEZ asked and was given permission to revise and extend his remarks.)

Mr. MENENDEZ. Mr. Speaker, I heard a Republican colleague earlier defend the Republican bill by saying, ''in this case, less is more.'' Only in Washington would someone say ''less is more'' with a straight face, that less protection is more security. But I am glad that at least we have one Republican on the record who admits that their bill in fact does less. It does less to protect Social Security, it does less to protect our seniors, and it puts aside less of the surplus. Less in this case is not more.

The Democratic bill saves 100 percent of the budget surplus for Social Security, because seniors put 100 percent into their contributions over years and years of work. They did not put 90 percent in, they did not put 95 percent in, they put 100 percent in. That is what we should protect, not a penny less.

Republicans should be ashamed to come down here to the floor and convince seniors that less is more. Our seniors know that less is not more, that less protection is not more security. They know who is on their side. They know it is the Democratic plan. Let us pass the Rangel substitute.

Mr. RANGEL. Mr. Speaker, I yield ½ minute to the gentlewoman from North Carolina (Mrs. CLAYTON).

(Mrs. CLAYTON asked and was given permission to revise and extend her remarks.)

Mrs. CLAYTON. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, Social Security is the most important program that we have that is working. It makes the difference between the elderly living in poverty, and to convince them that taking 10 percent of their safety net, that they are helping them, they do not buy that.

I would say to the Members, if they really want to help Social Security, they would put 100 percent in. Support the Rangel substitute. That is the only way we can convince the American seniors that we are sincere.

Mr. RANGEL. Mr. Speaker, I yield the balance of our time to the gentleman from California (Mr. FAZIO).

The SPEAKER pro tempore (Mr. THORNBERRY). The gentleman from California (Mr. FAZIO) is recognized for 1 minute.

Mr. FAZIO of California. Mr. Speaker, as we look to the next Congress, the one that will fix the Social Security system for the out years, the baby boomers, we need to maintain every dime we can so that we do not end up forcing people to work longer or live longer to benefit from the same Social Security system that those that preceded them have.

We also need to think about this election year tax cut in another context. The average working family, paying the most regressive tax on income that we have, the FICA tax, would be, in effect, asked to take their taxes and transfer them to the proposed beneficiaries of this Republican election year tax cut. We are therefore asking our working families to take their hard-earned dollars to provide tax breaks for others.

However valuable they may be, however worthy they may be, those tax breaks must wait for the day when we have a surplus in the general fund, and that, Mr. Speaker, is 5 or 6 years away. To go for the cotton candy of a tax cut in an election year out of the hides of working American families is unconscionable.

This Congress should support the Rangel substitute and avoid doing it.

Mr. Speaker, this Republican misses the point of what Americans really want.

We do not want to take money out of the Social Security Trust Fund for purposes other than Social Security.

The American people pay Social Security taxes and expect that money to go to Social Security.

Democrats believe that any future surplus should go to insuring the solvency of Social Security.

So, why now are we specifying that only 90% of any surplus should go to saving Social Security and 10% can go elsewhere?

Let's look at numbers.

If in fiscal year 1999 we have an $80 billion Social Security Trust Fund surplus and a $37 billion general fund deficit, why should $8 billion of the surplus for that year go somewhere other than to Social Security?

Over the next 10 years, we'll need over $1.55 trillion to pay the future beneficiaries of the Social Security system—the elderly; the children, widows and widowers receiving survivor benefits; and the disabled—not prop up our budget.

We need all 100%—not just 90%—of future budget surpluses to ensure that this anti-poverty program continues beyond 2032.

Let's be fiscally responsible and use the Social Security Trust Fund for who it was intended—the elderly, disabled and children—not to provide tax cuts.

□ 1330

Mr. ARCHER. Mr. Speaker, I yield the balance of my time to the gentleman from Georgia (Mr. GINGRICH), the Speaker of the House of Representatives.

Mr. GINGRICH. Mr. Speaker, I thank the gentleman from Texas (Chairman ARCHER), my friend, for yielding me this time.

Mr. Speaker, I must say, during the time I was on the floor, I listened to a series of Members with amazement. The distinguished gentleman from New York (Mr. RANGEL), the ranking member on the Committee on Ways and Means, had an opportunity recently to vote on the question of spending part of the surplus, and he voted ''yes.'' He would spend part of the surplus. This is House vote number 430 on September 15. He voted to spend part of the surplus, but it was on government, not the taxpayers.

The gentleman from California who just spoke had a chance to vote on that day. He voted ''yes'' to spend part of the surplus, but it was on government, not the taxpayers.

I will say the gentlewoman from North Carolina (Mrs. CLAYTON) did not vote ''yes.'' She did not happen to vote that particular day. But the gentlewoman from Texas (Ms. JACKSON-LEE) voted ''yes'' to spend part of the surplus, but on government, not on the taxpayers.

The gentleman from New Jersey (Mr. MENENDEZ), who spoke a few minutes ago, voted ''yes'' to spend part of the surplus, but on government, not on the taxpayers. And the gentlewoman from Connecticut (Ms. DELAURO) who spoke voted ''yes'' to spend part of the surplus, but on government, not on the taxpayer.

Every person but one who just finished this debate on the other side voted to spend part of the surplus on September 15 on government.

The Clinton administration has sent up a proposal, in between fund-raising trips, and they sent up a proposal that said, spend money on Bosnia, but not the taxpayers. They said, spend money for the government to fix Y2K, but do not let the taxpayers have money to fix their own commuters. They said, spend money on Africa, but not the taxpayers.

Again and again and again the liberal Democrats get up, and I will bet that between now and the time we leave there are several votes where liberal Democrats vote ''yes'' to government spending out of the surplus, because if it is government money, that is okay. But now this idea of letting the taxpayers have some of that, that is dangerous. Then they would not be dependent on government. Then power would not be in Washington. Then they would not need the bureaucrats.

Now, they raise this phony issue about Social Security. And it is phony on three grounds. It is phony, first of all, because the fact is we are setting aside more money for Social Security than the President requested in January. Now, that is a fact and the gentleman knows it. The gentleman knows when the President stood up here in January he was talking about a surplus whose total was around $650 billion. This proposal sets aside more money, 60 percent more money, than the President requested.

Second, the gentleman knows that when asked as a result of the tax bill being considered by the committee today, will there be any impact on the monies in the Social Security trust fund, the Clinton administration's Deputy Commissioner for Social Security said, ''no,'' there is no impact to the trust fund from this particular vote.

But the other part I have to say to my good friend, to suggest, as his substitute does, that instead of keeping the money in the U.S. Treasury we send it to the New York Federal Reserve Bank, I just had the numbers run on the last great crisis in the price of treasuries which was 1973. Over the period we are considering, we would put $750 billion in the New York Reserve Bank. That money would be of a floating value of the nature of money held in the New York Reserve Bank.

In the 1973 oil crisis, U.S. treasuries declined 20 percent in value. That would be $150 billion lost in the value of the notes held by the New York Federal Reserve Bank. So, I cannot believe my good friend from New York really wants to risk losing $150 billion in Social Security value by putting this money in notes that would have a floating value.

So, I would understand if at some point before we get to a vote the gentleman wants to withdraw his substitute. Because I cannot imagine that he wants his colleagues to vote for a proposal to put at risk all of the excess FICA tax money by putting it in notes that would be of a floating value.

Mr. RANGEL. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from New York briefly.

Mr. RANGEL. Mr. Speaker, because these Treasury notes, these notes that will be in the Federal Reserve are always redeemable, they are not at risk. And if they ever became at risk in the Federal Reserve Bank, it would mean the Republic would be bankrupt.

Mr. GINGRICH. Mr. Speaker, reclaiming my time, let me say to the gentleman from New York, and I am not the expert that he is on much of this, but I am assured by the experts, and I am sure later if he would like to check with the folks that the gentleman from Texas (Mr. ARCHER) has assembled on this, there is a big difference between the New York Reserve Bank holding the notes where they do change and fluctuate in value and the rest of the system.

Mr. Speaker, let me just wrap up for a minute. Let me just say we have a surplus because we have consistently worked through welfare reform, through controlling spending, through cutting taxes, to encourage economic growth.

We have proposed to set aside over a trillion dollars. My good friends on the left in the 40 years they were in charge of the House set aside zero. Let me make it clear. All of our good friends who are complaining today, during the 40 years they were in charge set aside zero for Social Security.

We are setting aside today over a trillion dollars, 60 percent more than President Clinton asked for in January. And we are setting it aside in the safest possible Treasury notes held by the U.S. Treasury, not put at risk in New York City.

My other point is very straightforward. All of our friends on the left are going to vote to spend part of the surplus on government. All of our friends on the left but one of those who voted on September 15, all but one voted to spend money on government out of the surplus.

The only time they start to yell about the surplus is if the money is going back to the taxpayer, because from their standpoint that is dangerous since that means the money is not available for bureaucracy.

Let me note what the bill offered by the gentleman from Texas (Chairman ARCHER) does. It begins to phase out the marriage tax, so we are not punishing people when they get married. It accelerates lifting the amounts Americans can earn over the age of 65 without being punished, so we are not punishing senior citizens.

It goes immediately to a million dollar exclusion for the death tax to save family farms and small businesses. It has a savings proposal that helps 10 million senior citizens by eliminating the tax on the first $200 of interest and dividends.

It allows small business owners who are self-employed to buy health insurance with the same tax break as big corporations, which helps people buy health insurance and helps children have health coverage. And, finally, it eliminates the Federal tax on local school boards, so local school boards have $1.4 billion more for local school construction, something my good friend from New York has said he favors. Here is a chance to have those local school boards have $1.4 billion more at home to build schools without any new Federal bureaucrat, any new Federal red tape, any new Federal regulation.

Mr. Speaker, these are the kinds of positive tax cuts that help the American family, help senior citizens, help farmers, help small businesses and help local schools. It is done within a framework based on welfare reform, controlling spending and economic growth

through tax cuts that has allowed us in 3½ years to move from a projected $3,100 trillion deficit to a projected $1.6 trillion surplus.

We can say to the American people for the first time in their lifetime that we are prepared to set real money aside from a real surplus. None of our Democratic friends who are complaining can say that. We are simply saying to the Democrats, if they vote against the taxpayer having the surplus, then they ought to vote against the government having the surplus. But it is wrong to increase spending on Bosnia, to increase spending in Africa, to increase spending on government commuters, to increase spending on government programs, and then say to the taxpayer that they are not good enough to get their own money back. We need to keep it in Washington for the Washington bureaucrats.

Mr. Speaker, I urge my colleagues to vote against the substitute, vote in favor of protecting Social Security in a real way by setting aside over a trillion dollars in the surplus.

The SPEAKER pro tempore. The question is on the amendment in the nature of a substitute offered by the gentleman from New York (Mr. RANGEL).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. RANGEL. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 210, noes 216, not voting 9, as follows:

[Roll No. 463]

AYES—210

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Chenoweth
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Emerson
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Forbes
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gonzalez
Goode
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Mollohan
Moran (VA)
Murtha
Nadler
Neal
Neumann
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sanchez
Sanders
Sandlin
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith (MI)
Smith, Adam
Smith, Linda
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Towns
Traficant
Turner
Velazquez
Vento
Visclosky
Watt (NC)
Waxman
Wexler
Weygand
White
Wise
Woolsey
Wynn

NOES—216

Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Christensen
Coble
Coburn
Collins
Combest
Cook
Cooksey
Crane
Crapo
Cubin
Cunningham
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
English
Ensign
Everett
Ewing
Fawell
Foley
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Graham
Granger
Greenwood
Gutknecht
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Livingston
LoBiondo
Lucas
Manzullo
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Sabo
Salmon
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (NJ)
Smith (OR)
Smith (TX)
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—9

Burton
Cox
Goss
Kennelly
Linder
Moakley
Pryce (OH)
Waters
Yates

□ 1359

The Clerk announced the following pair:

On this vote:

Mr. Moakley for, with Mr. Burton of Indiana against.

Mr. REDMOND and Mr. WAMP changed their vote from ''aye'' to ''no.''

Messrs. DIXON, MATSUI and SHERMAN changed their vote from ''no'' to ''aye.''

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. THORNBERRY). Pursuant to House Resolution 552, the previous question is ordered on the bill, as amended.

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

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

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. RANGEL. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 240, noes 188, not voting 7, as follows:

[Roll No 464]

AYES—240

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bishop
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Brady (TX)
Bryant
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Cox
Cramer
Crane
Crapo
Cubin
Cunningham
Danner
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goode
Goodlatte
Goodling
Gordon
Graham
Granger
Greenwood
Gutknecht
Hall (TX)
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Hooley
Horn
Hostettler
Houghton
Hulshof
Hunter

Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Maloney (CT)
Manzullo
McCarthy (NY)
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Sandlin
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Turner
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOES—188

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Blagojevich
Blumenauer
Bonior
Borski
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Cardin
Carson
Castle
Clay
Clayton
Clement
Clyburn
Conyers
Costello
Coyne
Cummings
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gonzalez
Green
Gutierrez
Hall (OH)
Hamilton
Hastings (FL)
Hefner
Hill
Hilliard
Hinchey
Hinojosa
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
LaHood
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McDermott
McGovern
McHale
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Mollohan
Moran (VA)
Morella
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sanford
Sawyer
Schumer
Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Tanner
Thompson
Thurman
Tierney
Torres
Towns
Traficant
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn

NOT VOTING—7

Brown (OH)
Burton
Goss
Kennelly
Moakley
Pryce (OH)
Yates

□ 1420

The Clerk announced the following pair:

On this vote:

Mr. Burton of Indiana for, with Mr. Moakley against.

Mrs. BONO changed her vote from ''no'' to ''aye.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 2621, RECIPROCAL TRADE AGREEMENT AUTHORITIES ACT OF 1997

Mr. DREIER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 553 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 553

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 2621) to extend trade authorities procedures with respect to reciprocal trade agreements, and for other purposes. The bill shall be considered as read for amendment. The amendment in the nature of a substitute recommended by the Committee on Ways and Means now printed in the bill, modified by the amendments printed in the report of the Committee on Rules accompanying this resolution, shall be considered as adopted. All points of order against the bill, as amended, are waived. The previous question shall be considered as ordered on the bill, as amended, to final passage without intervening motion except: (1) two hours of debate on the bill, as amended, which shall be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; and (2) one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. THORNBERRY). The gentleman from California (Mr. DREIER) is recognized for 1 hour.

Mr. DREIER. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Dallas, Texas (Mr. FROST), and pending that I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

(Mr. DREIER asked and was given permission to revise and extend his remarks and include extraneous material.)

Mr. DREIER. Mr. Speaker, the global economy is a reality. One of the facts of American life in 1998 is that those of us who are here are all impacted by economic conditions that are out there, out in the big wide world.

Singapore and Moscow may seem a long way from a kitchen table in Temple City, California, but when the couple sitting around it see their retirement savings hurt, when stock markets start falling in Asia, it hits very close to home. Sao Paulo or South Africa may be on the other side of the world from Peoria, Illinois, but when we cannot ship tractors from here to there cheaper then they can be built over there, workers in America's heartland get hurt. Geneva, Switzerland, may seem a long way from Topeka, Kansas, but if the United States is not able to lead the World Trade Organization negotiations on agriculture when they start next year because the U.S. Trade Representative is not armed with fast track, family farmers are going to see their livelihood damaged.

Finally, working families in every town in America enjoy the best selection of products at the very best prices giving them the highest standard of living possible because we trade freely with people across the globe. That fact is at the heart of why the American economy works.

This rule makes in order H.R. 2621, fast track legislation reported last year by the Committee on Ways and Means with very strong bipartisan support. As has been the case in past years, this is a closed rule. It provides for 2 hours of general debate divided equally between the chairman and ranking member of the Committee on Ways and Means. The rule provides that the amendment in the nature of a substitute recommended by the Committee on Ways and Means now printed in the bill modified by the amendments printed in the report of the Committee on Rules accompanying this resolution shall be considered as adopted. The rule waives all points of order against the bill, as amended, and provides for one motion to recommit with or without instructions.

Now, Mr. Speaker, American families cannot afford for the President and the Congress to hide from trade policy. This debate is about the future. Will America lead the global economy into the 21st century, or will we sit and wait to see what kind of rules, trade rules, that the French, Australian, Brazilian and Indian negotiators think up?

Debating trade policy is never easy in this House, the greatest institution of democracy the world has ever known. Election day is always too close. Divisions between interest groups are always too deep. Emotions from people who believe trade has done them wrong are always running too high.

Well, today, Mr. Speaker, is the day to step up to the plate. I believe that when America leads Americans win. If we continue to lead the international economy, we have the best chance to control our destiny and bring about a future of hope and prosperity.

The alternatives, whether in the form of the stagnant pleas for protectionism or the siren calls that next week, next month or next year are really the right time to debate this issue really appeal only to fear, fear of foreign workers, fear of foreign products, fear of losing, but most of all, Mr. Speaker, fear of the future.

International markets are watching how the United States will respond to the challenges confronting the world economy. Eyes and ears are following this debate in every capital city in every financial market around the world. But they are not the audience that I care most about. Instead I hope that working families including the rank and file union members in cities and towns across America understand what is at stake here.

Every mother needs to know that her ability to shop for the best products at the best prices from food and clothes to toys and televisions will be directly impacted by the outcome of this debate. Every American worker needs to understand that the ability to compete in export markets and sell American products abroad will be directly impacted by the fate of this fast track bill.

□ 1430

Mr. Speaker, the 21st Century demands some things from us. We need to educate and train our students and workers to be the best; we need to invest in tomorrow's technologies today; we need a Federal Government that is effective and efficient; we need private sector companies to create good jobs at good wages; and we need to make sure that international trade rules are written with American interests at heart.

Mr. Speaker, the President called fast track one of his top legislative priorities when he stood right here in this chamber and delivered his State of the Union address. Today is the day to do the right thing for America, and to enact what it is the President asked for.

Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank my colleague, the gentleman from California (Mr. DREIER), for yielding me the customary half-hour.

Mr. Speaker, the bill for which this rule provides consideration is just as bad as it was last November. In fact, besides a few little nips and tucks here and there, it is exactly the same bill. Last year that bill did not have enough votes to be brought to the floor, and today my Republican colleagues know that this bill will fail too.

Since it is doomed from the start, Mr. Speaker, it is a fair question to ask, why it is on the floor today? Since it is not going anywhere, since it is going to fail, it is reasonable to ask, why we are spending precious legislative time doing this measure?

Mr. Speaker, I suspect that the only reason that the Republican leadership is bringing this up today is because they want to try and embarrass the President. There is no other reason to bring it up.

Let me say that President Clinton has not asked for fast track negotiating authority this year. He has said he will wait for it next year, but he does not want it brought up at this time. Even without this authority, the President has already negotiated some 200 new trade deals, so this is simply not something we need to be doing at this time. The common wisdom is that this bill will fail, and, with its failure, highlight some of the erosion of support for the President.

Mr. Speaker, when, not if, this bill fails, it will mean absolutely nothing, other than it is a bad bill. It was a bad bill last November, and its appearance on the floor today is for nothing other than partisan show.

It has no worker protections, no environmental protections, and no protections for human rights. It will open American markets to goods and services from countries with lax environmental and worker protections. In doing so, it will cost Americans their jobs, and, in far too many cases, it will cost Americans their health.

There is a tragic aspect of what is happening today. Because of the cynicism of the Republican tactics, some Democrats who support the concept of fast track will vote ''no'' today. The result will be that fast track will fail by a larger margin than would have been true had the vote been taken last year, and the size of the defeat will make it more difficult for the two sides to come together with a compromise solution next spring.

Let me be very clear on that point: The Republican majority is trading short-term political gain for long-term political loss. By their very act of forcing a vote today, they significantly lessen the chances that people of goodwill in both parties may be able to arrive at a satisfactory solution next year. Business community supporters of fast track should be furious that their supposed friends on the other side of the aisle have sold them down the river for short-term partisan gain.

I urge my colleagues to oppose this bill. It is a sham. The bill is a sham, and the American people deserve some sincere legislation from their Congress.

I also ask my colleagues to oppose the previous question. If the previous question is defeated, I will offer an amendment to make in order the McKinney amendment to establish a corporate code of conduct as a principal trade negotiating objective and the Peterson amendment expanding the Committee on Agriculture's jurisdiction with respect to trade agreements.

Vote no on the previous question, vote no on the resolution, vote no on the bill. Let us put this partisan nonsense out of the way and get on with the business of the people.

Mr. Speaker, I reserve the balance of my time.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as I prepare to yield to my friend the gentleman from Bloomfield Hills, Michigan, (Mr. KNOLLENBERG), I would simply like to say the politicization on this issue is taking place by Members who are for fast track and have made a decision to vote against fast track. I think that itself is a real tragedy.

Mr. Speaker, I yield two minutes to my friend, the gentleman from Michigan (Mr. KNOLLENBERG).

Mr. KNOLLENBERG. Mr. Speaker, I rise today to express my strong support for this rule, and I thank the gentleman from California (Mr. DREIER) for yielding me this time.

Mr. Speaker, this legislation gives the office of the President the authority that it needs to make sure the U.S. is speaking with one voice during trade negotiations. A vote for fast track is not a vote for any trade agreement. Any future agreement will be subject to full Congressional scrutiny. It requires the President to consult with Congress before and during negotiations. Also, in the end, Congress gets an up or down vote. If we have any reservations at all with any specific trade agreement, we can simply vote it down.

If the United States wants to continue its leadership in the global economy, and I think we do, we must take aggressive steps to expand markets for all of our products throughout the world. This will create more jobs for American workers. In all, over 11 million jobs are supported right now by exports. These jobs pay, believe it or not, 15 percent or more on average. Fast track is crucial to ensure that American business, workers and communities continue to reap the benefits from an expanded market opportunity.

American workers are the best in the world. Their creativity, productivity and work ethic is unmatched throughout the globe. Free trade agreements are about giving those workers more, not less, opportunity, and putting the unemployed back on the job.

Fast track gives us the tools we need to negotiate these agreements and tear down those barriers to trade and investment. It opens foreign markets and creates new consumers for American products. That is good for American business, and it is even better for the American worker.

Do not let our workers be left behind. Support this rule. Support fast track.

Mr. FROST. Mr. Speaker, I yield two minutes to the gentleman from New York (Mr. RANGEL).

(Mr. RANGEL asked and was given permission to revise and extend his remarks.)

Mr. RANGEL. Mr. Speaker, I had thought that my Republican colleagues wanted to go into this election based on their legislative record, having changed the Washington National Airport to Ronald Reagan Airport. I thought you could go and win with that. But it looks like on the eve of the

election you are coming back with substantive legislation that, even though you know you cannot win with it, that obviously there is some point to be made, and that is probably why we saw the raid on Social Security, coupled with the tax cut. And, even though it is a loser, who would have thought that you would deliberately come back to the floor with fast track, knowing that you have got another loser?

There are certain things that we cannot do in a partisan way. Medicare reform, Social Security reform and trade agreements, they have to be bipartisan. But now that you refuse to include certain protections for the workers and for human rights and for the environment, and the President would like to work and to fashion a fast track bill that does not embarrass us with our trading partners, does not embarrass us with our business community, you insist on bringing this up before the election, not caring how many Republicans or Democrats get hurt by having to vote for a bill that is far from perfect.

It would seem to me that if we are concerned about giving the President that authority, the first thing we should do is ask the President, does he want it at this time? It seems to me that if you want the support of labor, you would sit at the table and see whether labor and management can work out something that makes it easier for us to move forward with this legislation. But if all you want to do is embarrass Democrats, always remember that as you throw mud at Democrats, some Republicans too are going to get splattered.

Mr. DREIER. Mr. Speaker, I yield two minutes to the gentlewoman from Bellevue, Washington (Ms. DUNN), a very valued member of the Subcommittee on Trade,

Ms. DUNN. Mr. Speaker, I thank the soon-to-be chairman of the Committee on Rules for yielding me time.

Mr. Speaker, I rise today in support of the rule and of H.R. 2621. The world is a much different place today than it was when this House last considered fast track negotiating authority over six years ago. Capitalism has spread to every corner of the earth and once-undeveloped countries have flourished under the economic freedoms this system provides to us.

Nevertheless, a global economic downturn that began over 15 months ago is severely impacting many of these countries and is harming our ability to export goods. In Washington State alone, our combined exports to Southeast Asia are down 35 percent over last year. Consumer spending will help drive these economies out of recession, so we must make sure that our products are available to them. Our failure to negotiate trade agreements with other countries will only assure that agreements are made that exclude the United States.

Since 1992, in Latin America and Asia alone, our competitors have negotiated 20 free trade agreements that exclude the United States. Chile, for example, has a trade deal with every major economy in this hemisphere except us, giving each of our competitors an 11 percent tariff advantage, costing our citizens extra taxes on imported goods and costing our American workers jobs.

The world is not waiting for the United States. If we do not renew trade negotiating authority, we are closing the door on American workers and on American consumers. Clearly the ability to freely trade goods and services between nations is essential to achieving a long-term economic objective of the United States.

Self-interest alone would dictate that we pass this bill. As the world's lone remaining superpower, however, we must not act solely out of self-interest. These are turbulent times in many blossoming democracies, and many are crying out for the one thing the United States can provide better than anybody, and that is leadership. We must not shrink from this challenge.

For the sake of American workers and American consumers and the defense of free trade and economic freedom, I urge my colleagues to vote for this bill and support this rule.

Mr. FROST. Mr. Speaker, I yield four minutes to the gentleman from Michigan (Mr. BONIOR).

Mr. BONIOR. Mr. Speaker, I thank my colleague for yielding me time.

Mr. Speaker, as we debate this fast track today, I cannot help but ask, why did the Speaker insist on bringing this up, when he knows it is going to fail? Even the Republican leadership admits that this bill does not have the votes to pass. It is identical to the bill that was pulled from the floor last year, except now it even has fewer votes.

I want to pause here for a second to commend my colleague, the gentleman from California (Mr. MATSUI). He has made the point and he has made it very forcefully that our trade policy is too important to be used as a political football. With America's trade deficit higher than ever, we should be thinking of new ways, new ideas on trade; not rewarming yesterday's leftovers.

I had a meeting several months ago with Charlene Barshefsky, who is our Trade Representative, and she said, ''I don't know what is happening or what you are doing,'' and she was speaking to me in the generic sense, ''but,'' she said, ''our trade representatives from all over the world that I meet with now are beginning to talk about the issues that you and others have raised, the issues of the environment, the issues of labor rights and human rights. It is not something that is just coming from the majority in this body. It is coming now from the grassroots, whether it is in Canada, whether it is in Western Europe, Latin America, and,'' she said, ''it is even coming from Asia.''

America's trade policies should reflect this new thinking. If the Republican leadership was truly serious about passing fast track, they would sit down with us and they would develop a new approach based on these values.

Our trade policy is not working. After five years of NAFTA the results are in: It is bad for everyone except for big corporations. After the fast track bill was pulled last year, I got on a bus with several of my colleagues and we went to the south, and then we went to the west. We went to see the farm country and we went to see the people who worked in our factories.

In Atlanta, Georgia, I met a woman by the name of Annie Harris. She worked almost 30 years for AT&T, making phones, making about $13.50 an hour. That was before AT&T laid her off and moved her factory to Mexico. She now works for a Target Store for $7.50 an hour. She sells the same phones she used to make, except the prices went up on them.

□ 1445

She is not alone. NAFTA is hurting hundreds of thousands of people on both sides of the border.

We also went to Mexico. I know met with people like Rosa Maria Gonzales, who works at a modern factory assembling circuit boards. She makes 59 cents an hour, 59 cents an hour. She lives in a cardboard shack next to a sewage canal. She lives in a shack made out of the cardboard that she helps package the circuit boards in.

This is the grim harvest of NAFTA. Yet the Republican fast track supporters want everybody to ignore all this. They want us to repeat the mistakes of the past.

We say no. We can do and have to do much better than that. This is not a debate, as they may say, about free trade versus protectionism. That debate ended a long time ago. This is a debate about our future. It is about American leadership. It is about our prosperity.

America needs a new trade policy based upon our democratic values that our mothers, our fathers, and our grandfathers fought so valiantly for: the right to organize, the right to work, the right to collective bargaining, the right to a decent wage, to clean air, clean water. Our trade policy betrays those issues and those values.

We need a new trade policy that harnesses the power of markets to lift standards abroad, not tear them down here at home. We stand ready to make that happen, because we believe in a better future. This fast track is not the way to that future. This fast track drags America backwards. Do not vote for this Trojan horse designed to divide and distract. It will not work. Vote no.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume.

I would like to quote President Clinton on July 23, just a few weeks ago, when he said, ''I would support voting on fast track whenever we think we can pass it.'' Mr. Speaker, it is very clear that if a majority of the Members of this House were to do the right thing, we could pass it today.

Mr. Speaker, I yield 2 minutes to my friend, the gentleman from Terrace Park, Ohio (Mr. PORTMAN).

Mr. PORTMAN. Mr. Speaker, I thank my friend, the gentleman from California, for yielding time to me.

I would like to say to the gentleman who just spoke, this is not a debate today about trade policy. If he wants to talk about trade policy, he ought to talk to President Clinton about what kind of multilateral agreements he might want to negotiate with foreign countries. This is about giving the President the ability to enter into those agreements.

This is so straightforward. I cannot believe this Congress on both sides of the aisle is not going to allow this administration, on behalf of our country, to negotiate trade agreements with countries that are entering into agreements with other trading blocs and, thus, we are losing markets.

The way it currently stands, if we do not have this trading authority, we will not be able to enter into extremely important multilateral agreements that have to do with the future of the U.S. economy. Over one-third of our growth is directly related to exports. We have the freest country in the world in terms of trade. Other countries have higher barriers. It is very simple. We want to knock those barriers down.

Look at this chart. Here are some negotiations coming up within the next year that the United States will not be able to participate in because this Congress will not give this administration the ability to enter into these negotiations with some sort of credibility, with some sort of authority. If Congress in the end decides the agreements they reach are not agreements we can support, we can always vote those agreements down, but let us give them the ability to get in there and fight for America.

Latin American trade negotiations, a $300 billion, import market. WTO negotiations next year in Geneva on agriculture. What could be more important for the U.S. economy, particularly at this point when our agriculture community in this country is suffering so much? WTO government procurement negotiations, a $1 trillion global market. We are not going to be able to get in there and negotiate on behalf of the United States. WTO services negotiations. Finally, there is the Asia-Pacific negotiations. This chart is an indication of the number of dollars, trillions of dollars, involved in these negotiations.

Mr. Speaker, I think this is a no-brainer. I urge my colleagues to put politics aside, allow America to regain its place as a leader in this world with regard to trade, and support fast track.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Speaker, the North American Free Trade Agreement, NAFTA, was the trade agreement that made it easier for employers in America to close plants here and reopen them in Mexico. NAFTA gave leverage to companies to threaten plant closures, since American workers are competing for their jobs with Mexican workers, whose wages are one-tenth of our wages because their labor unions are brutally repressed.

NAFTA gave license to companies to pollute all they want, since Mexican environmental laws are rarely enforced, and NAFTA gave unprecedented powers to corporations to sue governments for damages when they try to pass tighter environmental laws.

Since NAFTA, America's trade surplus with Mexico has turned into a trade deficit. Fast track expands NAFTA and will expand the defects which NAFTA creates.

NAFTA defects include low NAFTA partner wages. What does fast track legislation do to remedy the defect? Nothing for Americans.

NAFTA defect: increased import of contaminated food. What does the fast track legislation do to remedy that defect? Nothing for Americans.

NAFTA defect: Trade deficit growth. What does the fast track legislation do to remedy that defect? Nothing for Americans.

NAFTA defect: pressure to lower U.S. wages. What does the fast track legislation do to remedy that defect? Nothing for Americans.

NAFTA defect: employer threatens to move to NAFTA partner country. No action for Americans with this legislation, nothing for Americans.

There is nothing for Americans in fast track except closed plants, lost jobs, lower wages, and trade deficit growth. The bill, this fast track bill, closes plants on a fast track. It cuts jobs on a fast track. It increases the trade deficit on a fast track.

Fast track is a fast move to expand NAFTA and worsen the problems NAFTA has created. Vote no on the rule. Vote no on fast track.

Mr. DREIER. Mr. Speaker, I am very proud to yield 2 minutes to my friend, the gentleman from Morristown, New Jersey (Mr. FRELINGHUYSEN), one of the great champions of the cause of free trade.

Mr. FRELINGHUYSEN. Mr. Speaker, I rise in strong support of this rule and fast track legislation authorization for the President.

First, this rule and this bill are in every way about jobs: job preservation, job expansion, and job creation. Just about every sector of our economy, and most particularly my home State of New Jersey, is or will be dependent on foreign markets. The passage of this agreement is all about present and future jobs and keeping men and women across America working and supporting their families. It is all about protecting our standard of living, our future standard of living, and doing so as soon as possible.

While fast track is important to our Nation, it is important to my State, where trade provides an enormous boost for diverse New Jersey industries. New Jersey is the ninth largest exporter among 50 States, at $22.4 billion in goods and exports. Over 13 percent of the private sector in my State are related directly or indirectly to international trade and investments.

New Jersey is home to a majority of our Nation's pharmaceutical industries. These workers are counting on these international trade agreements and our participation. It is also home to businesses which lead our Nation's telecommunications and electronic industries, as well as to biotechnology, aerospace, chemical and food manufacturing. The future of these companies and their workers in my State, large and small, and their ability to retain and promote jobs is directly related to the passage of this bill.

It would be inconceivable that all of us would not support this rule and this bill.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. LEVIN).

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, why in the world are we bringing up this bill when it is sure to fail? Mr. Speaker, this is too important an issue to sacrifice long-term considerations for any short-term political advantage. Trade issues do deserve better than this.

This is not a question of whether we want and need more international trade. We do. That is why I worked actively to help shape the Uruguay Round, and voted for it. The question is, more international trade under what conditions?

There is little controversy about granting fast track for WTO negotiations on services, information technologies, agriculture or, probably, for that matter, Chile.

I say, by the way, to my good friend, the gentleman from Ohio (Mr. PORTMAN), we can start negotiations in these matters with or without fast track, as was true of the Uruguay Round. The main issue underlying the fast track controversy is how to respond to the burgeoning trade with industrializing nations, Brazil, India, China, Mexico. Our trade with these nations has exploded in the last 5 years from one-third to almost one-half of our imports. These Nations have very different rules regarding environment, labor markets, State subsidies, et cetera. What will be the rules of competition with these nations?

The fast track proposal before us limits the ability of the President to negotiate on these items. It limits it. Unlike for any other previous President, it sets up restrictions like ''directly related'', and says it is okay if we would require Nations to maintain present standards, but we can negotiate to improve them.

The Kyoto agreement is opposed, and I think correctly, because it would give

industrializing nations a free ride on global warming. Why tie the hands of the President to press other environmental issues and labor market issues in trade negotiations?

We can do better than this fast track bill, much better. When it comes up today, vote no.

Mr. DREIER. Mr. Speaker, I am very proud to yield 2 minutes to the gentleman from Pontiac, Illinois (Mr. EWING), a great champion of our Nation's farmers,

Mr. EWING. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, the vote we are about to cast on granting fast track authority is one of the most important this Congress will take before we adjourn. With current international economic turmoil, it is absolutely essential that the United States show strong leadership and commitment to international trade and to emerging global markets.

Over the past 10 years, our economy has prospered as a result of the increase in world trade. If we reject fast track, Congress would prevent the U.S. from having the negotiating authority to knock down trade barriers that hinder opportunities to expand our markets abroad. No sector would be hurt more by defeating fast track than American agriculture. Our farmers depend on foreign markets for a significant portion of their income.

Not only does international trade benefit our farmers, but it benefits all the industries connected with agriculture. Government estimates show that exports have created more than 3.5 million new jobs since 1990, and that is nearly 30 percent of the jobs created in this decade. These are quality jobs which pay about 15 percent higher wages than the average.

Since fast track authority expired in 1995, there have been 20-plus trade agreements negotiated in the Western Hemisphere alone. These agreements were negotiated by some of our biggest trading partners while the United States sat on the sidelines and watched as these countries enhanced their own competitiveness at our expense.

The next round of WTO liberalization talks are scheduled to begin in 1999. The issue of liberalizing of agricultural policy is being pushed to the top of the agenda. The American farmer would be the clear winner of any agreement that eliminates or reduces tariffs.

For the American farmer, for all of business, I urge a positive vote on the rule on fast track.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Vermont (Mr. SANDERS).

Mr. SANDERS. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in opposition to the rule and in opposition to giving the President fast track negotiating authority.

Mr. Speaker, we have had 4 years to analyze the results of NAFTA, a trade deal negotiated under fast track, 4 years to watch our trade deficit skyrocket, workers' wages decline, and jobs leave the United States by the hundreds of thousands.

From 1993 to 1997, under NAFTA, a $1.7 billion trade surplus with Mexico has been turned into a $14.5 billion trade deficit. We went from a surplus to a deficit. During the debate over NAFTA, the multinational corporations who told us how great this policy would be predicted that NAFTA would create 200,000 jobs by 1995. Instead, we lost 400,000 jobs by 1997.

□ 1500

Further, NAFTA is being used as a corporate tool to threaten workers and to lower wages. According to a study done at Cornell University, 62 percent of corporations in America have used NAFTA or similar agreements to drive down wages and benefits.

This Cornell study also found that U.S. companies used the threat of moving their companies to Mexico more frequently now than before NAFTA was enacted. These are some of the great results of NAFTA.

Mr. Speaker, last year I went to Mexico, along with the gentleman from Michigan (Mr. BONIOR) and the gentleman from Oregon (Mr. DEFAZIO) to see what was going on there in the wake of the NAFTA agreement. I saw with my own eyes the horrendous pollution caused by the maquiladora companies in the area, pollution which is hurting the Mexicans as well as Americans along the border. Let us vote this agreement down. Let us kill it.

Mr. DREIER. Mr. Speaker, I yield 2 minutes to my good friend, the gentleman from Huntington Beach, California (Mr. ROHRABACHER).

Mr. ROHRABACHER. Mr. Speaker, I rise in strong support of the rule, but I am opposed to fast track authority. I have long supported free and fair trade among free people. However, I adamantly oppose to giving fast track authority to the President so he can put anything he wishes into legislation implementing a trade agreement, and place it before the Congress for an up-or-down vote.

This authority lends itself to abuse. The last time we awarded the President fast track authority, this President betrayed our trust. He included in the GATT implementation legislation a provision that dramatically changed our patent system, and this change was not mandated by the GATT agreement treaty.

Mr. Speaker, for 4 years this body has spent considerable time and effort trying to undo what fast track did to us the last time. Knowing good and well that Congress would have only one up-or-down vote and take the package as a whole or leave it, the President just decided to throw this provision into fast track, or into that implementing legislation.

With fast track authority, we can expect that implementation legislation in the future for future trade pacts will be buried with time bombs that will sabotage our economy or change substantive law in our country, things that we might even take for granted.

One of the provisions of fast track gives the President the right to offset any decrease in revenue that is put forward by a trade agreement. Does that mean that the President can have a tax increase or a ''revenue raiser'' as they claim? Sure. Sure, that is exactly what it means.

In the future, we should be far less generous in terms of our giving away our authority in Congress, especially giving the President more authority. We should be less generous in giving him the authority to make international trade agreements, in contrast to what we have heard this morning.

Mr. Speaker, the idea of a global economy has been used to take authority out of the hands of the people elected by the American people and giving it to unelected government officials, even foreigners.

I urge my colleagues to vote against fast track and for the rule.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. PETERSON).

Mr. PETERSON of Minnesota. Mr. Speaker, I thank the gentleman from Texas (Mr. FROST) for yielding me this time.

Mr. Speaker, I rise today in strong opposition to this rule. This is a closed rule that is not going to allow any amendments or improvements to this process that could have, in my opinion, increased support for this bill.

Yesterday, I presented an amendment before the Committee on Rules that would have made this a better situation, but because of this rule, it will not be considered.

Mr. Speaker, the amendment that I drafted would provide tremendous benefits for our Nation's farmers in future trade negotiations by moving the Committee on Agriculture and agriculture to the table in our international trade agreements.

The Committee on Agriculture in the House and the Committee on Agriculture, Nutrition, and Forestry in the Senate would be given enhanced authority and jurisdiction for agricultural trade. The amendment would allow these agriculture committees the opportunity to approve further fast track authority or to disallow further authority if the process or consultation are flawed or weak.

At this time, these committees have no authority to stop or continue the process. In fact, until a recent agreement with the Committee on Ways and Means was reached, there was not even language allowing the Committee on Agriculture to be consulted.

The U.S. is a major player in the world market. In fact international trade is absolutely critical to the future success of our farmers. However, those of us from farm country, and those of us who have set out to protect American agriculture on the committee, have no methods to safeguard

farmers' interests during the trade talks.

In the last couple of trade agreements, in the GATT agreement, we gave access to the multinationals in banking and insurance and a lot of those kinds of issues. In exchange, we let the European farmers keep subsidies that are more than my people get from their entire crop.

In the NAFTA agreement that we agreed to, we opened up the borders. But in the case of their supply management systems in dairy and poultry and eggs, we allowed them to keep their system and we cannot export dairy into their country. That is the kind of problems that those of us in agriculture are concerned about.

I believe that the fast track mechanism is outdated and a flawed tool that cannot adequately protect our farmers. The fast track authority that was originally granted was used for the Tokyo Round. This was the entire Tokyo Round. It is 50 pages.

Then we had the NAFTA. This is one-third of the NAFTA agreement. We changed all kinds of United States laws through this process.

This is the GATT agreement. This is one sixth of the GATT agreement. I submit that we have to have another process where we can bring more people in, especially in the agriculture area, so that we can have a look at these laws that are changed in our jurisdiction, that we can make sure that these agreements are going to protect our farmers, and that we are going to come back with agreements that are going to be good for American agriculture and, therefore, good for the country.

Mr. Speaker, I urge my colleagues to defeat this rule and defeat this fast track vote.

Mr. DREIER. Mr. Speaker, I first would like to inquire how much time is remaining on both sides.

The SPEAKER pro tempore (Mr. THORNBERRY). The gentleman from California (Mr. DREIER) has 11½ minutes remaining, and the gentleman from Texas (Mr. FROST) has 10½ minutes remaining.

Mr. DREIER. Mr. Speaker, I yield 2 minutes to the gentleman from Alpine, California (Mr. HUNTER), my very good friend, my classmate who came with us in the class of 1980, and we both agree strongly on the importance of passage of this rule.

Mr. HUNTER. Mr. Speaker, I thank the gentleman from California, my good colleague who came in with me in 1980 and somehow went wrong, but he is my great friend.

Mr. Speaker, one of the first rules in business is one does not give financial power to bad businessmen. The negotiators on the Clinton trade team are bad businessmen. That is, they have a bad record.

NAFTA took us from a $3 billion surplus in trade over Mexico to an annual $15 billion loss. It took us to an increased trade loss with China that brings us close to a $40 billion annual trade loss.

The trade agreement with Japan under the Clinton administration has broken down. The Clinton team consists of trade losers. Do not give power to trade losers. Not this President, not this time.

Mr. TAYLOR of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from Mississippi.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from Mississippi (Mr. TAYLOR).

Mr. TAYLOR of Mississippi. Mr. Speaker, article 1, Section 8 of the United States Constitution, in particular clause 3, says that Congress shall have the power to regulate commerce with foreign nations.

As of today, there are about 55 Members of this Congress who have asked the President to resign. I am one of them. There are a number of others who think there ought to be a formal board of inquiry as far as impeachment brought before the House.

My question is how can the same people who are asking the President to resign turn around and give their constitutionally mandated authority to regulate commerce between nations to that same person?

I am not going to do that. This is my job. I do not want the President's job. I want him to do his job. But the Founding Fathers gave Congress the power to regulate commerce between nations, and I am not going to vote to give it away.

Mr. Speaker, I encourage my colleagues to vote against the rule and I encourage them to vote against the bill.

Mr. FROST. Mr. Speaker, I yield 2½ minutes to the gentleman from New York (Mr. ENGEL).

Mr. ENGEL. Mr. Speaker, I thank the gentleman from Texas (Mr. FROST) for yielding me this time.

Mr. Speaker, I oppose the fast track bill before the House today. If fast track were to become the law of the land, the President could negotiate trade agreements that Congress is not allowed to amend, as the gentleman from Mississippi (Mr. TAYLOR) pointed out. That means the main force for protecting American workers' and consumers' interest would be eliminated.

Therefore, unless the fast track rules under which a trade agreement is negotiated contain adequate protections for labor and the environment, I must vote against the deal. Unfortunately, that is the case today. In fact this rule will not even allow amendments to protect workers' rights, human rights, and the environment. Therefore, I will vote against both the rule and the bill and urge my colleagues to do likewise.

Unlimited fast track procedures also brought us NAFTA, which I believe has been a failure. The fast track NAFTA deal with Mexico and Canada in 1993 is a perfect example of what happens when we rush into agreements that do not take into consideration the concerns of workers and consumers. Ever since NAFTA became law, America has lost more than 400,000 jobs as corporations move production to Mexico and Canada.

Employers are using the threat of plant closures to drive wages down as well. People who found new employment after their jobs moved to Mexico took an average pay cut of $4,400 a year. Air and water pollution along the U.S.-Mexico border has become significantly worse since we have NAFTA, while the amount of hazardous waste crossing the border increased 30 percent in 1995, the last year in which we have statistics.

Increased agricultural imports and inadequate border inspections have increased the threat of unsafe food in our supermarkets and unsafe trucks on our highways.

Mr. Speaker, this is the legacy of NAFTA and fast track. When we move too fast, we make mistakes. America has negotiated hundreds of successful trade agreements without fast track authority. Given NAFTA's failure, why rush into more unlimited fast track trade deals?

Congress should vote for the right track, not the poorly drafted fast track.

I urge my colleagues to oppose fast track. Even the President, who supports basic fast track, is opposed to this. So, we ought to vote this down. We ought not to be for election time gimmicks. We ought to do what is right for the American people.

Again, I urge my colleagues to vote for the right track, not this poorly drafted fast track. Defeat the rule and defeat the bill.

Mr. DREIER. Mr. Speaker, I yield 1 minute to the gentleman from Staten Island, New York (Mr. FOSSELLA), my dynamic and eloquent friend.

Mr. FOSSELLA. Mr. Speaker, I thank the gentleman from California (Mr. DREIER) for yielding me this time.

Mr. Speaker, I think at this point just let me note that the power under this legislation is granted to not an individual, but the office of a presidency. And the gentleman from Mississippi (Mr. TAYLOR), my good friend, acknowledges Congress still maintains its right as vested in the United States Constitution, because at the end of the day we have the right to vote ''yes'' or ''no'' on the underlying legislation.

The reality is that throughout our Nation's history there are people who look inward constantly to create jobs and those who look outward to determine that there are no limits to America's horizons. And we demonstrate time and time again, the hard-working people that I represent, that we can trade freely and fairly throughout this world and create wealth, not just for the people of this country but throughout this great world of ours.

The reality is that we are talking about free and fair trade. Not looking inward, but looking outward. The people on Staten Island that I represent go

to work every single day with no limits to their horizons. I say let us continue that growth.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Speaker, I thank the gentleman from Texas (Mr. FROST) for yielding me this time.

Mr. Speaker, in Central Texas, international trade has meant more good, high-paying jobs, not fewer. I personally believe that we gain from more international commerce, by building bridges, not erecting barriers. To do that, the President does need reasonable authority to expand international commerce. But the vote that we are having today is not about more international commerce, it is about more domestic politics.

Mr. Speaker, is it not ludicrous, indeed bizarre, that the same House Republicans that on Monday were releasing a videotape and complaining about an abuse of power by this President have waited all the way to Friday to say that we must have a vote today about giving that same person more power?

□ 1515

This is not about more power for President Clinton, really. It is about more votes for NEWT GINGRICH, and that is the last thing that America needs.

We do need a bipartisan coalition for trade in this country. It ought to be trade that recognizes that some of the concerns that have been advanced about working conditions, about environmental concerns are very real, and there is a way to address those at the same time that we seek more international commerce.

But today is not the day to do that. What we have here is not really a vote about fast track, perhaps fast track in name only. This is really only a sidetrack. It is wrong, and this measure ought to be voted down.

Mr. DREIER. Mr. Speaker, I yield 1 minute to the gentleman from Dallas, Texas (Mr. SESSIONS), a champion of free trade.

Mr. SESSIONS. Mr. Speaker, I rise today in support of fast track.

I find it very amazing that my colleagues and friends, including those from Texas, blame this on politics. I will tell my colleagues who I blame it on. I blame it on people like the Texas Farm Bureau and the Texas and Southwest Cattle Raisers who have asked me and told me point blank, it is the most important vote that could take place in the remainder of this session. They are for opening markets and creating jobs. They are for American export businesses. They recognize that 96 percent of the consumers in the world live outside the United States. Lastly, they realize that 30 percent of the growth of the markets that they have come directly from overseas markets.

Mr. Speaker, I will tell my colleagues, I do not blame this on NEWT GINGRICH. I blame this on the Texas Farm Bureau, the Texas and Southwest Cattle Raisers and 75 other people who are in the agribusiness.

I will vote yes with them.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. PALLONE).

Mr. PALLONE. Mr. Speaker, this debate on fast track is not about whether or not the United States should be participating in the global economy, because we all agree on that. It is about how we are going to participate in that economy.

Are we going to allow multinational corporations to bargain down the environmental protection standards of nations around the world in the name of economic competitiveness? Are we going to allow our own strong environmental and health laws and regulations to be knocked down as barriers to trade?

I urge my colleagues to consider our experience with NAFTA. Thanks to NAFTA and the environmental side agreement to NAFTA, we now have more factories along the heavily polluted U.S.-Mexican border dumping an even greater amount of hazardous waste, mostly illegally. Risks to the health and safety of American working families are increasing as food imports rise while the number of inspections plummet. These environmental and public health problems are the result of inadequate free trade agreements that create pressure on neighboring governments to relax environmental regulations in an effort to lure manufacturers across the borders, allowing these companies to profit by polluting and abusing natural resources.

I urge my colleagues, do not be fooled again. We already were fooled once with NAFTA. We need a trade policy that opens markets while at the same time setting high health, environmental and labor standards.

I urge my colleagues to vote no both on the rule, because it is essentially unfair, not allowing other amendments, and also to vote no on fast track. Let us not make the same mistake again.

Mr. DREIER. Mr. Speaker, I yield 2 minutes to the gentleman from the Woodlands, Texas (Mr. BRADY), another champion of free trade.

Mr. BRADY of Texas. Mr. Speaker, I fully support this bill and this rule.

I come from a State that has benefited from fast track and from international trade. One out of every three new jobs created in Texas are as a result of international trade because of NAFTA, even with its imperfections. We have tens of thousands of new jobs that Texas families now enjoy because we are willing to compete.

I did not move to Washington. I live in Texas and just commute each week. On my drive to the airport and back to my district, I see and go by dairies and farms and small businesses and large companies where there are Texas workers, American families who are enjoying the American dream, putting their kids in school, saving for college, purchasing a home because they believe in the American principle of free, fair, competition.

Ninety-six percent of all the world's consumers live outside of America. They all cannot buy as much as we do today because they are growing fast. Other countries are competing for them. I want our American companies out there competing today for that market and those sales, because it is not our jobs that we are looking at, it is our children's jobs and our children's children's jobs that depend upon our competing today internationally.

I golf twice a year, whether I need to or not. My friends who golf more often and like to wage a friendly bet tell me that the outcome of those friendly bets are often determined on the first tee, when the rules are drawn up and the strokes are given.

In international trade today, America is not on that first economic tee. The strokes are not coming to American companies. The rules do not favor fair treatment for our companies. We are losing jobs because of it.

Let us not practice partisan politics. Let us not pit the President against the Republicans. I think jobs for our workers, for our farmers, for our small businesses ought to take precedence over partisan politics, which is being encouraged today.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentlewoman from Georgia (Ms. MCKINNEY).

Ms. MCKINNEY. Mr. Speaker, free trade for corporations or fair trade for people? I vote for the people every time.

Mr. Speaker, I rise to oppose this rule because, as with all trade agreements that come before this House, it lacks a very important component, a minimum code of conduct by which American companies should abide.

Most Americans know the story of sweatshops in Latin America and Southeast Asia, but do Americans know about Guess Jeans? Guess was cited for violation of wage and hour laws in the United States. Not surprisingly, it has now moved 40 percent of its manufacturing to Mexico and South America, thereby escaping union organizers and Department of Labor oversight. Ironically, they have subsequently run an advertising campaign that claims that their jeans are 100 percent sweatshop free.

Or do Americans know about accounting audit reports of Nike that were uncovered by TRAC, the Transnational Research and Action Center? Manufacturers of Nike products are paying wages of less than $2 per day in factories in China and Vietnam. But only because of public pressure and bad press, Nike has promised to do better. Adoption of our code of conduct will assure that they do better.

Unfortunately, U.S. companies are engaging in even grosser abuses as they

operate free from the deterrence of media, public scrutiny or U.S. law.

I urge my colleagues to oppose this rule and accept my amendment which establishes a code of conduct for American corporations. Otherwise, we will have to live with the fact that the shoes on our feet and the blue jeans on our bodies might just be made from the sweat of children living in squalor.

Mr. DREIER. Mr. Speaker, I yield such time as he may consume to the gentleman from Ocala, Florida (Mr. STEARNS).

(Mr. STEARNS asked and was given permission to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, I rise in support of the rule.

Mr. Speaker, the proponents of fast-track wrap their arguments around a banner of false logic and false promises. Granting any President fast-track authority clearly violates the constitutional responsibilities of Congress. Article I, Section 8 explicitly states that, ''The Congress shall have Power . . . to regulate Commerce with foreign nations.''

While the United States has entered into thousands of trade agreements in our history, only five have received fast-track authority. The Clinton administration itself has negotiated over 200 trade agreements while in office without fast-track trade authority. Just NAFTA and the Uruguay Round of GATT had fast track authority.

Any Administration can and should negotiate bilateral and multilateral trade agreements with the advice and consent of Congress. That is the Constitution!

The United States is the ''Mother of all Markets.'' Every nation on earth wants access to our markets. If gaining access requires the involvement of Congress in negotiating trade agreements, then every nation must accept our rule of law.

Let us be honest with each other. There have been some real devastating aspects of the previous fast-track, which brought us NAFTA, especially as it affected my home state of Florida.

The Florida tomato industry has lost over $750 million since the beginning of NAFTA. Import of tomatoes from Mexico has surged by 71% under NAFTA, putting hundreds of farmers out of work and losing thousands of farm related jobs, and no relief has ever been granted by this Administration.

These losses in exports are directly tied to the unfair trading practices that have been waged against Florida's farmers. Mexico has dumped tomatoes and other winter vegetables on the U.S. market. The Department of Commerce recognizes that Mexican tomatoes were dumped, but the Administration has never done anything about it.

The Administration made promises to protect agriculture against unfair trading practices with the last fast-track bill. They never fulfilled those promises and now they are offering new promises to protect agriculture.

Don't believe any of the latest claims that fast-track will protect our agricultural industries. This Administration lied before, they are lying now, and they will lie tomorrow!

Mr. Speaker, I also would like to include a letter from the Florida Farm Bureau Federation dealing with this legislation:

FLORIDA FARM BUREAU FEDERATION,
Gainsville, FL, September 25, 1998.

Hon. CLIFFORD STEARNS,
House of Representatives, Washington, DC.

DEAR REPRESENTATIVE STEARNS: After having reviewed the provisions that have been added to H.R. 2621, the Fast Track bill, we thought that it would be important for Florida Farm Bureau to let you know we are still opposed.

While these provisions are a beginning, they do not answer our concerns. Until these concerns are met, we cannot support Fast Track. We urge you to oppose H.R. 2621.

Sincerely,

CARL B. LOOP, Jr.,
President.

Mr. DREIER. Mr. Speaker, I yield 2 minutes to the gentleman from Stillwater, Oklahoma (Mr. WATKINS), a hard-working member of the Committee on Ways and Means.

(Mr. WATKINS asked and was given permission to revise and extend his remarks.)

Mr. WATKINS. Mr. Speaker, Fact: 96 percent of the consumers live outside the United States. Are we fearful of competing for that market?

I want to make sure we do everything we can for our children and for our citizens to penetrate those markets by selling United States products and agriculture commodities.

It was Franklin Delano Roosevelt who said, we have nothing to fear but fear itself. If we are fearful of entering those markets, we are surely to shrink. We are surely to sell the future of our children down the drain, and we will become a second-class economy.

One year from this December, just 15 months from now the World Trade Organization will meet to negotiate international agriculture trade agreements. Are we going to send our negotiators there with one arm or maybe both arms tied behind us? I fear the fact we are not going to give or arm our negotiators with the opportunity to enter trade agreements to sell agriculture commodities at a time when we are hurting worse on the American farm than any time since the Great Depression.

That is the reason why in this bill, let there be no mistake, I have placed the toughest language to assist in our agriculture negotiations that we have ever had. In fact, we establish in this bill a chief negotiator for agriculture with ambassador status, because I want someone around the table, whether it is in Geneva or wherever, negotiating for the farmers and ranchers of this country.

Are we going to give to our negotiators the opportunity to negotiate trade agreements for our citizens? I am going to vote yes for fast track because I want to build a future for our children and our grandchildren. They have no choice. They will have to compete in a global economy. Many of us can back away and say, well, that may not affect us. But I could not face your children or my children and grandchildren without trying to give them the best opportunity possible to compete in this global economy.

Mr. FROST. Mr. Speaker, I reserve the balance of my time.

Mr. DREIER. Mr. Speaker, I yield 2 minutes to the gentleman from Tucson, Arizona (Mr. KOLBE), a great champion of trade, one of our hardest workers and one of the most thoughtful Members of the House.

Mr. KOLBE. Mr. Speaker, I do rise in support of this rule and for the legislation granting fast track authority to the President.

Mr. Speaker, it is a sad day to have to listen to many of the speeches that we have heard here today. The fear that some members have for America's future, their fear about America being able to compete in the world. Do they have so little confidence in America that they do not think that American workers and American citizens can compete in this world?

We have been hearing a lot about how NAFTA is the source of our problem. Maybe NASTA explains why our unemployment rate is at an all-time low. Maybe it explains why we have created so many jobs in this world, more than 6 million jobs created since 1994. We heard about 400,000 lost jobs. How about the 6 million that have been created?

Maybe we should attribute all of those to the creation of NAFTA. The fact of the matter is, we have had a tremendous surge in exports over the last several years. Look at this chart, at how exports have grown 3,000 percent over the last 35 years. That has created jobs for American workers who produce those exports that have gone overseas. We are the beneficiary of growing exports. And just in the last 12 years, look at the increase in the gross domestic product of this country attribute to trade—$500 billion. That would not have been there otherwise if we had not had foreign trade.

So why do we need fast track now? Because there is much that remains to be done. There are many things that we need, to have negotiating authority for this President to be able to attempt to reduce the 100 percent tariff that Indonesia has on American automobiles, to eliminate the European Union's 25 percent tax on our trucks and try to get those down, and Brazil's inordinate tax on computers. Next year we are going to begin negotiations on agriculture. We are the world's largest agricultural exporter. We need to have this authority so that we can sit at that table with the rest of the world while they talk about it and so that we can reduce those tariffs for the United States. We need fast track authority, as President Clinton himself has said.

I urge my colleagues to vote for this rule and for fast track authority.

□ 1530

Mr. FROST. Mr. Speaker, I yield 1½ minutes to the gentleman from Pennsylvania (Mr. KLINK).

Mr. KLINK. Mr. Speaker, I thank the gentleman for yielding time to me. For those who may not have been here

back in 1993 when we were negotiating with each other as to whether or not we should pass the NAFTA agreement which was negotiated under fast track authority, I would remind my colleagues that in that year, we had a $1.7 billion trade surplus with Mexico. That has turned into a $17 billion trade deficit. The economists across this country tell us that each billion dollars represents between 116,000 jobs and 120,000 jobs. Do the mathematics and find out whether or not NAFTA negotiated under fast track authority has been good for us. In fact, now our trade deficit combined with our NAFTA trade partners, Canada and Mexico, is $31 billion.

How many jobs would we be able to create if we had fair trade rather than fast track free trade? The point is that we here in Congress in 1993 knew there were things about the NAFTA agreement that we wanted to change. We wanted protection for labor. We wanted environmental riders. We were told, ''Well, you can get these side agreements.'' You can blow your nose with those side agreements. They do not carry the impact of law. They have not been enforced.

What this argument is about today is whether or not we in Congress have the required amount of guts to say to the Administration, ''We as the elected Members of Congress, we as the elected representatives of the people want something to say.'' Fast track is the wrong track. The rule should be voted down and so should the bill.

Mr. FROST. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I urge my colleagues to vote ''no'' on the previous question. If the previous question is defeated, I will offer an amendment to make in order the McKinney amendment to establish a corporate code of conduct and the Peterson amendment to expand the role of the Committee on Agriculture in reviewing trade matters.

I urge my colleagues to postpone debate on this issue. There is no chance to pass it today. We should not sacrifice long-term, bipartisan cooperation on fast track for short-term political gain.

Mr. Speaker, the text of the amendment to be offered if the previous question is defeated is as follows:

AMENDMENT TO BE OFFERED IF PREVIOUS QUESTION IS DEFEATED

On page 2, line 10, strike ''and'' the second time it appears.

On page 2 line 11, after ''(2)'', add the following:

''a further amendment printed in section 2 of this resolution and numbered (i), if offered by Representative McKinney of Georgia or her designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for thirty minutes equally divided and controlled by the proponent and an opponent; (3) a further amendment printed in section 2 of this resolution and numbered (ii), if offered by Representative Peterson of Minnesota or his designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for thirty minutes equally divided and controlled by the proponent and an opponent; and (4)''

On page 2, after line 11, add the following new section:

''Section 2. The text of the amendments follows:

(i) Amendment to H.R. 2621, as reported, to be offered by Representative McKinney of Georgia

In section 102(b)(7), add the following at the end:

(C) To ensure that any entity that receives benefits under any trade agreement entered into under this title adopts and adheres to the following principles in all domestic and foreign operations:

(i) Provide a safe and health workplace.

(ii) Ensure fair employment, including the prohibition on the use of child and forced labor, the prohibition on discrimination based upon race, gender, national origin, or religious belief, the respect for freedom of association and the right to organize and bargain collectively, and the payment of a living wage to all workers.

(iii) Uphold responsible environmental protection and environmental practices.

(iv) Promote good business practices, including prohibiting illicit payments and ensuring fair competition.

(v) Maintain, through leadership at all levels, a corporate culture that respects free expression consistent with legitimate business concerns, does not condone political coercion in the workplace, encourages good corporate citizenship and makes a positive contribution to the communities in which the entity operates, and promotes ethical conduct that is recognized, valued, and exemplified by all employees.

(vi) Require, under terms of contract, partners, suppliers, and subcontractors of the entity to adopt and adhere to the principles described in clause (v).

(vii) Implement and monitor compliance with the principles described in clauses (i) through (vi) through a program that is designed to prevent and detect conduct that is not in compliance with such principles by any employee of the entity, or any employee of the partner, supplier, or subcontractor of the entity, and that includes—

(I) standards for ethical conduct of such employees which refer to the principles;

(II) procedures for assignment of appropriately qualified personnel at the management level to monitor and enforce compliance with the principles;

(III) procedures for reporting violations of the principles by such employees;

(IV) procedures for selecting qualified individuals who are not employees to monitor compliance with the principles, and for auditing the effectiveness of such compliance monitoring;

(V) procedures for disciplinary action in response to violations of the principles;

(VI) procedures designed to ensure that, in cases in which a violation of the principles has been detected, reasonable steps are taken to correct the violation and prevent similar violations from occurring;

(VII) procedures for providing educational and employment-related counseling to any child employee in violation of the principles; and

(VIII) communication of all standards and procedures with respect to the principles to every employee, by requiring the employee to participate in a training program, or by disseminating information in writing that explains the standards and procedures.

(ii) Amendment to H.R. 2621, as reported to be offered by Representative Peterson of Minnesota

Page 12, strike line 19 through 23 and insert the following:

(A) consult closely and on a timely basis (including immediately before initialing an agreement) with, and keep fully apprised of the negotiations—

(i) the congressional advisers for trade policy and negotiations appointed under section 161 of the Trade Act of 1974 (19 U.S.C. 2211);

(ii) the Committee on Ways and Means and the Committee on Agriculture of the House of Representatives; and

(iii) the Committee on Finance and the Committee on Agriculture, Nutrition, and Forestry of the Senate; and

Page 23, line 17, insert ''and the Committee on Agriculture'' after ''Rules''.

Page 24, line 7, insert ''and the Committee on Agriculture'' after ''Rules''.

Page 25, line 3, insert ''and the Committee on Agriculture, Nutrition, and Forestry'' after ''Finance''.

Page 25, line 4, insert ''and the Committee on Agriculture'' after ''Ways and Means''.

Page 27, line 8, insert ''and the Committee on Agriculture'' after ''Ways and Means''.

Page 27, line 10, insert ''and the Committee on Agriculture, Nutrition, and Forestry'' after ''Finance''.

Page 32, line 14, strike ''or'' and insert a comma.

Page 32, line 16, insert '', or the chairman or ranking minority member of the Committee on Agriculture'' after ''Rules''.

Page 32, line 19, insert ''and the Committee on Agriculture'' after ''Rules''.

Page 32, line 20, strike ''either'' and insert ''any such''.

Page 33, line 7, insert ''and the Committee on Agriculture'' after ''Rules''.

Page 31, insert the following after line 6 and redesignate the succeeding paragraphs accordingly:

(1) DISAPPROVAL OF THE NEGOTIATION.—The trade authorities procedures shall not apply to any implementing bill that contains a provision approving any trade agreement that is entered into under section 103(b) with any foreign country if the Committee on Finance or the Committee on Agriculture, Nutrition, and Forestry of the Senate or the Committee on Ways and Means or the Committee on Agriculture of the House of Representatives disapprove of the negotiation of the agreement before the close of the 90-calendar day period that begins on the date notice is provided under section 104(a) with respect to the negotiation of the agreement.

Mr. DREIER. Mr. Speaker, I yield myself the balance of my time.

The SPEAKER pro tempore (Mr. THORNBERRY). The gentleman from California is recognized for 1 minute.

Mr. DREIER. Mr. Speaker, no matter what you think about the President, no matter what you think about the U.S.-Canada trade agreement and its impact on Northern Plains farmers and ranchers, no matter what you think about the North American Free Trade Agreement and its impact on Florida's tomato farmers, no matter what you think about the impact of economic development on farmers in Mexico, dolphins, sea turtles or the Amazon rain forest, there is just one question that we must ask ourselves today: Are the American people better off if America is at the table when countries make new trade deals? Should we be at the table when the nations of the world sit down at the WTO to negotiate new trade rules for agriculture, services and intellectual property? Or when the countries of Latin America entertain offers for preferential access to their

growing markets? Or when the countries of Asia talk about ways to rebound from their economic crisis?

Obviously, Mr. Speaker, we are much better off if we, the world's only complete superpower, are at the table for trade negotiations. The world will not stop to wait for us if we simply miss the bus. We will be the losers, Mr. Speaker.

We have got to pass this rule and pass fast track so, as President Clinton said on July 23, we can have these votes and put it together. We can have bipartisan support for a very important policy.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FROST. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to clause 5 of rule XV, the Chair will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of agreeing to the resolution.

The vote was taken by electronic device, and there were—yeas 230, nays 193, not voting 11, as follows:

[Roll No. 465]

YEAS—230

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Berman
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Brady (TX)
Bryant
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Crapo
Cubin
Cunningham
Davis (FL)
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
Ensign
Everett
Ewing
Fawell
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Graham
Granger
Greenwood
Gutknecht
Hall (TX)
Hamilton
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Manzullo
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Morella
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Stenholm
Stump
Sununu
Talent
Tanner
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—193

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Goode
Gordon
Green
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Mollohan
Moran (VA)
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stark
Stokes
Strickland
Stupak
Tauscher
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Towns
Traficant
Turner
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn

NOT VOTING—11

Burton
English
Furse
Goss
Jefferson
Kennelly
Moakley
Payne
Pryce (OH)
Rush
Yates

□ 1552

Mr. GONZALEZ changed his vote from ''yea'' to ''nay.''

Mr. SOLOMON and Mrs. LINDA SMITH of Washington changed their vote from ''nay'' to ''yea.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. THORNBERRY). The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 4095

Mr. NADLER. Mr. Speaker, I ask unanimous consent to have my name removed as a co-sponsor of H.R. 4095.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

RECIPROCAL TRADE AGREEMENT AUTHORITIES ACT OF 1997

Mr. ARCHER. Mr. Speaker, pursuant to House Resolution 553, I call up the bill (H.R. 2621) to extend trade authorities procedures with respect to reciprocal trade agreements, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 553, the bill is considered read for amendment.

The text of H.R. 2621 is as follows:

H.R. 2621

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

TITLE I—TRADE AUTHORITIES PROCEDURES

SEC. 101. SHORT TITLE.

This title may be cited as the ''Reciprocal Trade Agreement Authorities Act of 1997''.

SEC. 102. TRADE NEGOTIATING OBJECTIVES.

(a) OVERALL TRADE NEGOTIATING OBJECTIVES.—The overall trade negotiating objectives of the United States for agreements subject to the provisions of section 103 are—

(1) to obtain more open, equitable, and reciprocal market access;

(2) to obtain the reduction or elimination of barriers and distortions that are directly related to trade and that decrease market opportunities for United States exports or otherwise distort United States trade;

(3) to further strengthen the system of international trading disciplines and procedures, including dispute settlement; and

(4) to foster economic growth, raise living standards, and promote full employment in the United States and to enhance the global economy.

(b) PRINCIPAL TRADE NEGOTIATING OBJECTIVES.—

(1) TRADE BARRIERS AND DISTORTIONS.—The principal negotiating objectives of the United States regarding trade barriers and other trade distortions are—

(A) to expand competitive market opportunities for United States exports and to obtain fairer and more open conditions of trade by reducing or eliminating tariff and nontariff barriers and policies and practices of foreign governments directly related to trade that decrease market opportunities for United States exports or otherwise distort United States trade; and

(B) to obtain reciprocal tariff and nontariff barrier elimination agreements, with particular attention to those tariff categories covered in section 111(b) of the Uruguay Round Agreements Act (19 U.S.C. 3521(b)).

(2) TRADE IN SERVICES.—The principal negotiating objective of the United States regarding trade in services is to reduce or eliminate barriers to international trade in services, including regulatory and other barriers that deny national treatment and unreasonably restrict the establishment and operations of service suppliers.

(3) FOREIGN INVESTMENT.—The principal negotiating objective of the United States regarding foreign investment is to reduce or eliminate artificial or trade-distorting barriers to trade related foreign investment by—

(A) reducing or eliminating exceptions to the principle of national treatment;

(B) freeing the transfer of funds relating to investments;

(C) reducing or eliminating performance requirements and other unreasonable barriers to the establishment and operation of investments;

(D) seeking to establish standards for expropriation and compensation for expropriation, consistent with United States legal principles and practice; and

(E) providing meaningful procedures for resolving investment disputes.

(4) INTELLECTUAL PROPERTY.—The principal negotiating objectives of the United States regarding trade-related intellectual property are—

(A) to further promote adequate and effective protection of intellectual property rights, including through—

(i)(I) ensuring accelerated and full implementation of the Agreement on Trade-Related Aspects of Intellectual Property Rights referred to in section 101(d)(15) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(15)),

(II) achieving improvements in the standards of that Agreement, particularly with respect to United States industries whose products are subject to the lengthiest transition periods for full compliance by developing countries with that Agreement; and

(III) ensuring that the provisions of any multilateral or bilateral trade agreement entered into by the United States provide protection at least as strong as the protection afforded by chapter 17 of the North American Free Trade Agreement and the annexes thereto;

(ii) providing strong protection for new and emerging technologies and new methods of transmitting and distributing products embodying intellectual property;

(iii) preventing or eliminating discrimination with respect to matters affecting the availability, acquisition, scope, maintenance, use, and enforcement of intellectual property rights; and

(iv) providing strong enforcement of intellectual property rights, including through accessible, expeditious, and effective civil, administrative, and criminal enforcement mechanisms; and

(B) to secure fair, equitable, and nondiscriminatory market access opportunities for United States persons that rely upon intellectual property protection.

(5) TRANSPARENCY.—The principal negotiating objective of the United States with respect to transparency is to obtain broader application of the principle of transparency through—

(A) increased and more timely public access to information regarding trade issues and the activities of international trade institutions; and

(B) increased openness of dispute settlement proceedings, including under the World Trade Organization.

(6) RECIPROCAL TRADE IN AGRICULTURE.—The principal negotiating objective of the United States with respect to agriculture is to obtain competitive opportunities for United States exports in foreign markets substantially equivalent to the competitive opportunities afforded foreign exports in United States markets and to achieve fairer and more open conditions of trade in bulk and value-added commodities by—

(A) reducing or eliminating, by a date certain, tariffs or other charges that decrease market opportunities for United States exports—

(i) giving priority to those products that are subject to significantly higher tariffs or subsidy regimes of major producing countries; and

(ii) providing reasonable adjustment periods for United States import-sensitive products;

(B) reducing or eliminating subsidies that decrease market opportunities for United States exports or unfairly distort agriculture markets to the detriment of the United States;

(C) developing, strengthening, and clarifying rules and effective dispute settlement mechanisms to eliminate practices that unfairly decrease United States market access opportunities or distort agricultural markets to the detriment of the United States, particularly with respect to import-sensitive products, including—

(i) unfair or trade-distorting activities of state trading enterprises and other administrative mechanisms;

(ii) unjustified trade restrictions or commercial requirements affecting new technologies, including biotechnology;

(iii) unjustified sanitary or phytosanitary restrictions, including those not based on sound science in contravention of the Uruguay Round Agreements;

(iv) other unjustified technical barriers to trade; and

(v) restrictive rules in the administration of tariff rate quotas;

(D) improving import relief mechanisms to recognize the unique characteristics of perishable agriculture;

(E) taking into account whether a party to the negotiations has failed to adhere to the provisions of already existing trade agreements with the United States or has circumvented obligations under those agreements;

(F) taking into account whether a product is subject to market distortions by reason of a failure of a major producing country to adhere to the provisions of already existing trade agreements with the United States or by the circumvention by that country of its obligations under those agreements; and

(G) otherwise ensuring that countries that accede to the World Trade Organization have made meaningful market liberalization commitments in agriculture.

(7) LABOR, THE ENVIRONMENT, AND OTHER MATTERS.—The principal negotiating objective of the United States regarding labor, the environment, and other matters is to address the following aspects of foreign government policies and practices regarding labor, the environment, and other matters that are directly related to trade:

(A) To ensure that foreign labor, environmental, health, or safety policies and practices do not arbitrarily or unjustifiably discriminate or serve as disguised barriers to trade.

(B) To ensure that foreign governments do not derogate from or waive existing domestic environmental, health, safety, or labor measures, including measures that deter exploitative child labor, as an encouragement to gain competitive advantage in international trade or investment. Nothing in this subparagraph is intended to address changes to a country's laws that are nondiscriminatory and consistent with sound macroeconomic development.

(8) WTO EXTENDED NEGOTIATIONS.—The principal negotiating objectives of the United States regarding trade in financial services are those set forth in section 135(a) of the Uruguay Round Agreements Act (19 U.S.C. 3555(a)), regarding trade in civil aircraft are those set forth in section 135(c) of that Act, and regarding rules of origin are the conclusion of an agreement described in section 132 of that Act (19 U.S.C. 3552).

(c) INTERNATIONAL ECONOMIC POLICY OBJECTIVES.—

(1) IN GENERAL.—The President should take into account the relationship between trade agreements and other important priorities of the United States and seek to ensure that the trade agreements entered into by the United States complement and reinforce other policy goals. The United States priorities in this area include—

(A) seeking to ensure that trade and environmental policies are mutually supportive;

(B) seeking to protect and preserve the environment and enhance the international means for doing so, while optimizing the use of the world's resources;

(C) promoting the respect for worker rights and the rights of children and an understanding of the relationship between trade and worker rights, particularly by working with the International Labor Organization to encourage the observance and enforcing of core labor standards, including exploitative child labor; and

(D) supplementing and strengthening standards for protection of intellectual property under conventions administered by international organizations other than the World Trade Organization, expanding the conventions to cover new and emerging technologies, and eliminating discrimination and unreasonable exceptions or preconditions to such protection.

(2) APPLICABILITY OF TRADE AUTHORITIES PROCEDURES.—Nothing in this subsection shall be construed to authorize the use of the trade authorities procedures described in section 103 to modify United States law.

(d) GUIDANCE FOR NEGOTIATORS.—

(1) DOMESTIC OBJECTIVES.—In pursuing the negotiating objectives described in subsection (b), the negotiators on behalf of the United States shall take into account United States domestic objectives, including the protection of health and safety, essential security, environmental, consumer, and employment opportunity interests, and the law and regulations related thereto.

(2) CONSULTATIONS WITH CONGRESSIONAL ADVISERS AND ENFORCEMENT OF THE TRADE LAWS.—In the course of negotiations conducted under this title, the United States Trade Representative shall—

(A) consult closely and on a timely basis with, and keep fully apprised of the negotiations, the congressional advisers on trade policy and negotiations appointed under section 161 of the Trade Act of 1974; and

(B) take into account the need for the United States to retain the ability to enforce

rigorously its trade laws in order to ensure that United States workers, agricultural producers, and firms can compete on fair terms and enjoy the benefits of reciprocal trade concessions.

(e) ADHERENCE TO OBLIGATIONS UNDER URUGUAY ROUND AGREEMENTS.—In determining whether to enter into negotiations with a particular country, the President shall take into account the extent to which that country has implemented, or has accelerated the implementation of, its obligations under the Uruguay Round Agreements.

SEC. 103. TRADE AGREEMENTS AUTHORITY.

(a) AGREEMENTS REGARDING TARIFF BARRIERS.—

(1) IN GENERAL.—Whenever the President determines that one or more existing duties or other import restrictions of any foreign country or the United States are unduly burdening and restricting the foreign trade of the United States and that the purposes, policies, and objectives of this title will be promoted thereby, the President—

(A) may enter into trade agreements with foreign countries before—

(i) October 1, 2001, or

(ii) October 1, 2005, if trade authorities procedures are extended under subsection (c), and

(B) may, subject to paragraphs (2) and (3), proclaim—

(i) such modification or continuance of any existing duty, or

(ii) such continuance of existing duty-free or excise treatment,

as the President determines to be required or appropriate to carry out any such trade agreement. The President shall notify the Congress of the President's intention to enter into an agreement under this subsection.

(2) LIMITATIONS.—No proclamation may be made under paragraph (1) that—

(A) reduces any rate of duty (other than a rate of duty that does not exceed 5 percent ad valorem on the date of the enactment of this Act) to a rate of duty which is less than 50 percent of the rate of such duty that applies on such date of enactment; or

(B) reduces the rate of duty on an article to take effect on a date that is more than 10 years after the first reduction that is proclaimed to carry out a trade agreement with respect to such article.

(3) AGGREGATE REDUCTION; EXEMPTION FROM STAGING.—

(A) AGGREGATE REDUCTION.—Except as provided in subparagraph (B), the aggregate reduction in the rate of duty on any article which is in effect on any day pursuant to a trade agreement entered into under paragraph (1) shall not exceed the aggregate reduction which would have been in effect on such day if—

(i) a reduction of 3 percent ad valorem or a reduction of one-tenth of the total reduction, whichever is greater, had taken effect on the effective date of the first reduction proclaimed under paragraph (1) to carry out such agreement with respect to such article; and

(ii) a reduction equal to the amount applicable under clause (i) had taken effect at 1-year intervals after the effective date of such first reduction.

(B) EXEMPTION FROM STAGING.—No staging is required under subparagraph (A) with respect to a duty reduction that is proclaimed under paragraph (1) for an article of a kind that is not produced in the United States. The United States International Trade Commission shall advise the President of the identity of articles that may be exempted from staging under this subparagraph.

(4) ROUNDING.—If the President determines that such action will simplify the computation of reductions under paragraph (3), the President may round an annual reduction by an amount equal to the lesser of—

(A) the difference between the reduction without regard to this paragraph and the next lower whole number; or

(B) one-half of 1 percent ad valorem.

(5) OTHER LIMITATIONS.—A rate of duty reduction that may not be proclaimed by reason of paragraph (2) may take effect only if a provision authorizing such reduction is included within an implementing bill provided for under section 105 and that bill is enacted into law.

(6) OTHER TARIFF MODIFICATIONS.—Notwithstanding paragraphs (1)(B) and (2) through (5), and subject to the consultation and layover requirements of section 115 of the Uruguay Round Agreements Act, the President may proclaim the modification of any duty or staged rate reduction of any duty set forth in Schedule XX, as defined in section 2(5) of that Act, if the United States agrees to such modification or staged rate reduction in a negotiation for the reciprocal elimination or harmonization of duties under the auspices of the World Trade Organization or as part of an interim agreement leading to the formation of a regional free-trade area.

(7) AUTHORITY UNDER URUGUAY ROUND AGREEMENTS ACT NOT AFFECTED.—Nothing in this subsection shall limit the authority provided to the President under section 111(b) of the Uruguay Round Agreements Act (19 U.S.C. 3521(b)).

(b) AGREEMENTS REGARDING TARIFF AND NONTARIFF BARRIERS.—

(1) IN GENERAL.—(A) Whenever the President determines that—

(i) one or more existing duties or any other import restriction of any foreign country or the United States or any other barrier to, or other distortion of, international trade unduly burdens or restricts the foreign trade of the United States or adversely affects the United States economy, or

(ii) the imposition of any such barrier or distortion is likely to result in such a burden, restriction, or effect,

and that the purposes, policies, and objectives of this title will be promoted thereby, the President may enter into a trade agreement described in subparagraph (B) during the period described in subparagraph (C).

(B) The President may enter into a trade agreement under subparagraph (A) with foreign countries providing for—

(i) the reduction or elimination of a duty, restriction, barrier, or other distortion described in subparagraph (A), or

(ii) the prohibition of, or limitation on the imposition of, such barrier or other distortion.

(C) The President may enter into a trade agreement under this paragraph before—

(i) October 1, 2001, or

(ii) October 1, 2005, if trade authorities procedures are extended under subsection (c).

(2) CONDITIONS.—A trade agreement may be entered into under this subsection only if such agreement makes progress in meeting the applicable objectives described in section 102 and the President satisfies the conditions set forth in section 104.

(3) BILLS QUALIFYING FOR TRADE AUTHORITIES PROCEDURES.—The provisions of section 151 of the Trade Act of 1974 (in this title referred to as ''trade authorities procedures'') apply to a bill of either House of Congress consisting only of—

(A) a provision approving a trade agreement entered into under this subsection and approving the statement of administrative action, if any, proposed to implement such trade agreement,

(B) provisions directly related to the principal trade negotiating objectives set forth in section 102(b) achieved in such trade agreement, if those provisions are necessary for the operation or implementation of United States rights or obligations under such trade agreement,

(C) provisions that define and clarify, or provisions that are related to, the operation or effect of the provisions of the trade agreement,

(D) provisions to provide adjustment assistance to workers and firms adversely affected by trade, and

(E) provisions necessary for purposes of complying with section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 in implementing the trade agreement,

to the same extent as such section 151 applies to implementing bills under that section. A bill to which this subparagraph applies shall hereafter in this title be referred to as an ''implementing bill''.

(c) EXTENSION DISAPPROVAL PROCESS FOR CONGRESSIONAL TRADE AUTHORITIES PROCEDURES.—

(1) IN GENERAL.—Except as provided in section 105(b)—

(A) the trade authorities procedures apply to implementing bills submitted with respect to trade agreements entered into under subsection (b) before October 1, 2001; and

(B) the trade authorities procedures shall be extended to implementing bills submitted with respect to trade agreements entered into under subsection (b) after September 30, 2001, and before October 1, 2005, if (and only if)—

(i) the President requests such extension under paragraph (2); and

(ii) neither House of the Congress adopts an extension disapproval resolution under paragraph (5) before October 1, 2001.

(2) REPORT TO CONGRESS BY THE PRESIDENT.—If the President is of the opinion that the trade authorities procedures should be extended to implementing bills described in paragraph (1)(B), the President shall submit to the Congress, not later than July 1, 2001, a written report that contains a request for such extension, together with—

(A) a description of all trade agreements that have been negotiated under subsection (b) and the anticipated schedule for submitting such agreements to the Congress for approval;

(B) a description of the progress that has been made in negotiations to achieve the purposes, policies, and objectives of this title, and a statement that such progress justifies the continuation of negotiations; and

(C) a statement of the reasons why the extension is needed to complete the negotiations.

(3) REPORT TO CONGRESS BY THE ADVISORY COMMITTEE.—The President shall promptly inform the Advisory Committee for Trade Policy and Negotiations established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155) of the President's decision to submit a report to the Congress under paragraph (2). The Advisory Committee shall submit to the Congress as soon as practicable, but not later than August 1, 2001, a written report that contains—

(A) its views regarding the progress that has been made in negotiations to achieve the purposes, policies, and objectives of this title; and

(B) a statement of its views, and the reasons therefor, regarding whether the extension requested under paragraph (2) should be approved or disapproved.

(4) REPORTS MAY BE CLASSIFIED.—The reports submitted to the Congress under paragraphs (2) and (3), or any portion of such reports, may be classified to the extent the President determines appropriate.

(5) EXTENSION DISAPPROVAL RESOLUTIONS.—(A) For purposes of paragraph (1), the term

''extension disapproval resolution'' means a resolution of either House of the Congress, the sole matter after the resolving clause of which is as follows: ''That the ___ disapproves the request of the President for the extension, under section 103(c)(1)(B)(i) of the Reciprocal Trade Agreement Authorities Act of 1997, of the provisions of section 151 of the Trade Act of 1974 to any implementing bill submitted with respect to any trade agreement entered into under section 103(b) of the Reciprocal Trade Agreement Authorities Act of 1997 after September 30, 2001.'', with the blank space being filled with the name of the resolving House of the Congress.

(B) Extension disapproval resolutions—

(i) may be introduced in either House of the Congress by any member of such House; and

(ii) shall be jointly referred, in the House of Representatives, to the Committee on Ways and Means and the Committee on Rules.

(C) The provisions of sections 152(d) and (e) of the Trade Act of 1974 (19 U.S.C. 2192(d) and (e)) (relating to the floor consideration of certain resolutions in the House and Senate) apply to extension disapproval resolutions.

(D) It is not in order for—

(i) the Senate to consider any extension disapproval resolution not reported by the Committee on Finance;

(ii) the House of Representatives to consider any extension disapproval resolution not reported by the Committee on Ways and Means and the Committee on Rules; or

(iii) either House of the Congress to consider an extension disapproval resolution after September 30, 2001.

SEC. 104. CONSULTATIONS.

(a) NOTICE AND CONSULTATION BEFORE NEGOTIATION.—

(1) IN GENERAL.—The President, with respect to any agreement that is subject to the provisions of section 103(b), shall—

(A) provide, at least 90 calendar days before initiating negotiations, written notice to the Congress of the President's intention to enter into the negotiations and set forth therein the date the President intends to initiate such negotiations, the specific United States objectives for the negotiations, and whether the President intends to seek an agreement, or changes to an existing agreement; and

(B) before and after submission of the notice, consult regarding the negotiations with the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives and such other committees of the House and Senate as the President deems appropriate.

(2) CONSULTATIONS REGARDING NEGOTIATIONS ON CERTAIN OBJECTIVES.—

(A) CONSULTATION.—In addition to the requirements set forth in paragraph (1), before initiating negotiations with respect to a trade agreement entered into under section 103(b) in which the subject matter is directly related to the principal trade negotiating objectives set forth in section 2(b)(1) or section 102(b)(7), the President shall consult with the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate and with the appropriate industry sector advisory groups established under section 135 of the Trade Act of 1974 with respect to such negotiations.

(B) SCOPE.—The consultations described in subparagraph (A) shall concern the manner in which the negotiation will address the objective of reducing or eliminating a specific tariff or nontariff barrier or foreign government policy or practice directly related to trade that decreases market opportunities for United States exports or otherwise distorts United States trade.

(3) NEGOTIATIONS REGARDING AGRICULTURE.—Before initiating negotiations under section 102(b)(6)(A) with any country, the President shall assess whether United States tariffs on agriculture products that were bound under the Uruguay Round Agreements are lower than the tariffs bound by that country. In addition, the President shall consider whether the tariff levels bound and applied throughout the world with respect to imports from the United States are higher than United States tariffs and whether the negotiation provides an opportunity to address any such disparity. The President shall consult with the Committee on Ways and Means and the Committee on Agriculture of the House of Representatives and the Committee on Finance and the Committee on Agriculture, Nutrition, and Forestry of the Senate concerning the results of the assessment, whether it is appropriate for the United States to agree to further tariff reductions based on the conclusions reached in the assessment, and how all applicable negotiating objectives will be met.

(b) CONSULTATION WITH CONGRESS BEFORE AGREEMENTS ENTERED INTO.—

(1) CONSULTATION.—Before entering into any trade agreement under section 103(b), the President shall consult with—

(A) the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate; and

(B) each other committee of the House and the Senate, and each joint committee of the Congress, which has jurisdiction over legislation involving subject matters which would be affected by the trade agreement.

(2) SCOPE.—The consultation described in paragraph (1) shall include consultation with respect to—

(A) the nature of the agreement;

(B) how and to what extent the agreement will achieve the applicable purposes, policies, and objectives of this title; and

(C) the implementation of the agreement under section 105.

(c) ADVISORY COMMITTEE REPORTS.—The report required under section 135(e)(1) of the Trade Act of 1974 regarding any trade agreement entered into under section 103(a) or (b) of this Act shall be provided to the President, the Congress, and the United States Trade Representative not later than 30 days after the date on which the President notifies the Congress under section 103(a)(1) or 105(a)(1)(A) of the President's intention to enter into the agreement.

SEC. 105. IMPLEMENTATION OF TRADE AGREEMENTS.

(a) IN GENERAL.—

(1) NOTIFICATION AND SUBMISSION.—Any agreement entered into under section 103(b) shall enter into force with respect to the United States if (and only if)—

(A) the President, at least 90 calendar days before the day on which the President enters into the trade agreement, notifies the House of Representatives and the Senate of the President's intention to enter into the agreement, and promptly thereafter publishes notice of such intention in the Federal Register;

(B) within 60 days after entering into the agreement, the President submits to the Congress a description of those changes to existing laws that the President considers would be required in order to bring the United States into compliance with the agreement;

(C) after entering into the agreement, the President submits a copy of the final legal text of the agreement, together with—

(i) a draft of an implementing bill described in section 103(b)(3);

(ii) a statement of any administrative action proposed to implement the trade agreement; and

(iii) the supporting information described in paragraph (2); and

(D) the implementing bill is enacted into law.

(2) SUPPORTING INFORMATION.—The supporting information required under paragraph (1)(C)(iii) consists of—

(A) an explanation as to how the implementing bill and proposed administrative action will change or affect existing law; and

(B) a statement—

(i) asserting that the agreement makes progress in achieving the applicable purposes, policies, and objectives of this title;

(ii) setting forth the reasons of the President regarding—

(I) how and to what extent the agreement makes progress in achieving the applicable purposes, policies, and objectives referred to in clause (i);

(II) whether and how the agreement changes provisions of an agreement previously negotiated;

(III) how the agreement serves the interests of United States commerce; and

(IV) how the implementing bill complies with section 103(b)(3).

(3) RECIPROCAL BENEFITS.—In order to ensure that a foreign country that is not a party to a trade agreement entered into under section 103(b) does not receive benefits under the agreement unless the country is also subject to the obligations under the agreement, the implementing bill submitted with respect to the agreement shall provide that the benefits and obligations under the agreement apply only to the parties to the agreement, if such application is consistent with the terms of the agreement. The implementing bill may also provide that the benefits and obligations under the agreement do not apply uniformly to all parties to the agreement, if such application is consistent with the terms of the agreement.

(b) LIMITATIONS ON TRADE AUTHORITIES PROCEDURES.—

(1) FOR LACK OF CONSULTATIONS.—

(A) IN GENERAL.—The trade authorities procedures shall not apply to any implementing bill submitted with respect to a trade agreement entered into under section 103(b) if during the 60-day period beginning on the date that one House of Congress agrees to a procedural disapproval resolution for lack of notice or consultations with respect to that trade agreement, the other House separately agrees to a procedural disapproval resolution with respect to that agreement.

(B) PROCEDURAL DISAPPROVAL RESOLUTION.—For purposes of this paragraph, the term ''procedural disapproval resolution'' means a resolution of either House of Congress, the sole matter after the resolving clause of which is as follows: ''That the President has failed or refused to notify or consult (as the case may be) with Congress in accordance with section 104 or 105 of the Reciprocal Trade Agreement Authorities Act of 1997 on negotiations with respect to, or entering into, a trade agreement to which section 103(b) of that Act applies and, therefore, the provisions of section 151 of the Trade Act of 1974 shall not apply to any implementing bill submitted with respect to that trade agreement.''.

(2) PROCEDURES FOR CONSIDERING RESOLUTIONS.—(A) Procedural disapproval resolutions—

(i) in the House of Representatives—

(I) shall be introduced by the chairman or ranking minority member of the Committee on Ways and Means or the chairman or ranking minority member of the Committee on Rules;

(II) shall be jointly referred to the Committee on Ways and Means and the Committee on Rules; and

(III) may not be amended by either Committee; and

(ii) in the Senate shall be original resolutions of the Committee on Finance.

(B) The provisions of section 152(d) and (e) of the Trade Act of 1974 (19 U.S.C. 2192(d) and (e)) (relating to the floor consideration of certain resolutions in the House and Senate) apply to procedural disapproval resolutions.

(C) It is not in order for the House of Representatives to consider any procedural disapproval resolution not reported by the Committee on Ways and Means and the Committee on Rules.

(c) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—Subsection (b) of this section and section 103(c) are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such are deemed a part of the rules of each House, respectively, and such procedures supersede other rules only to the extent that they are inconsistent with such other rules; and

(2) with the full recognition of the constitutional right of either House to change the rules (so far as relating to the procedures of that House) at any time, in the same manner, and to the same extent as any other rule of that House.

SEC. 106. TREATMENT OF CERTAIN TRADE AGREEMENTS.

(a) CERTAIN AGREEMENTS.—Notwithstanding section 103(b)(2), if an agreement to which section 103(b) applies—

(1) is entered into under the auspices of the World Trade Organization regarding trade in information technology products,

(2) is entered into under the auspices of the World Trade Organization regarding extended negotiations on financial services as described in section 135(a) of the Uruguay Round Agreements Act (19 U.S.C. 3555(a)),

(3) is entered into under the auspices of the World Trade Organization regarding the rules of origin work program described in Article 9 of the Agreement on Rules of Origin referred to in section 101(d)(10) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(10)), or

(4) is entered into with Chile,

and results from negotiations that were commenced before the date of the enactment of this Act, subsection (b) shall apply.

(b) TREATMENT OF AGREEMENTS.—In the case of any agreement to which subsection (a) applies—

(1) the applicability of the trade authorities procedures to implementing bills for be determined without regard to the requirements of section 104(a), and any procedural disapproval resolution under section 105(b)(1)(B) shall not be in order with respect to the provisions of section 104(a); and

(2) consultations under section 104(a) that would be required prior to initiation of negotiations shall be made as soon as feasible after the enactment of this Act.

SEC. 107. CONFORMING AMENDMENTS.

(a) IN GENERAL.—Title I of the Trade Act of 1974 (19 U.S.C. 2111 et seq.) is amended as follows:

(1) IMPLEMENTING BILL.—

(A) Section 151(b)(1) (19 U.S.C. 2191(b)(1)) is amended by striking ''section 1103(a)(1) of the Omnibus Trade and Competitiveness Act of 1988, or section 282 of the Uruguay Round Agreements Act'' and inserting ''section 282 of the Uruguay Round Agreements Act, or section 105(a)(1) of the Reciprocal Trade Agreement Authorities Act of 1997''.

(B) Section 151(c)(1) (19 U.S.C. 2191(c)(1)) is amended by striking ''or section 282 of the Uruguay Round Agreements Act'' and inserting '', section 282 of the Uruguay Round Agreements Act, or section 105(a)(1) of the Reciprocal Trade Agreement Authorities Act of 1997''.

(2) ADVICE FROM INTERNATIONAL TRADE COMMISSION.—Section 131 (19 U.S.C. 2151) is amended—

(A) in subsection (a)—

(i) in paragraph (1), by striking ''section 123 of this Act or section 1102 (a) or (c) of the Omnibus Trade and Competitiveness Act of 1988,'' and inserting ''section 123 of this Act or section 103(a) or (b) of the Reciprocal Trade Agreement Authorities Act of 1997,''; and

(ii) in paragraph (2), by striking ''section 1102 (b) or (c) of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''section 103(b) of the Reciprocal Trade Agreement Authorities Act of 1997'';

(B) in subsection (b), by striking ''section 1102(a)(3)(A)'' and inserting ''section 103(a)(3)(A) of the Reciprocal Trade Agreement Authorities Act of 1997'' before the end period; and

(C) in subsection (c), by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988,'' and inserting ''section 103 of the Reciprocal Trade Agreement Authorities Act of 1997,''.

(3) HEARINGS AND ADVICE.—Sections 132, 133(a), and 134(a) (19 U.S.C. 2152, 2153(a), and 2154(a)) are each amended by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988,'' each place it appears and inserting ''section 103 of the Reciprocal Trade Agreement Authorities Act of 1997,''.

(4) PREREQUISITES FOR OFFERS.—Section 134(b) (19 U.S.C. 2154(b)) is amended by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''section 103 of the Reciprocal Trade Agreement Authorities Act of 1997''.

(5) ADVICE FROM PRIVATE AND PUBLIC SECTORS.—Section 135 (19 U.S.C. 2155) is amended—

(A) in subsection (a)(1)(A), by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''section 103 of the Reciprocal Trade Agreement Authorities Act of 1997'';

(B) in subsection (e)(1)—

(i) by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988'' each place it appears and inserting ''section 103 of the Reciprocal Trade Agreement Authorities Act of 1997''; and

(ii) by striking ''section 1103(a)(1)(A) of such Act of 1988'' and inserting ''section 105(a)(1)(A) of the Reciprocal Trade Agreement Authorities Act of 1997''; and

(C) in subsection (e)(2), by striking ''section 1101 of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''section 102 of the Reciprocal Trade Agreement Authorities Act of 1997''.

(6) TRANSMISSION OF AGREEMENTS TO CONGRESS.—Section 162(a) (19 U.S.C. 2212(a)) is amended by striking ''or under section 1102 of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''or under section 103 of the Reciprocal Trade Agreement Authorities Act of 1997''.

(b) APPLICATION OF CERTAIN PROVISIONS.—For purposes of applying sections 125, 126, and 127 of the Trade Act of 1974 (19 U.S.C. 2135, 2136(a), and 2137)—

(1) any trade agreement entered into under section 103 shall be treated as an agreement entered into under section 101 or 102, as appropriate, of the Trade Act of 1974 (19 U.S.C. 2111 or 2112); and

(2) any proclamation or Executive order issued pursuant to a trade agreement entered into under section 103 shall be treated as a proclamation or Executive order issued pursuant to a trade agreement entered into under section 102 of the Trade Act of 1974.

SEC. 108. DEFINITIONS.

In this title:

(1) UNITED STATES PERSON.—The term ''United States person'' means—

(A) a United States citizen;

(B) a partnership, corporation, or other legal entity organized under the laws of the United States; and

(C) a partnership, corporation, or other legal entity that is organized under the laws of a foreign country and is controlled by entities described in subparagraph (B) or United States citizens, or both.

(2) URUGUAY ROUND AGREEMENTS.—The term ''Uruguay Round Agreements'' has the meaning given that term in section 2(7) of the Uruguay Round Agreements Act (19 U.S.C. 3501(7)).

(3) WORLD TRADE ORGANIZATION.—The term ''World Trade Organization'' means the organization established pursuant to the WTO Agreement.

(4) WTO AGREEMENT.—The term ''WTO Agreement'' means the Agreement Establishing the World Trade Organization entered into on April 15, 1994.

TITLE II—TRADE ADJUSTMENT ASSISTANCE

SEC. 201. ADJUSTMENT ASSISTANCE FOR WORKERS.

Section 245 of the Trade Act of 1974 (19 U.S.C. 2317) is amended—

(1) in subsection (a) by striking ''1993'' and all that follows through ''1998'' and inserting ''1998, 1999, and 2000''; and

(2) in subsection (b) by striking ''1994'' and all that follows through ''1998'' and inserting ''1998, 1999, and 2000''.

SEC. 202. ADJUSTMENT ASSISTANCE FOR FIRMS.

Section 256(b) of the Trade Act of 1974 (19 U.S.C. 2346(b)) is amended by striking ''1993'' and all that follows through ''1998'' and inserting ''1998, 1999, and 2000''.

SEC. 203. GENERAL ACCOUNTING OFFICE REPORT.

Section 280(a) of the Trade Act of 1974 (19 U.S.C. 2391(a)) is amended—

(1) by striking ''2, 3, and 4'' and inserting ''2 and 3''; and

(2) by striking ''January 31, 1980'' and inserting ''October 1, 1999''.

SEC. 204. TERMINATION.

Section 285(c) of the Trade Act of 1974 (19 U.S.C. 2271 note) is amended in paragraphs (1) and (2)(A)(i) by striking ''1998'' and inserting ''2000''.

SEC. 205. EFFECTIVE DATE.

The amendments made by this title take effect on the date of the enactment of this Act.

TITLE III—REVENUE PROVISIONS

SEC. 301. REPEAL OF SPECIAL RULE FOR RENTAL USE OF VACATION HOMES, ETC., FOR LESS THAN 15 DAYS.

(a) IN GENERAL.—Section 280A of the Internal Revenue Code of 1986 (relating to disallowance of certain expenses in connection with business use of home, rental of vacation homes, etc.) is amended by striking subsection (g).

(b) NO BASIS REDUCTION UNLESS DEPRECIATION CLAIMED.—Section 1016 of such Code is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

''(e) SPECIAL RULE WHERE RENTAL USE OF VACATION HOME, ETC., FOR LESS THAN 15 DAYS.—If a dwelling unit is used during the taxable year by the taxpayer as a residence and such dwelling unit is actually rented for less than 15 days during the taxable year, the reduction under subsection (a)(2) by reason of such rental use in any taxable year beginning after December 31, 1997, shall not exceed the depreciation deduction allowed for such rental use.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1997.

The SPEAKER pro tempore. The amendment printed in the bill, modified by the amendment printed in House Report 105–745, is adopted.

The text of H.R. 2621, as amended by the amendment printed in the bill and, as modified by the amendment printed in House Report 105–745, is as follows:

H.R. 2621

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

TITLE I—TRADE AUTHORITIES PROCEDURES

SEC. 101. SHORT TITLE AND FINDINGS.

(a) SHORT TITLE.—The Act may be cited as the ''Reciprocal Trade Agreement Authorities Act of 1998''.

(b) FINDINGS.—The Congress makes the following findings:

(1) The expansion of international trade is vital to the national security of the United States. Trade is critical to the economic growth and strength of the United States and to its leadership in the world. Stable trading relationships promote security and prosperity. Trade agreements today serve the same purposes that security pacts played during the Cold War, binding nations together through a series of mutual rights and obligations. Leadership by the United States in international trade fosters open markets, democracy, and peace throughout the world.

(2) The national security of the United States depends on its economic security, which in turn is founded upon a vibrant and growing industrial base. Trade expansion has been the engine of economic growth. Trade agreements maximize opportunities for the critical sectors and building blocks of the economy of the United States, such as information technology, telecommunications and other leading technologies, basic industries, capital equipment, medical equipment, services, agriculture, environmental technology, and intellectual property. Trade will create new opportunities for the United States and preserve the unparalleled strength of the United States in economic, political, and military affairs. The United States, secured by expanding trade and economic opportunities, will meet the challenges of the twenty-first century.

SEC. 102. TRADE NEGOTIATING OBJECTIVES.

(a) OVERALL TRADE NEGOTIATING OBJECTIVES.—The overall trade negotiating objectives of the United States for agreements subject to the provisions of section 103 are—

(1) to obtain more open, equitable, and reciprocal market access;

(2) to obtain the reduction or elimination of barriers and distortions that are directly related to trade and that decrease market opportunities for United States exports or otherwise distort United States trade;

(3) to further strengthen the system of international trading disciplines and procedures, including dispute settlement; and

(4) to foster economic growth, raise living standards, and promote full employment in the United States and to enhance the global economy.

(b) PRINCIPAL TRADE NEGOTIATING OBJECTIVES.—

(1) TRADE BARRIERS AND DISTORTIONS.—The principal negotiating objectives of the United States regarding trade barriers and other trade distortions are—

(A) to expand competitive market opportunities for United States exports and to obtain fairer and more open conditions of trade by reducing or eliminating tariff and nontariff barriers and policies and practices of foreign governments directly related to trade that decrease market opportunities for United States exports or otherwise distort United States trade; and

(B) to obtain reciprocal tariff and nontariff barrier elimination agreements, with particular attention to those tariff categories covered in section 111(b) of the Uruguay Round Agreements Act (19 U.S.C. 3521(b)).

(2) TRADE IN SERVICES.—The principal negotiating objective of the United States regarding trade in services is to reduce or eliminate barriers to international trade in services, including regulatory and other barriers that deny national treatment or unreasonably restrict the establishment or operations of service suppliers.

(3) FOREIGN INVESTMENT.—The principal negotiating objective of the United States regarding foreign investment is to reduce or eliminate artificial or trade-distorting barriers to trade related foreign investment by—

(A) reducing or eliminating exceptions to the principle of national treatment;

(B) freeing the transfer of funds relating to investments;

(C) reducing or eliminating performance requirements and other unreasonable barriers to the establishment and operation of investments;

(D) seeking to establish standards for expropriation and compensation for expropriation, consistent with United States legal principles and practice; and

(E) providing meaningful procedures for resolving investment disputes.

(4) INTELLECTUAL PROPERTY.—The principal negotiating objectives of the United States regarding trade-related intellectual property are—

(A) to further promote adequate and effective protection of intellectual property rights, including through—

(i)(I) ensuring accelerated and full implementation of the Agreement on Trade-Related Aspects of Intellectual Property Rights referred to in section 101(d)(15) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(15)), particularly with respect to United States industries whose products are subject to the lengthiest transition periods for full compliance by developing countries with that Agreement, and

(II) ensuring that the provisions of any multilateral or bilateral trade agreement entered into by the United States provide protection at least as strong as the protection afforded by chapter 17 of the North American Free Trade Agreement and the annexes thereto;

(ii) providing strong protection for new and emerging technologies and new methods of transmitting and distributing products embodying intellectual property;

(iii) preventing or eliminating discrimination with respect to matters affecting the availability, acquisition, scope, maintenance, use, and enforcement of intellectual property rights; and

(iv) providing strong enforcement of intellectual property rights, including through accessible, expeditious, and effective civil, administrative, and criminal enforcement mechanisms; and

(B) to secure fair, equitable, and nondiscriminatory market access opportunities for United States persons that rely upon intellectual property protection.

(5) TRANSPARENCY.—The principal negotiating objective of the United States with respect to transparency is to obtain broader application of the principle of transparency through—

(A) increased and more timely public access to information regarding trade issues and the activities of international trade institutions; and

(B) increased openness of dispute settlement proceedings, including under the World Trade Organization.

(6) RECIPROCAL TRADE IN AGRICULTURE.—(A) The principal negotiating objective of the United States with respect to agriculture is to obtain competitive opportunities for United States exports agricultural commodities in foreign markets substantially equivalent to the competitive opportunities afforded foreign exports in United States markets and to achieve fairer and more open conditions of trade in bulk and value-added commodities by—

(i) reducing or eliminating, by a date certain, tariffs or other charges that decrease market opportunities for United States exports—

(I) giving priority to those products that are subject to significantly higher tariffs or subsidy regimes of major producing countries; and

(II) providing reasonable adjustment periods for United States import-sensitive products, in close consultation with the Congress on such products before initiating tariff reduction negotiations;

(ii) reducing or eliminating subsidies that decrease market opportunities for United States exports or unfairly distort agriculture markets to the detriment of the United States;

(iii) developing, strengthening, and clarifying rules and effective dispute settlement mechanisms to eliminate practices that unfairly decrease United States market access opportunities or distort agricultural markets to the detriment of the United States, particularly with respect to import-sensitive products, including—

(I) unfair or trade-distorting activities of state trading enterprises and other administrative mechanisms, with emphasis on requiring price transparency in the operation of state trading enterprises and such other mechanisms;

(II) unjustified trade restrictions or commercial requirements affecting new technologies, including biotechnology;

(III) unjustified sanitary or phytosanitary restrictions, including those not based on scientific principles in contravention of the Uruguay Round Agreements;

(IV) other unjustified technical barriers to trade; and

(V) restrictive rules in the administration of tariff rate quotas;

(iv) improving import relief mechanisms to recognize the unique characteristics of perishable agriculture;

(v) taking into account whether a party to the negotiations has failed to adhere to the provisions of already existing trade agreements with the United States or has circumvented obligations under those agreements;

(vi) taking into account whether a product is subject to market distortions by reason of a failure of a major producing country to adhere to the provisions of already existing trade agreements with the United States or by the circumvention by that country of its obligations under those agreements;

(vii) otherwise ensuring that countries that accede to the World Trade Organization have made meaningful market liberalization commitments in agriculture; and

(viii) taking into account the impact that agreements covering agriculture to which the United States is a party, including the North American Free Trade Agreement, have on the United States agricultural industry.

(B)(i) Before commencing negotiations with respect to agriculture, the United States Trade Representative, in consultation with the Congress, shall seek to develop a position on the treatment of seasonal and perishable agricultural products to be employed in the negotiations in order to develop an international consensus on the treatment of seasonal or perishable agricultural products in investigations relating to dumping and safeguards and in any other relevant area.

(ii) The negotiating objective provided in subparagraph (A) applies with respect to agricultural matters to be addressed in any trade agreement entered into under section 103 (a) or (b), including any trade agreement entered into under section 103 (a) or (b) that provides for accession to a trade agreement to which the United States is already a party, such as the North American Free Trade Agreement and the United States-Canada Free Trade Agreement.

(7) LABOR, THE ENVIRONMENT, AND OTHER MATTERS.—The principal negotiating objective of the United States regarding labor, the environment, and other matters is to address the following aspects of foreign government policies and practices regarding labor, the environment, and other matters that are directly related to trade:

(A) To ensure that foreign labor, environmental, health, or safety policies and practices do not arbitrarily or unjustifiably discriminate or serve as disguised barriers to trade.

(B) To ensure that foreign governments do not derogate from or waive existing domestic environmental, health, safety, or labor measures, including measures that deter exploitative child labor, as an encouragement to gain competitive advantage in international trade or investment. Nothing in this subparagraph is intended to address changes to a country's laws that are consistent with sound macroeconomic development. Nothing in this subparagraph shall be construed to authorize inclusion in an implementing bill under this Act or in an agreement subject to an implementing bill under this Act provisions that would restrict the autonomy of the United States in these areas.

(8) WTO EXTENDED NEGOTIATIONS.—The principal negotiating objectives of the United States regarding trade in financial services are those set forth in section 135(a) of the Uruguay Round Agreements Act (19 U.S.C. 3555(a)), regarding trade in civil aircraft are those set forth in section 135(c) of that Act, and regarding rules of origin are the conclusion of an agreement described in section 132 of that Act (19 U.S.C. 3552).

(c) INTERNATIONAL ECONOMIC POLICY OBJECTIVES.—

(1) IN GENERAL.—The President should take into account the relationship between trade agreements and other important priorities of the United States and seek to ensure that the trade agreements entered into by the United States complement and reinforce other policy goals. The United States priorities in this area include—

(A) seeking to ensure that trade and environmental policies are mutually supportive;

(B) seeking to protect and preserve the environment and enhance the international means for doing so, while optimizing the use of the world's resources;

(C) promoting respect for worker rights and the rights of children and an understanding of the relationship between trade and worker rights, particularly by working with the International Labor Organization to encourage the observance and enforcement of core labor standards, including the prohibition on exploitative child labor; and

(D) supplementing and strengthening standards for protection of intellectual property under conventions administered by international organizations other than the World Trade Organization, expanding these conventions to cover new and emerging technologies, and eliminating discrimination and unreasonable exceptions or preconditions to such protection.

(2) APPLICABILITY OF TRADE AUTHORITIES PROCEDURES.—Nothing in this subsection shall be construed to authorize the use of the trade authorities procedures described in section 103 to modify United States law.

(d) GUIDANCE FOR NEGOTIATORS.—

(1) DOMESTIC OBJECTIVES.—In pursuing the negotiating objectives described in subsection (b), the negotiators on behalf of the United States shall take into account United States domestic objectives, including the protection of health and safety, essential security, environmental, consumer, and employment opportunity interests, and the law and regulations related thereto.

(2) CONSULTATIONS WITH CONGRESSIONAL ADVISERS AND ENFORCEMENT OF THE TRADE LAWS.—In the course of negotiations conducted under this title, the United States Trade Representative shall—

(A) consult closely and on a timely basis with, and keep fully apprised of the negotiations, the Congressional Oversight Group appointed under section 107 with respect to the negotiations; and

(B) preserve the ability of the United States to enforce rigorously its trade laws, including the antidumping and countervailing duty laws, and avoid agreements which lessen the effectiveness of domestic and international disciplines on unfair trade, especially dumping and subsidies, in order to ensure that United States workers, agricultural producers, and firms can compete fully on fair terms and enjoy the benefits of reciprocal trade concessions.

(3) CONSULTATION BEFORE AGREEMENT INITIALED.—In the course of negotiations conducted under this Act, the United States Trade Representative shall—

(A) consult closely and on a timely basis (including immediately before initialing an agreement) with, and keep fully apprised of the negotiations, the congressional advisers for trade policy and negotiations appointed under section 161 of the Trade Act of 1974 (19 U.S.C. 2211), the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate; and

(B) with regard to any negotiations and agreement relating to agricultural trade, also consult closely and on a timely basis (including immediately before initialing an agreement) with, and keep fully apprised of the negotiations, the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(e) ADHERENCE TO OBLIGATIONS UNDER URUGUAY ROUND AGREEMENTS.—In determining whether to enter into negotiations with a particular country, the President shall take into account the extent to which that country has implemented, or has accelerated the implementation of, its obligations under the Uruguay Round Agreements.

(f) REPORT ON CHILD LABOR LAWS.—With respect to any trade agreement which the President seeks to implement under trade authorities procedures, the President shall submit to the Congress a report describing the extent to which the country or countries that are parties to the agreement have in effect laws governing exploitative child labor.

SEC. 103. TRADE AGREEMENTS AUTHORITY.

(a) AGREEMENTS REGARDING TARIFF BARRIERS.—

(1) IN GENERAL.—Whenever the President determines that one or more existing duties or other import restrictions of any foreign country or the United States are unduly burdening and restricting the foreign trade of the United States and that the purposes, policies, and objectives of this title will be promoted thereby, the President—

(A) may enter into trade agreements with foreign countries before—

(i) October 1, 2001, or

(ii) October 1, 2005, if trade authorities procedures are extended under subsection (c), and

(B) may, subject to paragraphs (2) and (3), proclaim—

(i) such modification or continuance of any existing duty,

(ii) such continuance of existing duty-free or excise treatment, or

(iii) such additional duties,

as the President determines to be required or appropriate to carry out any such trade agreement.

The President shall notify the Congress of the President's intention to enter into an agreement under this subsection.

(2) LIMITATIONS.—No proclamation may be made under paragraph (1) that—

(A) reduces any rate of duty (other than a rate of duty that does not exceed 5 percent ad valorem on the date of the enactment of this Act) to a rate of duty which is less than 50 percent of the rate of such duty that applies on such date of enactment;

(B) notwithstanding any other provision of this Act, reduces the rate of duty below that applicable under the Uruguay Round Agreements, on any agricultural product which was the subject of tariff reductions by the United States as a result of the Uruguay Round Agreements, for which the rate of duty, pursuant to such Agreements, was reduced on January 1, 1995, to a rate which was not less than 97.5 percent of the rate of duty that applied to such article on December 31, 1994; or

(C) increases any rate of duty above the rate that applied on January 1, 1996.

(3) AGGREGATE REDUCTION; EXEMPTION FROM STAGING.—

(A) AGGREGATE REDUCTION.—Except as provided in subparagraph (B), the aggregate reduction in the rate of duty on any article which is in effect on any day pursuant to a trade agreement entered into under paragraph (1) shall not exceed the aggregate reduction which would have been in effect on such day if—

(i) a reduction of 3 percent ad valorem or a reduction of one-tenth of the total reduction, whichever is greater, had taken effect on the effective date of the first reduction proclaimed under paragraph (1) to carry out such agreement with respect to such article; and

(ii) a reduction equal to the amount applicable under clause (i) had taken effect at 1-year intervals after the effective date of such first reduction.

(B) EXEMPTION FROM STAGING.—No staging is required under subparagraph (A) with respect to a duty reduction that is proclaimed under paragraph (1) for an article of a kind that is not produced in the United States. The United States International Trade Commission shall advise the President of the identity of articles that may be exempted from staging under this subparagraph.

(4) ROUNDING.—If the President determines that such action will simplify the computation of reductions under paragraph (3), the President may round an annual reduction by an amount equal to the lesser of—

(A) the difference between the reduction without regard to this paragraph and the next lower whole number; or

(B) one-half of 1 percent ad valorem.

(5) OTHER LIMITATIONS.—A rate of duty reduction that may not be proclaimed by reason of paragraph (2) may take effect only if a provision authorizing such reduction is included within an implementing bill provided for under section 105 and that bill is enacted into law.

(6) OTHER TARIFF MODIFICATIONS.—Notwithstanding paragraphs (1)(B) and (2) through (5), and subject to the consultation and layover requirements of section 115 of the Uruguay Round Agreements Act, the President may proclaim the modification of any duty or staged rate reduction of any duty set forth in Schedule XX, as defined in section 2(5) of that Act, if the United States agrees to such modification or staged rate reduction in a negotiation for the reciprocal elimination or harmonization of duties under the auspices of the World Trade Organization or as part of an interim agreement leading to the formation of a regional free-trade area.

(7) AUTHORITY UNDER URUGUAY ROUND AGREEMENTS ACT NOT AFFECTED.—Nothing in this subsection shall limit the authority provided to the President under section 111(b) of the Uruguay Round Agreements Act (19 U.S.C. 3521(b)).

(b) AGREEMENTS REGARDING TARIFF AND NONTARIFF BARRIERS.—

(1) IN GENERAL.—(A) Whenever the President determines that—

(i) one or more existing duties or any other import restriction of any foreign country or the United States or any other barrier to, or other distortion of, international trade unduly burdens or restricts the foreign trade of the United States or adversely affects the United States economy, or

(ii) the imposition of any such barrier or distortion is likely to result in such a burden, restriction, or effect,

and that the purposes, policies, and objectives of this title will be promoted thereby, the President may enter into a trade agreement described in

subparagraph (B) during the period described in subparagraph (C).

(B) The President may enter into a trade agreement under subparagraph (A) with foreign countries providing for—

(i) the reduction or elimination of a duty, restriction, barrier, or other distortion described in subparagraph (A), or

(ii) the prohibition of, or limitation on the imposition of, such barrier or other distortion.

(C) The President may enter into a trade agreement under this paragraph before—

(i) October 1, 2001, or

(ii) October 1, 2005, if trade authorities procedures are extended under subsection (c).

(2) CONDITIONS.—A trade agreement may be entered into under this subsection only if such agreement makes progress in meeting the applicable objectives described in section 102 and the President satisfies the conditions set forth in section 104.

(3) BILLS QUALIFYING FOR TRADE AUTHORITIES PROCEDURES.—The provisions of section 151 of the Trade Act of 1974 (in this title referred to as ''trade authorities procedures'') apply to a bill of either House of Congress consisting only of—

(A) a provision approving a trade agreement entered into under this subsection and approving the statement of administrative action, if any, proposed to implement such trade agreement,

(B) provisions directly related to the principal trade negotiating objectives set forth in section 102(b) achieved in such trade agreement, if those provisions are necessary for the operation or implementation of United States rights or obligations under such trade agreement,

(C) provisions that define and clarify, or provisions that are related to, the operation or effect of the provisions of the trade agreement,

(D) provisions to provide adjustment assistance to workers and firms adversely affected by trade, and

(E) provisions necessary for purposes of complying with section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 in implementing the trade agreement,

to the same extent as such section 151 applies to implementing bills under that section. A bill to which this paragraph applies shall hereafter in this title be referred to as an ''implementing bill''.

(c) EXTENSION DISAPPROVAL PROCESS FOR CONGRESSIONAL TRADE AUTHORITIES PROCEDURES.—

(1) IN GENERAL.—Except as provided in section 105(b)—

(A) the trade authorities procedures apply to implementing bills submitted with respect to trade agreements entered into under subsection (b) before October 1, 2001; and

(B) the trade authorities procedures shall be extended to implementing bills submitted with respect to trade agreements entered into under subsection (b) after September 30, 2001, and before October 1, 2005, if (and only if)—

(i) the President requests such extension under paragraph (2); and

(ii) neither House of the Congress adopts an extension disapproval resolution under paragraph (5) before October 1, 2001.

(2) REPORT TO CONGRESS BY THE PRESIDENT.—If the President is of the opinion that the trade authorities procedures should be extended to implementing bills described in paragraph (1)(B), the President shall submit to the Congress, not later than July 1, 2001, a written report that contains a request for such extension, together with—

(A) a description of all trade agreements that have been negotiated under subsection (b) and the anticipated schedule for submitting such agreements to the Congress for approval;

(B) a description of the progress that has been made in negotiations to achieve the purposes, policies, and objectives of this title, and a statement that such progress justifies the continuation of negotiations; and

(C) a statement of the reasons why the extension is needed to complete the negotiations.

(3) REPORT TO CONGRESS BY THE ADVISORY COMMITTEE.—The President shall promptly inform the Advisory Committee for Trade Policy and Negotiations established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155) of the President's decision to submit a report to the Congress under paragraph (2). The Advisory Committee shall submit to the Congress as soon as practicable, but not later than August 1, 2001, a written report that contains—

(A) its views regarding the progress that has been made in negotiations to achieve the purposes, policies, and objectives of this title; and

(B) a statement of its views, and the reasons therefor, regarding whether the extension requested under paragraph (2) should be approved or disapproved.

(4) REPORTS MAY BE CLASSIFIED.—The reports submitted to the Congress under paragraphs (2) and (3), or any portion of such reports, may be classified to the extent the President determines appropriate.

(5) EXTENSION DISAPPROVAL RESOLUTIONS.—(A) For purposes of paragraph (1), the term ''extension disapproval resolution'' means a resolution of either House of the Congress, the sole matter after the resolving clause of which is as follows: ''That the ____ disapproves the request of the President for the extension, under section 103(c)(1)(B)(i) of the Reciprocal Trade Agreement Authorities Act of 1998, of the trade authorities procedures under that Act to any implementing bill submitted with respect to any trade agreement entered into under section 103(b) of that Act after September 30, 2001.'', with the blank space being filled with the name of the resolving House of the Congress.

(B) Extension disapproval resolutions—

(i) may be introduced in either House of the Congress by any member of such House; and

(ii) shall be referred, in the House of Representatives, to the Committee on Ways and Means and, in addition, to the Committee on Rules.

(C) The provisions of sections 152(d) and (e) of the Trade Act of 1974 (19 U.S.C. 2192(d) and (e)) (relating to the floor consideration of certain resolutions in the House and Senate) apply to extension disapproval resolutions.

(D) It is not in order for—

(i) the Senate to consider any extension disapproval resolution not reported by the Committee on Finance;

(ii) the House of Representatives to consider any extension disapproval resolution not reported by the Committee on Ways and Means and, in addition, by the Committee on Rules; or

(iii) either House of the Congress to consider an extension disapproval resolution after September 30, 2001.

(d) COMMENCEMENT OF NEGOTIATIONS.—In order to contribute to the continued economic expansion of the United States, the President shall commence negotiations covering tariff and nontariff barriers affecting any industry, product, or service sector, and to expand existing sectoral agreements to countries that are not parties to those agreements, in cases where the President determines that such negotiations are feasible and timely and would benefit the United States. Such sectors, include agriculture, commercial services, intellectual property rights, industrial and capital goods, government procurement, information technology products, environmental technology and services, medical equipment and services, civil aircraft, and infrastructure products.

SEC. 104. CONSULTATIONS AND ASSESSMENT.

(a) NOTICE AND CONSULTATION BEFORE NEGOTIATION.—

(1) IN GENERAL.—The President, with respect to any agreement that is subject to the provisions of section 103(b), shall—

(A) provide, at least 90 calendar days before initiating negotiations, written notice to the Congress of the President's intention to enter into the negotiations and set forth therein the date the President intends to initiate such negotiations, the specific United States objectives for the negotiations, and whether the President intends to seek an agreement, or changes to an existing agreement; and

(B) before and after submission of the notice, consult regarding the negotiations with the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives and such other committees of the House and Senate as the President deems appropriate.

(2) CONSULTATIONS REGARDING NEGOTIATIONS ON CERTAIN OBJECTIVES.—

(A) CONSULTATION.—In addition to the requirements set forth in paragraph (1), before initiating negotiations with respect to a trade agreement subject to section 103(b) where the subject matter of such negotiations is directly related to the principal trade negotiating objectives set forth in section 102(b)(1) or section 102(b)(7), the President shall consult with the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate and with the appropriate advisory groups established under section 135 of the Trade Act of 1974 with respect to such negotiations.

(B) SCOPE.—The consultations described in subparagraph (A) shall concern the manner in which the negotiation will address the objective of reducing or eliminating a specific tariff or nontariff barrier or foreign government policy or practice directly related to trade that decreases market opportunities for United States exports or otherwise distorts United States trade.

(3) NEGOTIATIONS REGARDING AGRICULTURE.—(A) Before initiating negotiations the subject matter of which is directly related to the subject matter under section 102(b)(6)(A)(i) with any country, the President shall assess whether United States tariffs on agriculture products that were bound under the Uruguay Round Agreements are lower than the tariffs bound by that country. In addition, the President shall consider whether the tariff levels bound and applied throughout the world with respect to imports from the United States are higher than United States tariffs and whether the negotiation provides an opportunity to address any such disparity. The President shall consult with the Committee on Ways and Means and the Committee on Agriculture of the House of Representatives and the Committee on Finance and the Committee on Agriculture, Nutrition, and Forestry of the Senate concerning the results of the assessment, whether it is appropriate for the United States to agree to further tariff reductions based on the conclusions reached in the assessment, and how all applicable negotiating objectives will be met.

(B) Before initiating negotiations to reduce United States tariffs on agricultural products which the President determines to be import sensitive, the President shall consult with the Committee on Ways and Means and the Committee on Agriculture of the House of Representatives and the Committee on Finance and the Committee on Agriculture Nutrition, and Forestry of the Senate concerning such tariff reductions. The consultations shall include an assessment of the impact of any tariff reduction on the United States industry producing the product and whether adjustment periods should be provided to the industry. The President, with the advice of the International Trade Commission, shall determine which agricultural products are import sensitive.

(C) Before initiating negotiations with regard to agriculture, the United States Trade Representative shall—

(i) identify those agricultural products subject to tariff reductions by the United States as a result of the Uruguay Round Agreements, for which the rate of duty was reduced on January 1, 1995, to a rate which was not less than 97.5

percent of the rate of duty that applied to such article on December 31, 1994;

(ii) consult with the Committee on Ways and Means and the Committee on Agriculture of the House of Representatives and the Committee on Finance and the Committee on Agriculture, Nutrition, and Forestry of the Senate concerning whether any further tariff reductions on the products identified under clause (i) should be appropriate, taking into account the impact of any such tariff reduction on the United States industry producing the product;

(iii) request that the International Trade Commission prepare an assessment of the probable economic effects of the tariff reduction on the United States industry producing the product and on the United States economy as a whole; and

(iv) upon complying with clauses (i), (ii), and (iii), notify the Committee on Ways and Means and the Committee on Agriculture of the House of Representatives and the Committee on Finance and the Committee on Agriculture, Nutrition, and Forestry of the Senate those products identified in clause (i) for which the Trade Representative intends to seek further tariff liberalization in the negotiations.

(D) If, after negotiations described in subparagraph (C) are commenced—

(i) the United States Trade Representative identifies any additional agriculture product described in subparagraph (C)(i) for tariff reductions which were not the subject of a notification under subparagraph (C)(iv), or

(ii) any additional agricultural product described in subparagraph (C)(i) is the subject of a request for tariff reductions by a party to the negotiations,

the Trade Representative shall notify the committees referred to in subparagraph (C)(iv) as soon as practicable of those products.

(b) CONSULTATION WITH CONGRESS BEFORE AGREEMENTS ENTERED INTO.—

(1) CONSULTATION.—Before entering into any trade agreement under section 103(b), the President shall consult with—

(A) the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate; and

(B) each other committee of the House and the Senate, and each joint committee of the Congress, which has jurisdiction over legislation involving subject matters which would be affected by the trade agreement.

(2) SCOPE.—The consultation described in paragraph (1) shall include consultation with respect to—

(A) the nature of the agreement;

(B) how and to what extent the agreement will achieve the applicable purposes, policies, and objectives of this title; and

(C) the implementation of the agreement under section 105, including the general effect of the agreement on existing laws.

(c) ADVISORY COMMITTEE REPORTS.—The report required under section 135(e)(1) of the Trade Act of 1974 regarding any trade agreement entered into under section 103(a) or (b) of this Act shall be provided to the President, the Congress, and the United States Trade Representative not later than 30 days after the date on which the President notifies the Congress under section 103(a)(1) or 105(a)(1)(A) of the President's intention to enter into the agreement.

(d) ITC ASSESSMENT.—

(1) IN GENERAL.—The President, at least 90 calendar days before the day on which the President enters into a trade agreement under section 103(b), shall provide the International Trade Commission (referred to in this subsection as the ''Commission'') with the details of the agreement as it exists at that time and request the Commission to prepare and submit an assessment of the agreement as described in paragraph (2). Between the time the President makes the request under this paragraph and the time the Commission submits the assessment, the President shall keep the Commission current with respect to the details of the agreement.

(2) ITC ASSESSMENT.—Not later than 90 calendar days after the President enters into the agreement, the Commission shall submit to the President and Congress a report assessing the likely impact of the agreement on the United States economy as a whole and on specific industry sectors, including the impact the agreement will have on the gross domestic product, exports, and imports, aggregate employment and employment opportunities, the production, employment, and the competitive position of industries likely to be significantly affected by the agreement, and the interests of United States consumers.

(3) REVIEW OF EMPIRICAL LITERATURE.—In preparing the assessment, the Commission shall review available economic assessments regarding the agreement, including literature regarding any substantially equivalent proposed agreement, and shall provide in its assessment a description of the analyses used and conclusions drawn in such literature, and a discussion of areas of consensus and divergence between the various analyses and conclusions, including those of the Commission regarding the agreement.

SEC. 105. IMPLEMENTATION OF TRADE AGREEMENTS.

(a) IN GENERAL.—

(1) NOTIFICATION AND SUBMISSION.—Any agreement entered into under section 103(b) shall enter into force with respect to the United States if (and only if)—

(A) the President, at least 90 calendar days before the day on which the President enters into the trade agreement, notifies the House of Representatives and the Senate of the President's intention to enter into the agreement, and promptly thereafter publishes notice of such intention in the Federal Register;

(B) within 60 days after entering into the agreement, the President submits to the Congress a description of those changes to existing laws that the President considers would be required in order to bring the United States into compliance with the agreement;

(C) after entering into the agreement, the President submits to the Congress a copy of the final legal text of the agreement, together with—

(i) a draft of an implementing bill described in section 103(b)(3);

(ii) a statement of any administrative action proposed to implement the trade agreement; and

(iii) the supporting information described in paragraph (2); and

(D) the implementing bill is enacted into law.

(2) SUPPORTING INFORMATION.—The supporting information required under paragraph (1)(C)(iii) consists of—

(A) an explanation as to how the implementing bill and proposed administrative action will change or affect existing law; and

(B) a statement—

(i) asserting that the agreement makes progress in achieving the applicable purposes, policies, and objectives of this title; and

(ii) setting forth the reasons of the President regarding—

(I) how and to what extent the agreement makes progress in achieving the applicable purposes, policies, and objectives referred to in clause (i);

(II) whether and how the agreement changes provisions of an agreement previously negotiated;

(III) how the agreement serves the interests of United States commerce; and

(IV) how the implementing bill meets the standards set forth in section 103(b)(3).

(3) RECIPROCAL BENEFITS.—In order to ensure that a foreign country that is not a party to a trade agreement entered into under section 103(b) does not receive benefits under the agreement unless the country is also subject to the obligations under the agreement, the implementing bill submitted with respect to the agreement shall provide that the benefits and obligations under the agreement apply only to the parties to the agreement, if such application is consistent with the terms of the agreement. The implementing bill may also provide that the benefits and obligations under the agreement do not apply uniformly to all parties to the agreement, if such application is consistent with the terms of the agreement.

(b) LIMITATIONS ON TRADE AUTHORITIES PROCEDURES.—

(1) FOR LACK OF NOTICE OR CONSULTATIONS.—

(A) IN GENERAL.—The trade authorities procedures shall not apply to any implementing bill submitted with respect to a trade agreement entered into under section 103(b) if during the 60-day period beginning on the date that one House of Congress agrees to a procedural disapproval resolution for lack of notice or consultations with respect to that trade agreement, the other House separately agrees to a procedural disapproval resolution with respect to that agreement.

(B) PROCEDURAL DISAPPROVAL RESOLUTION.—For purposes of this paragraph, the term ''procedural disapproval resolution'' means a resolution of either House of Congress, the sole matter after the resolving clause of which is as follows: ''That the President has failed or refused to notify or consult (as the case may be) with Congress in accordance with section 104 or 105 of the Reciprocal Trade Agreement Authorities Act of 1998 on negotiations with respect to _____ and, therefore, the trade authorities procedures under that Act shall not apply to any implementing bill submitted with respect to that trade agreement.'', with the blank space being filled with a description of the trade agreement with respect to which the President is considered to have failed or refused to notify or consult.

(2) PROCEDURES FOR CONSIDERING RESOLUTIONS.—(A) Procedural disapproval resolutions—

(i) in the House of Representatives—

(I) shall be introduced by the chairman or ranking minority member of the Committee on Ways and Means or the chairman or ranking minority member of the Committee on Rules;

(II) shall be referred to the Committee on Ways and Means and, in addition, to the Committee on Rules; and

(III) may not be amended by either Committee; and

(ii) in the Senate shall be original resolutions of the Committee on Finance.

(B) The provisions of section 152(d) and (e) of the Trade Act of 1974 (19 U.S.C. 2192(d) and (e)) (relating to the floor consideration of certain resolutions in the House and Senate) apply to procedural disapproval resolutions.

(C) It is not in order for the House of Representatives to consider any procedural disapproval resolution not reported by the Committee on Ways and Means and, in addition, by the Committee on Rules.

(c) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—Subsection (b) of this section and section 103(c) are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such are deemed a part of the rules of each House, respectively, and such procedures supersede other rules only to the extent that they are inconsistent with such other rules; and

(2) with the full recognition of the constitutional right of either House to change the rules (so far as relating to the procedures of that House) at any time, in the same manner, and to the same extent as any other rule of that House.

SEC. 106. TREATMENT OF CERTAIN TRADE AGREEMENTS.

(a) CERTAIN AGREEMENTS.—Notwithstanding section 103(b)(2), if an agreement to which section 103(b) applies—

(1) is entered into under the auspices of the World Trade Organization regarding trade in information technology products,

(2) is entered into under the auspices of the World Trade Organization regarding the rules of origin work program described in Article 9 of the Agreement on Rules of Origin referred to in section 101(d)(10) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(10)), or

(3) is entered into with Chile,

and results from negotiations that were commenced before the date of the enactment of this Act, subsection (b) shall apply.

(b) TREATMENT OF AGREEMENTS.—In the case of any agreement to which subsection (a) applies—

(1) the applicability of the trade authorities procedures to implementing bills shall be determined without regard to the requirements of section 104(a), and any procedural disapproval resolution under section 105(b)(1)(B) shall not be in order on the basis of a failure or refusal to comply with the provisions of section 104(a); and

(2) the President shall consult regarding the negotiations described in subsection (a) with the committees described in section 104(a)(1)(B) as soon as feasible after the enactment of this Act.

(c) MULTILATERAL AGREEMENT ON INVESTMENT.—Notwithstanding any other provision of this Act, the trade authorities procedures shall not apply to the Multilateral Agreement on Investment concluded under the auspices of the Organization for Economic Cooperation and Development.

SEC. 107. CONGRESSIONAL OVERSIGHT GROUPS.

(a) APPOINTMENT AND FUNCTIONS.—Not later than 30 days after the date on which the President provides notice under section 104(a)(1) of the President's intention to enter into negotiations with respect to a trade agreement—

(1) the Speaker of the House of Representatives, upon the recommendation of the chairman of the Committee on Ways and Means, shall appoint 5 members (not more than 3 of whom are members of the same political party) of such committee, and

(2) the President pro tempore of the Senate, upon the recommendation of the chairman of the Committee on Finance, shall appoint 5 members (not more than 3 of whom are members of the same political party) of such committee,

to serve as members of a Congressional Oversight Group for the negotiations. Each such member shall be accredited by the United States Trade Representative on behalf of the President as official advisers to the United States delegation in the negotiations. Members of the Congressional Oversight Group shall consult with and provide advice to the Trade Representative regarding the formulation of specific objectives, negotiating strategies and positions, and the development of the trade agreement.

(b) ADDITIONAL MEMBERS.—

(1) AUTHORITY TO APPOINT.—In addition to the members designated under subsection (a) for a Congressional Oversight Group—

(A) the Speaker of the House of Representatives may appoint additional members of the House from any other committee of the House or joint committee of Congress to serve as members of the Congressional Oversight Group; and

(B) the President pro tempore of the Senate may appoint additional members of the Senate from any other committee of the Senate or joint committee of Congress to serve as members of the Congressional Oversight Group.

Members of the House and Senate appointed under this paragraph shall be accredited by the United States Trade Representative.

(2) CONSULTATIONS.—Before designating any member under paragraph (1), the Speaker or the President pro tempore shall consult with—

(A) the chairman and ranking minority member of the Committee on Ways and Means and the Committee on Finance, as appropriate; and

(B) the chairman and ranking minority member of the committee from which the member will be appointed.

(3) AFFILIATION.—Not more than 2 members may be appointed under this subsection as members of any Congressional Oversight Group from any 1 committee of Congress. If 2 members are appointed from 1 committee, they must be from different political parties, and the total members from any political party appointed under this subsection for any Congressional Oversight Group may not exceed the total number of members from any other political party.

(c) GUIDELINES.—

(1) PURPOSE AND REVISION.—Within 120 days after the date of the enactment of this Act, the United States Trade Representative shall develop written guidelines, in consultation with the chairmen and ranking minority members of the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, to facilitate the useful and timely exchange of information between the Trade Representative and the Congressional Oversight Groups established under this section. The Trade Representative may revise the guidelines from time to time as needed following further such consultation.

(2) CONTENT.—The guidelines developed under paragraph (1) shall provide for, among other things—

(A) regular, detailed briefings of each Congressional Oversight Group regarding negotiating objectives and positions and status of the negotiations with respect to which the group was appointed, beginning as soon as practicable after the appointment of the members of the group, with more frequent briefings as trade negotiations enter the final stage;

(B) access by members of each Congressional Oversight Group, and staff with proper security clearances, to pertinent documents relating to the negotiations, including classified materials; and

(C) the closest practicable coordination between the Trade Representative and each Congressional Oversight Group at all critical periods during the negotiations, including at negotiation sites.

SEC. 108. ADDITIONAL IMPLEMENTATION AND ENFORCEMENT REQUIREMENTS.

(a) IN GENERAL.—At the time the President submits the final text of an agreement pursuant to section 105(a)(1)(C), the President shall also submit a plan for implementing and enforcing the agreement. The implementation and enforcement plan shall include the following:

(1) BORDER PERSONNEL REQUIREMENTS.—A description of additional personnel required at border entry points, including a list of additional customs and agricultural inspectors.

(2) AGENCY STAFFING REQUIREMENTS.—A description of additional personnel required by Federal agencies responsible for monitoring and implementing the trade agreement, including personnel required by the Office of the United States Trade Representative, the Department of Commerce, the Department of Agriculture, and the Department of the Treasury.

(3) CUSTOMS INFRASTRUCTURE REQUIREMENTS.—A description of the additional equipment and facilities needed by the United States Customs Service.

(4) IMPACT ON STATE AND LOCAL GOVERNMENTS.—A description of the impact the trade agreement will have on State and local governments as a result of increases in trade.

(5) COST ANALYSIS.—An analysis of the costs associated with each of the items listed in paragraphs (1) through (4).

(b) BUDGET SUBMISSION.—The President shall include a request for the resources necessary to support the plan described in subsection (a) in the first budget the President submits to Congress after the submission of the plan.

SEC. 109. CHIEF AGRICULTURAL NEGOTIATOR.

(a) ESTABLISHMENT OF POSITION.—There shall be in the Office of the United States Trade Representative a Chief Agricultural Negotiator, who shall be appointed by the President, by and with the advice and consent of the Senate from among individuals with appropriate experience in agricultural matters. The Chief Agricultural Negotiator shall hold office at the pleasure of the President and shall have the rank of Ambassador.

(b) FUNCTIONS.—The Chief Agricultural Negotiator shall have as his or her primary function the conduct of trade negotiations relating to agricultural commodities and shall have such other functions as the United States Trade Representative may direct.

(c) COMPENSATION.—The Chief Agricultural Negotiator shall be paid at the highest rate of basic pay payable to a member of the Senior Executive Service.

SEC. 110. CONFORMING AMENDMENTS.

(a) IN GENERAL.—Title I of the Trade Act of 1974 (19 U.S.C. 2111 et seq.) is amended as follows:

(1) IMPLEMENTING BILL.—Section 151(b)(1) (19 U.S.C. 2191(b)(1)) is amended by striking '', section 1103(a)(1) of the Omnibus Trade and Competitiveness Act of 1988,''; and

(2) ADVICE FROM INTERNATIONAL TRADE COMMISSION.—Section 131 (19 U.S.C. 2151) is amended—

(A) in subsection (a)—

(i) in paragraph (1), by striking ''section 123 of this Act or section 1102 (a) or (c) of the Omnibus Trade and Competitiveness Act of 1988,'' and inserting ''section 123 of this Act or section 103(a) or (b) of the Reciprocal Trade Agreement Authorities Act of 1998,''; and

(ii) in paragraph (2), by striking ''section 1102 (b) or (c) of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''section 103(b) of the Reciprocal Trade Agreement Authorities Act of 1998'';

(B) in subsection (b), by striking ''section 1102(a)(3)(A)'' and inserting ''section 103(a)(3)(A) of the Reciprocal Trade Agreement Authorities Act of 1998'' before the end period; and

(C) in subsection (c), by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988,'' and inserting ''section 103 of the Reciprocal Trade Agreement Authorities Act of 1998,''.

(3) HEARINGS AND ADVICE.—Sections 132, 133(a), and 134(a) (19 U.S.C. 2152, 2153(a), and 2154(a)) are each amended by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988,'' each place it appears and inserting ''section 103 of the Reciprocal Trade Agreement Authorities Act of 1998,''.

(4) PREREQUISITES FOR OFFERS.—Section 134(b) (19 U.S.C. 2154(b)) is amended by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''section 103 of the Reciprocal Trade Agreement Authorities Act of 1998''.

(5) ADVICE FROM PRIVATE AND PUBLIC SECTORS.—Section 135 (19 U.S.C. 2155) is amended—

(A) in subsection (a)(1)(A), by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''section 103 of the Reciprocal Trade Agreement Authorities Act of 1998'';

(B) in subsection (e)(1)—

(i) by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988'' each place it appears and inserting ''section 103 of the Reciprocal Trade Agreement Authorities Act of 1998''; and

(ii) by striking ''section 1103(a)(1)(A) of such Act of 1988'' and inserting ''section 105(a)(1)(A) of the Reciprocal Trade Agreement Authorities Act of 1998''; and

(C) in subsection (e)(2), by striking ''section 1101 of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''section 102 of the Reciprocal Trade Agreement Authorities Act of 1998''.

(6) TRANSMISSION OF AGREEMENTS TO CONGRESS.—Section 162(a) (19 U.S.C. 2212(a)) is amended by striking ''or under section 1102 of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''or under section 103 of the

Reciprocal Trade Agreement Authorities Act of 1998''.

(b) APPLICATION OF CERTAIN PROVISIONS.—For purposes of applying sections 125, 126, and 127 of the Trade Act of 1974 (19 U.S.C. 2135, 2136(a), and 2137)—

(1) any trade agreement entered into under section 103 shall be treated as an agreement entered into under section 101 or 102, as appropriate, of the Trade Act of 1974 (19 U.S.C. 2111 or 2112); and

(2) any proclamation or Executive order issued pursuant to a trade agreement entered into under section 103 shall be treated as a proclamation or Executive order issued pursuant to a trade agreement entered into under section 102 of the Trade Act of 1974.

SEC. 111. DEFINITIONS.

In this title:

(1) UNITED STATES PERSON.—The term ''United States person'' means—

(A) a United States citizen;

(B) a partnership, corporation, or other legal entity organized under the laws of the United States; and

(C) a partnership, corporation, or other legal entity that is organized under the laws of a foreign country and is controlled by entities described in subparagraph (B) or United States citizens, or both.

(2) URUGUAY ROUND AGREEMENTS.—The term ''Uruguay Round Agreements'' has the meaning given that term in section 2(7) of the Uruguay Round Agreements Act (19 U.S.C. 3501(7)).

(3) WORLD TRADE ORGANIZATION.—The term ''World Trade Organization'' means the organization established pursuant to the WTO Agreement.

(4) WTO AGREEMENT.—The term ''WTO Agreement'' means the Agreement Establishing the World Trade Organization entered into on April 15, 1994.

TITLE II—TRADE ADJUSTMENT ASSISTANCE

SEC. 201. ADJUSTMENT ASSISTANCE FOR WORKERS.

Section 245 of the Trade Act of 1974 (19 U.S.C. 2317) is amended—

(1) in subsection (a) by striking ''1993'' and all that follows through ''1998,'' and inserting ''1998 and 1999 and for the period beginning October 1, 1999, and ending December 31, 1999,''; and

(2) in subsection (b) by striking ''1994'' and all that follows through ''1998,'' and inserting ''1998 and 1999 and for the period beginning October 1, 1999, and ending December 31, 1999.''.

SEC. 202. NAFTA TRANSITIONAL PROGRAM.

Section 250(d)(2) of the Trade Act of 1974 (19 U.S.C. 2331(d)(2)) is amended by striking ''for any fiscal year $30,000,000'' and inserting ''$30,000,000 for fiscal year 1998 or 1999 and shall not exceed $7,000,000 for the period beginning October 1, 1999, and ending December 31, 1999''.

SEC. 203. ADJUSTMENT ASSISTANCE FOR FIRMS.

Section 256(b) of the Trade Act of 1974 (19 U.S.C. 2346(b)) is amended by striking ''1993'' and all that follows through ''1998'' and inserting ''1998 and 1999 and for the period beginning October 1, 1999, and ending December 31, 1999''.

SEC. 204. GENERAL ACCOUNTING OFFICE REPORT.

Section 280(a) of the Trade Act of 1974 (19 U.S.C. 2391(a)) is amended—

(1) by striking ''2, 3, and 4'' and inserting ''2 and 3''; and

(2) by striking ''January 31, 1980'' and inserting ''October 1, 1999''.

SEC. 205. TERMINATION.

Section 285(c) of the Trade Act of 1974 (19 U.S.C. 2271 note preceding) is amended—

(1) in paragraph (1) by striking ''September 30, 1998'' and inserting ''December 31, 1999''; and

(2) in paragraph (2)(A), by striking ''the day that is'' and all that follows through ''effective'' and inserting ''December 31, 1999''.

SEC. 206. EFFECTIVE DATE.

The amendments made by this title take effect on the date of the enactment of this Act.

TITLE III—SPENDING OFFSETS

SEC. 301. COMPUTER-RELATED ACTIVITIES OF THE DEPARTMENT OF AGRICULTURE.

(a) PROHIBITION ON FUNDING.—No expenses for computer-related activities of the Department of Agriculture that are funded through the Commodity Credit Corporation pursuant to section 4(g) of the Commodity Credit Corporation Charter Act shall be funded in fiscal year 1999.

(b) REDUCTION IN LIMITATION ON OBLIGATIONS.—Section 4(g) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(g)) is amended in the first sentence by striking ''$193,000,000'' and inserting ''$128,000,000''.

TITLE IV—MISCELLANEOUS TRADE PROVISIONS

SEC. 401. IDENTIFICATION OF COUNTRIES THAT DENY MARKET ACCESS FOR UNITED STATES AGRICULTURAL PRODUCTS.

(a) IDENTIFICATION REQUIRED.—

(1) IN GENERAL.—Chapter 8 of title I of the Trade Act of 1974 is amended by adding at the end the following:

''SEC. 183. IDENTIFICATION OF COUNTRIES THAT DENY MARKET ACCESS FOR AGRICULTURAL PRODUCTS.

''(a) IN GENERAL.—Not later than the date that is 30 days after the date on which the annual report is required to be submitted to Congressional committees under section 181(b), the United States Trade Representative (hereafter in this section referred to as the 'Trade Representative') shall identify—

''(1) those foreign countries that—

''(A) deny fair and equitable market access to United States agricultural products, or

''(B) apply unjustified sanitary or phytosanitary standards for imported agricultural products from the United States; and

''(2) those foreign countries identified under paragraph (1) that are determined by the Trade Representative to be priority foreign countries.

''(b) SPECIAL RULES FOR IDENTIFICATIONS.—

''(1) CRITERIA.—In identifying priority foreign countries under subsection (a)(2), the Trade Representative shall only identify those foreign countries—

''(A) that engage in or have the most onerous or egregious acts, policies, or practices that deny fair and equitable market access to the United States agricultural products,

''(B) whose acts, policies, or practices described in subparagraph (A) have the greatest adverse impact (actual or potential) on the relevant United States products, and

''(C) that are not—

''(i) entering into good faith negotiations, or

''(ii) making significant progress in bilateral or multilateral negotiations,

to provide fair and equitable market access to United States agricultural products.

''(2) CONSULTATION AND CONSIDERATION REQUIREMENTS.—In identifying priority foreign countries under subsection (a)(2), the Trade Representative shall—

''(A) consult with the Secretary of Agriculture and other appropriate officers of the Federal Government, and

''(B) take into account information from such sources as may be available to the Trade Representative and such information as may be submitted to the Trade Representative by interested persons, including information contained in reports submitted under section 181(b) and petitions submitted under section 181(b) and petitions submitted under section 302.

''(3) FACTUAL BASIS REQUIREMENT.—The Trade Representative may identify a foreign country under subsection (a)(1) only if the Trade Representative finds that there is a factual basis for the denial of fair and equitable market access as a result of the violation of international law or agreement, or the existence of barriers, referred to in subsection (d).

''(4) CONSIDERATION OF HISTORICAL FACTORS.—In identifying foreign countries under paragraphs (1) and (2) of subsection (a), the Trade Representative shall take into account—

''(A) the history of agricultural trade relations with the foreign country, including any previous identification under subsection (a)(2), and

''(B) the history of efforts of the United States, and the response of the foreign country, to achieve fair and equitable market access for United States agricultural products.

''(c) REVOCATION AND ADDITIONAL IDENTIFICATIONS.—

''(1) AUTHORITY TO ACT AT ANY TIME.—If information available to the Trade Representative indicates that such action is appropriate, the Trade Representative may at any time—

''(A) revoke the identification of any foreign country as a priority foreign country under this section, or

''(B) identify any foreign country as a priority foreign country under this section.

''(2) REVOCATION REPORTS.—The trade Representative shall include in the semiannual report submitted to the Congress under section 309(3) a detailed explanation of the reasons for the revocation under paragraph (1) of the identification of any foreign country as a priority foreign country under this section.

''(d) DEFINITIONS.—For purposes of this section, a foreign country denies fair and equitable market access if the foreign country effectively denies access to a market for a product through the use of laws procedures, practices, or regulations which—

''(1) violate provisions of international law or international agreements to which both the United States and the foreign country are parties, or

''(2) constitute discriminatory nontariff trade barriers.

''(e) PUBLICATION.—The Trade Representative shall publish in the Federal Register a list of foreign countries identified under subsection (a) and shall make such revisions to the list as may be required by reason of the action under subsection (c).

''(f) ANNUAL REPORT.—The Trade Representative shall, not later than the date by which countries are identified under subsection (a), transmit to the Committee on Ways and Means and the Committee on Agriculture of the House of Representatives and the Committee on Finance and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report on the actions taken under this section during the 12 months preceding such report, and the reasons for such actions, including a description of progress made in achieving fair and equitable market access for United States agricultural products.''.

(2) CLERICAL AMENDMENT.—The table of contents for the Trade Act of 1974 is amended by inserting after the item relating to section 182 the following:

''Sec. 183. Identification of countries that deny market access for agricultural products.''.

(b) INVESTIGATIONS.—

(1) IN GENERAL.—Subparagraph (A) of section 302(b)(2) of the Trade Act of 1974 (19 U.S.C. 2412(b)(2)) is amended by inserting ''or 183(a)(2)'' after ''section 182(a)(2)'' in the matter preceding clause (i).

(2) CONFORMING AMENDMENT.—Subparagraph (D) of section 302(b)(2) of such Act is amended by inserting ''concerning intellectual property rights that is'' after ''any investigation''.

SEC. 402. ENFORCEMENT OF U.S.–JAPAN INSURANCE AGREEMENT.

(a) FINDINGS.—The Congress finds that—

(1) the Japanese insurance market has historically been closed to United States interests and investment;

(2) the terms of the U.S.-Japanese Insurance Agreement have begun the process of opening the Japanese insurance market to United States interests and investment; and

(3) failure to fully enforce the terms of the U.S.-Japanese Insurance Agreement will endanger the United States investments that have occurred and those which may occur in the future.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that the United States Trade Representative should work diligently with the Minister of Finance of Japan to fully enforce the terms of the U.S.-Japan Insurance Agreement so that Japanese insurance markets will continue to be open to United States investment and that existing and future United States investments in the Japanese insurance markets are protected.

(c) DEFINITION.—As used in this section, the term ''U.S.-Japan Insurance Agreement'' means the Measures by the Government of the United States and the Government of Japan Regarding Insurance, signed on October 11, 1994, as amended by the Supplementary Measures by the Government of the United States and the Government of Japan Regarding Insurance, signed on December 24, 1996.

SEC. 403. MARKING OF CONTAINERS FOR PERISHABLE AGRICULTURAL COMMODITIES.

(a) IN GENERAL.—Section 304 of the Tariff Act of 1930 (19 U.S.C. 1304) is amended—

(1) by redesignating subsections (h), (i), (j), and (k) as subsections (i), (j), (k), and (l), respectively; and

(2) by inserting after subsection (g) the following new subsection:

''(h) MARKING OF CONTAINERS OF PERISHABLE AGRICULTURAL COMMODITIES.—

''(1) IN GENERAL.—The immediate container, as it ordinarily reaches the ultimate purchaser, of any perishable agricultural commodity excepted from the marking requirements of subsection (a) shall be marked in the manner required by subsection (a), unless an exception from the requirements of marking applies to such container under any subparagraph of subsection (a)(3) other than subparagraph (J).

''(2) DEFINITION.—For purposes of this subsection, the term 'perishable agricultural commodity' has the meaning given that term in section 1(b) of the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499a(b)).''.

(b) CONFORMING AMENDMENT.—Section 304(j) of such Act, as redesignated by subsection (a)(1), is amended by striking ''subsection (h)'' and inserting ''subsection (i)''.

(c) EFFECTIVE DATE.—The amendments made by this section apply to goods entered, or withdrawn from warehouse for consumption, on or after the 120th day after the date of the enactment of this Act.

SEC. 404. MONITORING AND ENFORCEMENT OF SUSPENSION AGREEMENT.

The administering authority (as defined in section 771(1) of the Tariff Act of 1930) shall closely monitor and vigorously enforce the suspension agreement concerning fresh tomatoes from Mexico that was entered into on October 28, 1996, pursuant to section 734 of the Tariff Act of 1930. If the administering authority determines that the suspension agreement is being, or has been, violated, is no longer in the public interest as set forth in section 734(d) of that Act, or no longer meets the applicable requirements of section 734(c) or (d) of that Act, the administering authority shall immediately resume the antidumping investigation suspended by the agreement and take other action under section 734(i) of that Act. The administering authority shall establish a Rapid Response Team to ensure full compliance with the agreement and speedy resolution of claims with respect to the agreement.

SEC. 405. REVIEW OF CONDITIONS ALONG UNITED STATES-MEXICAN BORDER.

(a) TASK FORCE TO REVIEW CONDITIONS.—The President shall establish a task force to review conditions along the United States-Mexican border relating to housing, labor, the environment, and other relevant issues as they relate to United States companies that are located along the border. The task force should determine the ways in which partnerships made up of public and private entities can improve conditions along the border.

(b) REPORT TO CONGRESS.—The President shall report to the Congress not later than 1 year after the date of the enactment of this Act on the results of the review under subsection (a).

The SPEAKER pro tempore. The gentleman from Texas (Mr. ARCHER) and the gentleman from New York (Mr. RANGEL) each will control 1 hour of debate on the bill.

The Chair recognizes the gentleman from Texas (Mr. ARCHER).

□ 1600

GENERAL LEAVE

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous matter on H.R. 2621.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this could be a fulcrum moment in America's future. This is an unusually fragile time for economies throughout the world, the likes of which we have not seen for generations.

There are only a few things that we in America can do to increase our ability to be a bulwark against decaying economies around the world and prevent their ultimately enveloping us. One thing we can do is demonstrate a clear commitment to resist the suggestiveness of protectionism, protectionism which could drag the whole world into depression.

This legislation grants the administration the authority to negotiate trade agreements and bring them back to Congress for an up or down vote. Historically it has been bipartisan, and it represents a key component to preserving our economy and helping the rest of the world for years to come.

Trade has been and will always be the force that drives our economic engine. Trade benefits everyone, workers, businesses and consumers. If we are to stay on the right economic road, we should not halt the process of opening foreign markets. We must not.

To the President's credit, his policy on trade has been very, very good. It has helped us to continue to keep a growing economy. He deserves credit for that. But it is sad that, today, the administration is withholding its support for this bill, support that was so active last year. It is sad that his strength in the past of resisting the pressures of organized labor have now come into play today, and we cannot afford to lose one month, six months or a year until we do one of the few things that we can do to help America and the world.

The U.S. is the world's largest exporting country, with exports nearing the $1 trillion mark. This economic boom has translated into approximately 11.5 million U.S. jobs which pay on average 15 percent more than non-trade related jobs. Many Americans do not know that they have a trade-related job, but it affects 11.5 million jobs.

We have been able to achieve these impressive results because we have been aggressive in expanding overseas markets. To sustain our growth and prosperity, we must continue to tap into the growing economies around the world, and we must remember that 19 out of 20 potential customers in the world do not live in this country. As a result, negotiating trade agreements that reduce tariff and non-tariff barriers to our products and our services is a win-win proposition.

Our average tariffs are already very, very low, less than 3 percent, but most of our trading partners have much, much higher tariffs: Chile, 11 percent, Argentina, 10 percent, Australia, 9 percent, Thailand, 26 percent. What do we have to fear? We have far less risk to go down from under 3 percent than we have to gain by reducing tariffs that are three, four and five times higher than ours.

Because we export more products and services than any country in the world, reducing foreign tariffs means huge savings for our industries and our workers. But, Mr. Speaker, unfortunately, we are at a standstill. Without fast track, our failure to participate in shaping the global trading system will allow our competitors to negotiate preferential trade agreements and form strategic relationships that exclude us. And that is why I say, again, we should not wait another month or six months before we act on this vital legislation.

Each month we lose is a loss for America. Since 1992 our competitors have negotiated 20 free trade agreements that exclude us in Latin America and Asia alone. We are losing orders for our products over and over again in Chile and other countries, and those orders are going to Canada and they are going to Mexico and they are going to other countries for export. The European union is negotiating in a trade agreement with Latin America that will keep us out. We can no longer afford to stand idly by.

So the legislation we consider today gives the President the authority he needs to move ahead in negotiating these vital trade agreements, and it does so without undermining Congress' constitutional role.

Congress must under this bill be consulted before, during and after trade negotiations. For farmers and ranchers, who derive 30 percent of their income for exports, this bill puts the Committee on Agriculture, in addition to the Committee on Ways and Means, in a position to review all proposed agreements before they are signed.

The U.S. has everything to gain by passing fast track. We have everything to lose if we fail. The choices before us are stark: We can approve this legislation and sow the seeds of hope, growth

and prosperity, or we can yield to the forces of fear, protectionism and shortsightedness and cast this opportunity aside, potentially undermining the economies of the world, with America being irresistibly potentially included in that undermining.

Mr. Speaker, I hope we will support future prosperity. Support fast track, and vote for this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to this bill. I certainly agree with most of the things that the distinguished chairman of the Committee on Ways and Means has said, that if this great Nation is going to continue to grow and maintain our economic advantage, we have to remove all of the barriers to trade.

Trade is the one thing that our Nation excels in, and we have to make certain that we remain competitive. A piece of legislation like fast track or trade, as I said earlier, or taxes or Social Security, cannot be a pre-election gimmick, but it has to be, indeed, a bipartisan effort, where people who have honest differences of opinion but still want our Nation to maintain its leadership in trade sit down and work out those differences.

We cannot afford to allow the world marketplace as it relates to labor to set the standards for the United States of America. We cannot pick a country that has the lowest labor wages, no benefits, no health benefits, and allow industries in our cities around the United States to close and go there to take advantage of that particular economic advantage.

No, we must be able to say that when we trade, Americans are going to be the beneficiaries; not just those in the high-tech jobs, but those in the lower skilled jobs have to be protected as well.

I believe that our president, as other presidents, should have the right to negotiate trade contracts, and it should not be the House or the Senate that is going to dot every ''i'' or cross every ''t''. But when it comes to Americans losing their jobs, losing their pensions, losing their homes, merely because business has gone, we should be able to tell the president, you do not negotiate any treaty or contract without protecting American workers, without protecting the environment, without protecting human rights. We cannot let the free marketplace dictate the principles we believe in as a country.

So I believe that when the president is ready to sit down with us, Republicans and Democrats, we can work out fast track. Nobody is against it because it gives the President authority. People oppose it because it does not spell out the human rights and the rights of workers, which is just as much a part of our prosperity as it is to see that the stock market has improved as a result of the stability that the President has brought.

I do not know why these matters are brought up on the eve of elections. I do not know who we want to embarrass. I do not know why we just entertain vetoes. This thing is just too important to allow it to be treated in a partisan way.

For that reason, I do not know why it is on the calendar now. I have no idea what the politics is behind it. You certainly cannot have something like this be approved without bipartisan support. You certainly need the leader of the free world and the President of the United States working with you. But I suspect you have taken some poll somewhere and you think this gives you an advantage someplace come November.

I hope that you are not right, but I still believe that you should not be taking legislation like Social Security, tax cuts, and God knows what else you are going to try to do before we get out of here, and try to negotiate these things just before an election. It is important for the country, but it is important for Americans, Democrats and Republicans, it is important for the President, and I hope that soon we will be able to work a little more closely together.

Mr. Speaker, I yield the balance of my time to the gentleman from California (Mr. MATSUI), the ranking member of the Subcommittee on Trade, and ask unanimous consent that he be permitted to yield blocks of time.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CRANE. Mr. Speaker, I yield three minutes to the distinguished gentleman from Oregon (Mr. SMITH).

□ 1615

Mr. SMITH of Oregon. Mr. Speaker, I thank the distinguished gentleman for yielding time to me.

Mr. Speaker, I continue to hear this question, why, why now? Why not next year? I should not have to remind members of the Committee on Ways and Means that next year we have a chance to revisit the Uruguay Round, 1999. There are many, many problems that we have in trade around the world. I should not have to advise the Committee on Ways and Means members of what they are, but let me just tick them off.

We have lost, in agriculture, 30 percent of our markets in Asia. We have been excommunicated from markets in the European Union. We have difficulty with phytosanitary problems getting into Japan, and all of that in the face of disasters in this country for agriculture, of floods, of droughts, and of course, of lost revenues to the tune of some $9 billion.

If there was ever a time that we ought to be reaching out for markets, it is now, it seems to me, especially in the face of the Uruguay Round. Without fast track, we do not have tools to sit down at the table and to discuss these problems that I have just identified around the world.

I can tell the Members, having traveled halfway around the world with my Committee on Agriculture, that the rest of the countries are smiling and chortling at us. I just left a representative from New Zealand who said, ''You mean you do not have fast track? You are not going to trade? You are not going to to be involved? We thought we were allies. We are going to go into the Uruguay Round without you having fast track and the tools to trade?'' He was smiling at us.

The facts are that this agreement is unlike any other that we have ever looked at. It is not like NAFTA, it is not like GATT. It is different because, especially in agriculture, for the first time in history, by the way, and I thank the gentleman from Texas (Mr. ARCHER) and the gentleman from Illinois (Mr. CRANE) of the Committee on Ways and Means for allowing agriculture to be included, not only in the consultation process, as the agreements move along, but before anything is finally penned, the Committee on Agriculture gets a chance to look at every word of the agreement. If it is no good for agriculture, it cannot pass. If agriculture opposes any agreement, it cannot pass this body. For the first time, we have generated an opportunity for agriculture to be at the table when we negotiate agreements. It is outstandingly important that we do that.

I think this is almost humorous, except it is true. This side does not want to give their president fast track. Our side wants to give their president fast track authority. I think the point remains that really no president negotiates trade agreements.

We are a Nation. We are a Nation and a leader in trade. We should be a leader in fast track. Giving this president authority is what I want to do, because I know that trade agreements can be looked at, can be consulted by Congress as we move along, so that gives me safety and that gives me comfort, because I know it will be done properly.

Please, please understand, this is the most important vote for agriculture that we will have in many, many years. Understand, this is the time we stand up for trade.

Mr. MATSUI. Mr. Speaker, I ask unanimous consent to yield 10 minutes of my time to the gentleman from Washington (Mr. MCDERMOTT), a member of the Committee on Ways and Means, in support of the bill, and that he in turn be permitted to control that time.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. The gentleman from Washington (Mr. MCDERMOTT) will control 10 minutes.

The Chair recognizes the gentleman from California (Mr. MATSUI).

Mr. MATSUI. Mr. Speaker, I yield myself such time as I may consume.

I rise in opposition to H.R. 2621, reluctantly, Mr. Speaker. Today's exercise in this legislation soils our national trade policy with the mud of partisan politics. It shows a disdain for the legislative process, and it threatens to disrupt international markets and quite possibly our national economy.

I would first like to make absolutely clear that I support granting the President fast track negotiating authority that he needs to enter into trade agreements. Fast track authority is essential to maintain U.S. economic leadership by opening foreign markets to American agriculture, manufactured goods and services. I supported it in 1988, I supported it last year, I intend to support it in the future. But I will not, however, support it today.

This debate, Mr. Speaker, is not about fast track. This debate is about partisan politics. The fast track bill that we are considering today is not scheduled and will not pass in the Chamber of this House, but it is, rather, an attempt to embarrass members of my party. I will tell the Members, I will not participate in any effort to do damage or defeat any of my colleagues by using trade policy as a tool.

When the Republican leadership decided to bring fast track up in the waning days of this Congress, there was little attempt to disguise the motivations, the political motivations, behind it. In fact, the chairman of the Republican Congressional Campaign Committee was quoted in the Washington Post on July 20, 1998, specifically naming one of my Democratic colleagues, with the clear threat to use this vote against him in the upcoming election.

In addition, Willard Workman, a senior official of the U.S. Chamber of Commerce, suggested that he would rather see fast track brought up to lose, which it will, so that he could make an issue out of it in the November election. It is personally surprising to me that one of the Nation's premier business lobbying organizations would display such a reckless attitude about fast track for the sake of perceived partisan advantage.

As I said, however, today is not about passing fast track. We all know that. This bill is virtually identical to the one that was shelved last year. Since then, there has been absolutely no effort to refashion this legislation.

Many of us, including the President, worked very hard last year to pass it, but we could not muster the bipartisan support needed. The sensible and rational thing to do, if we want to pass it, would be to make changes to add additional support. But that simply has not happened. If the Republican leadership sincerely wanted to pass this bill, it would have made the necessary changes to broaden the base of support on the floor of the House.

Our colleagues have modified this bill to take care of agriculture, or at least perceived to take care of agriculture. There has really been no effort to reach out to Members in other areas of this legislation. For example, there has been no discussion on labor and the environment, about language that would implement and expand the implementation if the bill is finally passed, or other bipartisan changes that could get a majority for a good fast track bill.

In fact, this bill under consideration actually limits the President's negotiating authority, compared to the bill that President Reagan and President Bush had, which had flexibility, the law that expired.

While political points may be scored to defeat fast track on the floor today, Mr. Speaker, it will have serious and negative consequences. When coupled with our failure to pass MFN funding, funding for the United Nations, and loose talk about impeachment, this body sends a dangerous message to investors in the markets in Asia, Russia, and Latin America. A signal such as the defeat of fast track today is further evidence that the U.S., or at least this Congress, is not serious about international leadership.

Just as significantly, what happens here also sends a new signal that American trade policy is used for partisan advantage, and that strong bipartisanship in the area of free and international trade no longer exists.

I will tell the Members, we all know that the votes are not there for passage of this legislation. This is brought up only for partisan advantage. That is not the way to use trade policy in America.

Mr. Speaker, I reserve the balance of my time.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in response to our distinguished minority leader on the Subcommittee on Trade, I would remind him that there are important contents in the Archer amendment to H.R. 2621. They deal not just with agriculture.

There is one, for example, that insists that the President, with respect to any trade agreement implemented under trade authorities procedures, submit to Congress a report describing the extent to which the parties to that trade agreement have in effect laws governing exploitative child labor.

There is a new provision on agriculture, a special 301 procedure for identifying in a report trade barriers and countries that deny fair and equitable market access, and that impose unjustified sanitary and phytosanitary standards against U.S. agricultural products.

One month after the report is issued, USTR would be required to identify priority foreign countries against which it would initiate section 301 unfair trade practice investigations, resulting in possible trade sanctions against the offending country.

It also requires that the President establish a task force to review conditions along the U.S.-Mexico border relating to housing, labor, the environment, and other relevant issues.

Mr. Speaker, I would remind my colleagues on the other side of the aisle of a statement that was made in this Chamber back in January. ''We all know in every way in life change is not always easy, but we have to decide whether we are going to try to hold it back and hide from it or reap its benefits. Remember the big picture here. While we have been entering into hundreds of new trade agreements, we have been creating millions of new jobs. So this year we will forge new partnerships with Latin America, Asia, and Europe, and we should pass the new African Trade Act. It has bipartisan support. I also renew my request for the fast track negotiating authority necessary to open more new markets and create more new jobs, which every president has had for two decades.''

That was President Clinton in his State of the Union message here.

Mr. Speaker, I yield 2 minutes to our distinguished colleague, the gentleman from Texas (Mr. DELAY).

Mr. DeLAY. Mr. Speaker, fast track would pass tonight if the President would honor his commitments and get his party to vote for it. Who said, ''I will also renew my request for the fast track negotiating authority necessary to open new markets and create more new jobs, which every president has had for two decades?'' Who has traveled across the world promising to support fast track?

Who said in Santiago, Chile, earlier this year, that ''The benefits for American workers and companies and consumers for expanding trade should make, in my judgment, a clear case for fast track authority. I will continue to work hard with Congress to build support for fast track''? Bill Clinton.

President Clinton was once the strongest supporter of fast track. Now, for political reasons, he has withdrawn that support. It is troubling that Bill Clinton has already concluded that he does not have the strength to win this vote, and it is astounding that he has withdrawn his support for this measure. I think that is a shame. I believe that every president must have the tools to do the job.

Our workers need trade agreements that create jobs for Americans. Our businesses need them so they can sell their products overseas. Our consumers need them so they can spend more money on their family and less money on border taxes.

The only way we can get these trade agreements is to give the President fast track authority. It is a shame that so many Democrats have played politics with trade. It is sad that so many Democrats have relied on the politics of fear and isolation. It is a scandal that the President has misled the American people about his commitment to support fast track, when negotiating trade agreements is one of his most important responsibilities.

A vote against fast track is not only a vote of no confidence in this President, it is also a vote of no confidence in the world economy. A vote for fast track is a vote for free trade and continued engagement with our trade partners. I ask Members to vote for fast track.

Mr. MATSUI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I just hope that the gentleman from Illinois has picked up some votes with the major changes he made in the legislation. I suspect not, but I just hope he picked up a few votes, because he gave up so much.

Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. FAZIO).

Mr. FAZIO of California. Mr. Speaker, regrettably, I, too, rise to say I cannot vote in favor of fast track today. Many of my colleagues know that the gentleman from California (Mr. MATSUI), the gentleman from Maryland (Mr. HOYER), a number of us, helped lead the effort to gain support among Democratic Members in order to win a fair and bipartisan fast track proposal in the past.

Unlike some, my support for strong and fair trade policies for this country has not changed when the person in the White House has changed. It has been consistent under both Republican and Democratic Presidents.

□ 1430

We rallied the troops last year because we knew the necessity to grant the President fast track authority. Fair and timely fast track ensures, in my view, a continuation of United States engagement and leadership on the international scale that it must be.

But I must say that, unfortunately, today the timing of this vote has little to do with granting the President fast track authority or reasserting American primacy in international markets. It has to do instead, I am afraid to say, with politics. It is not fair, it is not timely, and I think it lays the predicate for further defeats, if we are not careful, when we have all our forces coming together to bring fast track to a successful conclusion in the next Congress.

Mr. Speaker, I think the International Monetary Fund issue is where this Congress should concentrate its fire. We have seen a lack of leadership in this House on this issue, and we do have in the world monetary system a sickness we have got to address. I hope that this majority, during the next several weeks, will find within itself the ability to put at the top of the list of priorities fully funding that agency, with the reforms that have been worked out in the House Committee on Banking and Financial Services.

But until we find that kind of consensus on IMF, a meaningless, politically driven vote today on fast track, which I fear has never had a chance of succeeding, does nothing but set back the cause that we have all been associated with in the past.

I am sad to take the position I do. I look forward to the day when we can put a coalition together with some modifications in this that broaden the base of support for fast track in place and pass it, but it is not going to be today.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume.

One more quote, Mr. Speaker, to our distinguished colleagues across the aisle. ''In the last 5 years we have led the way in opening new markets with 240 trade agreements that remove foreign barriers to products bearing the proud stamp, 'Made in the U.S.A.,' Mr. TRAFICANT. Today record high exports account for fully one-third of our economic growth. I want to keep them going, because that is the way to keep America growing and to advance a safer, more stable world.'' President William Clinton in this Chamber in January of this year.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut (Mrs. JOHNSON), our distinguished colleague on the Committee on Ways and Means.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I rise in strong support of this bill, and I regret that my colleagues on the other side of the aisle keep talking about this as political.

The truth is the last time we had this vote, the Democrats were only able to mobilize about 40 votes in support of giving the President the authority he needs to be at the table to negotiate markets for American-made goods. The fact is that, as a party, they do not believe that America's standard of living depends on selling American-made goods into other people's markets.

Yet, our growth in recent years is directly the result of our success in ever-growing foreign markets. Indeed, foreign trade creates jobs. Foreign trade raises our standard of living. And this vote is simply about this Nation's interest, the national interest, in being at the negotiating table so that we can negotiate access for American-made goods into foreign markets.

Because it is merely about selling, merely about selling our goods to others, it is about jobs. It is about standard of living. Ninety-five percent of the customers in the world are outside of America. And while we have diddled, while Congress has not been able to give the President authority he has traditionally had, Canada has negotiated 10 percent tariff cuts on their goods into the Chilean market and we have lost customers.

Last year, Europe sold more goods into South America than they ever have in history; and for the first time in history, they sold more goods into that market than the United States did because they have been at that table negotiating agreements to reduce tariffs on European goods. So they have taken customers from American manufacturers, now in droves.

Yes, not being at the table costs jobs, closes us out of markets. Being there is our future and our children's future. Vote ''yes'' on fast track authority.

Mr. Speaker, I rise in strong support of H.R. 2621, which would continue the 20-year history of granting the president the authority to negotiate trade agreements that then must be approved or rejected by Congress. With 95 percent of the world's consumers living outside our borders, we need to take advantage of new markets in which to sell our goods. America has the greatest workforce in the world, but to give our workers opportunity and security, we need to give them the chance to sell their products overseas.

My home state of Connecticut is an excellent example of how the global economy is transforming domestic markets. 124,000 jobs in Connecticut accounted for the approximately $8 billion of goods our state exported last year. Had fast track been in place, those numbers would have been even higher, because additional markets would be open to us. Instead, because we have not been at the table and a part of agreements that has been negotiated, we are losing customers to competitors in other countries. Why? Simply because they are at the negotiating table and have made trade agreements that exclude us.

In 1993, the year before NAFTA went into effect, Connecticut exports to Canada totaled $1.4 billion. This number grew to $1.8 billion in 1997—a 28 percent increase. Exports to Mexico have increased from $336 million to $530 million over that same period—a 57 percent increase. Increased exports, means increased numbers of jobs. And export-related jobs pay on average 13 to 17 percent more.

Connecticut companies like the toy manufacturer Lego have seen exports rise at tremendous rates—Lego's exports to Mexico have increased by 300% since 1995. Their main competitors from China do not have the benefits of tariff reductions that the U.S. negotiated under NAFTA, giving Lego the competitive advantage in that market.

Exports account for a third of America's economic growth. Business' ability to create jobs at home depends increasingly on raw ability to sell goods in foreign markets. And yet, how much we sell in other markets depends on our ability to negotiate trade agreements reducing tariff barriers to those markets. If we continue to let other nations forge trade agreements without us, they will continue to take customers from us and to take market share that will be very hard to win back.

We must restore the Presidents' power to be a negotiating force in shaping the international markets of the future. Without fast track authority, we are simply not at the negotiating table and countries are reluctant to negotiate, knowing that Congress could demand unilateral changes to any negotiated trade agreement at a later date. Let's not tie our negotiators' hand by denying them traditional authority because it makes hammering out international agreements—already an extremely difficult process—virtually impossible.

I also want to make my colleagues aware that this legislation reauthorizes the Trade Adjustment Assistance (TAA) program which will expire on September 30th. This necessary and important program assists American workers and firms who have been adversely affected by import competition. TAA plays a vital role in protecting working families, retaining a skilled and productive workforce, and allowing domestic companies the opportunity to adjust to foreign competition. It is a unique public-private sector partnership that saves and creates jobs.

The global economy will grow at three times the rate of the U.S. economy. A vote for fast track today is a vote of confidence in our workers and a vote for America's future. I urge my colleagues to support H.R. 2621.

Mr. MCDERMOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee (Mr. TANNER).

(Mr. TANNER asked and was given permission to revise and extend his remarks.)

Mr. TANNER. Mr. Speaker, I thank the gentleman from Washington (Mr. MCDERMOTT) for yielding me this time.

Mr. Speaker, I rise today in support of the fast track authority, as imperfect as it may be. I will relate why. I think this may well be one of the most important issues we face as a Nation since the end of the Cold War.

During this century, most of the standing that this country has enjoyed in the world was really defined by military alliances. During the Cold War, it was who was on whose side, either the East, U.S.S.R. or the West, the United States. I believe in the next century the Nation's standing in the world will be judged primarily by trading alliances. I think in this global economy which we are definitely in we have to remain engaged.

It is not a hard question. If one believes, as I do, that we can grow more food in this country than we can consume, we can make more stuff than we can buy and sell to each other, we must have some means by which we sell this to somebody else, or it is an economic fact of capitalism that whoever is engaged in that surplus production is going to lose their job. That is not a political argument. That is an economic fact of capitalism.

Now, I regret very, very much that this bill is up today. We, some of us on our side of the aisle, worked our heads off last November to try to get the votes to pass this. I think we were within three or four votes when the bill was pulled. I have not seen, quite frankly, the same effort applied to bring this bill to the floor today.

As I said, I think this is one of the most important votes this Congress will take since the end of the Cold War, and I regret very deeply and very much the circumstances under which we are considering it.

Nevertheless, I intend to support it, because I think it is that important to the country. I hope after it fails today, which I assume that it will, that we can get together and do something for the country, not our political agendas.

Mr. CRANE. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I have another quote for everyone that, interestingly enough, is germane to our current situation in the Florida Keys. ''And I think we should say to all the people we are trying to represent here that preparing for a far-off storm that may reach our shores is far wiser than ignoring the thunder until the clouds are just overhead.''

That was a reference to some of the economic problems with our trading partners in Asia, and again part of the State of the Union message by President Clinton in this body in January of this year.

Mr. Speaker, I yield 2 minutes to the distinguished gentleman from New York (Mr. HOUGHTON).

(Mr. HOUGHTON asked and was given permission to revise and extend his remarks.)

Mr. HOUGHTON. Mr. Speaker, I rise in support of fast track. I was not ready for the vote the last time, because I thought that there were some things that we could do as far as protection of our jobs, as far as the environment, but I voted on it. It may not be the appropriate time now. I do not know when an appropriate time is.

But I will tell my colleagues the thing that I worry about. This is not just an intellectual discussion here in this Chamber. We are living in a real world, and the world is passing us by, particularly now with the emphasis of the Asian flu.

I have taken groups down to Chile, to Argentina, to Mexico, to other parts of the world, all privately sponsored, and the one thing they ask is, ''When are you going to give the President the authority to negotiate with us, not just on a bilateral but a multilateral basis?''

Mr. Speaker, I think it is so important that we do that. Time is important. It is not just an intellectual argument or a legal argument. It is an argument that has to do with business expansion. And countries and institutions and industries are passing us by, and I think it is very important we look at that.

Another thing I think is important we look at is separate the two economic issues. People say we have to protect our jobs. Therefore, we cannot have fast track. But protecting our jobs, there are things we can do through 301, super 301, section 201 of the Trade Act.

But to protect our jobs by not allowing our salesmen to go out and sell our products is crazy. Ninety-six percent of the customers of this world are outside of this country. We have got to reach them. Time is against us. We must pass this legislation.

Mr. MATSUI. Mr. Speaker, I yield 2½ minutes to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I thank the gentleman from California (Mr. MATSUI) for yielding me this time, a gentleman who has been one of the great leaders on this issue on our side of the aisle.

Mr. Speaker, I rise as someone who supported NAFTA, who supported GATT, who has voted for fast track, and who was one of the 42 Democrats ready to vote for fast track, which was not brought to the floor just about a year ago.

I rise as someone who is going to vote ''no.'' I rise lamenting the fact that this issue has been so politicized, an issue that the chairman of the Committee on Ways and Means rightfully said is critical to this country.

There has been no bipartisan discussion on fast track this year as there was last. I rise in opposition to this being brought to the floor because I think it hurts this effort; it does not help it. The gentleman from Texas (Mr. DELAY), the majority whip, came to the floor and intimated that Bill Clinton, the President of the United States, had withdrawn his support. President Clinton has shown more courage on trade than any president under whom I have served or with whom I have served.

This issue should not go forward now. Why? Because it is critical that we pass fast track. And I am going to support it next year. I will tell my friends, I am voting ''no'' now, and next year I will be asking a lot of ''noes'' to vote ''yes.'' I think that may get us to a majority. I am not sure, because my colleagues on the Republican side of the aisle have put this in the context of putting at risk this issue 5 weeks before an election for political purposes solely. That is the only reason this bill is on this floor right now.

The chairman said we ought to resist the seductiveness of protectionism. I agree with that. Let me repeat. The chairman said it is a shame that we do not resist the seductiveness of protectionism. I agree with that. Let me also say it is a shame that we have not resisted the seductiveness of political advantage in bringing this bill to this floor this day.

There is no one on this floor who believes this bill is going to pass today. Not one. Not on the Republican side and not on our side. And even if it did, there is no one on this floor that believes that it could get through the United States Senate. So the only thing that the Republicans are doing is perhaps making it more difficult for us in February or March of next year, in a bipartisan way, coming together on behalf of America, not on behalf of Republicans or Democrats but on behalf of a more competitive, economically vibrant America, to pass this legislation to empower our President to negotiate.

Mr. Speaker, I hope others will join me in voting ''no'' today and ''yes'' next year when we have an opportunity to pass this legislation.

□ 1645

Mr. CRANE. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Ohio (Mr. PORTMAN).

Mr. PORTMAN. Mr. Speaker, this is a bizarre debate today. I guess the bottom line is, if you are for fast track, you think this legislation as presented to the House today makes sense, vote for it. Then we can pass this thing. If all the Members who have come up here and said that they are for free trade truly are for free trade and are sincere about it, we can pass this thing.

This is a bizarre debate in another respect. For years Ronald Reagan and

George Bush got fast track authority from a Democrat Congress. They went out and they negotiated agreements that were in the interest of this country. Now we have a situation where President Clinton is coming before a Congress that is dominated by Republicans, and the Republicans are willing to give him fast track authority to negotiate on behalf of our country to open up foreign markets. Yet the Democrats are not giving it to their own President. It has only lapsed twice in history, in 1988 and again in 1993. This is the longest lapse in duration by far.

It has been 6 years since this President has had full fast track authority. We need to provide it. Thirty percent of our growth in our economy is directly related to exports. We have the freest market in the world. We need to knock down the barriers in these other countries. We have a whole slew of multilateral agreements that are being negotiated over the next couple of years. We have to be at the table.

The fact is, we are not going to be taken seriously either by individual countries in our negotiations on a bilateral basis or by the rest of the world on our multilateral negotiations unless the President has the authority under fast track to bring an agreement to this Congress for an up or down vote.

Remember, we retain our right to turn down any agreement we do not like. So this is not even about specific trade policy issues. This is about allowing the American economy to move forward. We cannot stick our heads in the sand. We are living in a global economy. We need to have America out there as a leader in that global economy to make it a freer economy, to help with regard to jobs and exports in this country.

I urge my colleagues, forget the politics. Forget the Republicans and the Democrats. Do what is in your heart. If you really believe in free trade, vote for fast track today.

Mr. MATSUI. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio (Ms. KAPTUR).

Ms. KAPTUR. Mr. Speaker, I thank the gentleman for yielding me the time.

Just this week Levi Strauss announced the layoff of 6,395 U.S. workers at 11 plants. Kodak has announced plans to lay off up to 14,000 workers, and hundreds of workers at Huffy Bicycle in Celina, Ohio have just gotten the pink slip.

By voting no on extending fast track authority today, this House has the opportunity to redefine U.S. trade negotiating policy from one which gives away the store to one which establishes an international trade regime of fair and reciprocal trade with our trade competitors.

Just look at the evidence on agriculture. The consultation provisions included in this bill have no practical effect. They mean nothing. Just with our NAFTA trading partners on this continent, what had been a surplus has now turned into a $2 billion negative balance, adversely impacting our agricultural trade sector. Existing trade agreements adversely affect U.S. farmers by lack of inspection on food safety, surges in agriculture imports, an inadequate trade dispute resolution system, and no way to hedge currency fluctuations.

Overall since the Trade Act of 1974, where fast track was first approved, our trade deficit has moved from $9 billion to $220 billion.

Vote no on fast track. Stand up for the U.S. standard of living.

By voting no on every Fast Track authority today, the House has the opportunity to redefine U.S. trade negotiating policy—from one which gives away the store—to one that establishes an international trade regime of fair and reciprocal trade agreements between our nation and our trading competitors.

Look at the evidence on agriculture provisions: The consultation provisions in the modifications made to H.R. 2621 in regard to agriculture issues have no practical effect. Just with our NAFTA trading partners, what has been a surplus imports rose by $3 billion and exports by only $1 billion—a $2 billion negative impact on our agricultural trade balance. Take the Florida tomato industry, for instance. In 1991, Florida had 300 tomato producers. In 1995, there were only 75.

The problems existing trade agreements have created that adversely affect U.S. farmers include: Lack of inspection of food imports; Surges in agricultural imports; An inadequate trade dispute resolution system; and Currency fluctuations.

Overall, since the Trade Act of 1974, implementation of fast track, the U.S. has suffered a negative merchandise trade balance. From $9 billion in 1976 to an estimated $220 billion in 1998.

The problem is not trade but our trade policy. Our trade policy serves the needs of nominally American multinational corporations whose business visions and plans are global in scope and which maintain no national allegiance. Our trade policy has failed America's small businesses families, America's working families, and America's consumers.

When a multinational conglomerate moves a factory overseas, the local grocery doesn't go with it. The auto parts store loses its customers. Small supplier companies lost their customer. American small business hurts. Real wages for American working people have fallen since 1973. Consumers pay as much for an Arrow shirt made in Thailand as for the same shirt made in the U.S.

Fast Track is not required for good trade agreements. It is required to get bad trade deals through Congress.

This Administration has negotiated 220 plus trade agreements without fast track. The fast track bill we consider today actually puts limits on the President's negotiating options rather than giving him a free hand to negotiate.

Our trade balance with MERCOSUR countries has steadily improved since 1990 (from −$3.2 billion to +$9.2 billion in 1996) without a free trade agreement. MERCOSUR countries have an average tariff of 14%.

China is touted as the great new market for American exports. The average annual income in China is $2,200. China has many tariffs on consumer goods of 40% or higher. Imports to China have to survive an obstacle course of non-tariff barriers including import regulations that are not even published. China demands technology transfers to accompany the importation of high-value-added goods in order to develop domestic competition.

NAFTA's promises have proved illusory. Our trade surplus with Mexico has become a $16 billion trade deficit. NAFTA has eliminated 400,000 job opportunities in the U.S. The labor and environmental side agreements have provide toothless and unworkable. Just this week Levi Strauss announced the layoff of 6,395 workers at 11 plants and Kodak has announced plans to lay off up to 14,000 U.S. workers; 100's at Huffy Bicycle in Celina, Ohio.

NAFTA has failed Mexico. The Mexican standard of living has been cut by 50% Maquiladoras have increased not decreased and their employees live in squalor. Most U.S. exports to Mexico turn around and come back as imports. The Mexican market for U.S. exports has been a disappointment.

The solution is a U.S. trade policy that demands reciprocal treatment of labor and environmental issues on a par with market access and tariff issues.

Vote no on fast track!!!

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume.

I would simply like to remind all of the colleagues in this Chamber that the gentlewoman's concern about that escalation of our imports is not an invalid one. As we all know, yesterday we vastly increased the import of skilled labor because we lack labor in this country to meet all of the job requests.

Mr. Speaker, I yield 1½ minutes to the gentleman from Nebraska (Mr. BEREUTER).

(Mr. BEREUTER asked and was given permission to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, I rise today in strong support of fast track negotiating authority.

Today's vote is quite likely to be the most important vote of the 105th Congress, and it could not come at a more important time. Forty percent of the world's economy is in recession. The Asian financial crisis has spread from Thailand to Indonesia, to Korea, to Russia, and it now stands on Brazil's doorstep. If Brazil succumbs to this crisis, Argentina, Mexico and the United States are not far behind.

With many countries retreating from their promises of trade liberalization and financial modernization, this is a crucial moment for the world's economy and for world growth. A setback for fast track in the 105th Congress, be it last year or this year, is a setback for United States leadership for trade liberalization. It is a setback for the appropriate and necessary trend toward the establishment of market-oriented economies throughout the world.

Mr. Speaker, as one who also supports fundamental reexamination and reform of the international financial architecture, I believe that fast track negotiating authority for the executive

branch is very much relatedly of paramount importance in this time of global financial crisis and perhaps a slide toward global recession. The ability of the United States executive branch to initiate and conclude bilateral regional and global trade agreements is absolutely crucial for worldwide economic growth.

I believe that the President of the United States and a majority of Members here understand that. Protectionists in this country want to make this fast track vote a referendum on international trade, on GATT and NAFTA. This Member says, let it be a fair reform under fair rules, a fair referendum.

I urge my colleagues to support fast track legislation for the President.

Mr. McDERMOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. BENTSEN).

(Mr. BENTSEN asked and was given permission to revise and extend his remarks.)

Mr. BENTSEN. Mr. Speaker, I rise in support of the fast track legislation. I supported it last year. I think it is the right thing to do. I think the future of our economy is directly tied to trade.

But I think it is a mistake to take this bill up today. The chairman of the Committee on Ways and Means talked about the delicate markets that we face right now. Everybody knows this bill is going to fail. So here we have a situation where the House of Representatives is going to vote down fast track trading authority. We have been incapable of mustering support for the IMF recapitalization. We look like we are probably doing away with the fiscal responsibility that started just a few years ago through the highway bill and through the tax bill. So as the world financial situation worsens and starts to affect us, America appears to be turning inward, at least if we look at the House of Representatives. I think that is a terrible mistake.

The gentleman from Texas (Mr. DELAY), my colleague, and the chairman of the Subcommittee on Trade quoted the President in his State of the Union address he gave earlier this year. They did not quote the part where he talked about the IMF. And the fact is, you all cannot get it out of your own conference. The votes are here to pass the IMF bill between our side and your side, but you cannot get it out of the political debate in your own conference.

The fact that we are having this vote today, it is not about trade. It is not about good policy, although I think fast track is good policy. It is about politics. That is what it has come down to. Maybe that is the way end of sessions are. It is all about politics. We are going into an election.

The problem is, the people out in the country are looking at this and they are looking at the House and they are saying, they cannot do anything. They are a paralyzed body. But even worse, the markets around the world look at it and say, they cannot do anything. The United States is paralyzed. And that just undermines confidence and increases contagion further throughout the world.

Who pays for that? The American worker that we are all talking about today.

It is a real shame that the House is taking this up when they know it is going to fail. It is going to make the United States look bad. I will vote for it, but I think it is a big mistake.

Mr. Speaker, I rise in support of this legislation to grant the President fast-track authority to negotiate international trade agreements because I believe that expanded trade is good for our economy and good for American workers. However, I strongly disagree with the majority's decision to play politics with this issue by scheduling this vote today when it is clear the votes are not there to pass this bill. This decision undermines this nation's long history of bipartisanship on trade issues, poisons the long-term prospects for such legislation, and in the short-term risks further destabilizing world markets already experiencing the greatest instability and weakness in 50 years. The decision to hold this vote today puts partisan politics ahead of international leadership, to the detriment of our own economy and the world economy.

Let me be clear. I strongly support extending fast-track authority to the President. In anticipation of last year's vote, and after discussion with constituents, including labor and industry, as well as government officials and economic and trade experts, I announced that I would vote in support of the fast-track legislation. I did so because I believe that expanded trade, through agreements that reduce foreign trade barriers and open new markets for American products, is vital to growing our economy, raising our standard of living, and creating high-skilled, high-wage jobs. However, I announced my support only after having secured from the President a commitment to significantly expand our nation's trade adjustment assistance programs to help those who are hurt by trade. While I believe that trade helps our economy as a whole, we must recognize that some industries and some workers are hurt by trade, and we need to put in place a comprehensive trade policy that seeks to maximize the benefits and minimize the harm. I remain strongly committed to an economic policy that includes free and fair trade that reduces foreign trade barriers to American products, while ensuring that all Americans share in the benefits of trade through trade adjustment assistance and retraining programs.

While I agree philosophically with the intent of this legislation, I believe it is short-sighted and dangerous for the majority to hold this vote today. Global markets are looking to the United States for stability and guidance as global financial markets move through this difficult era. As Federal Reserve Chairman Alan Greenspan noted in his testimony to the House Banking Committee on Wednesday, world leaders, including the U.S. Congress, must pay very close attention to the potential harm of the global financial crisis to their own countries. In a time when we see contagion in Asia, a collapse of the Russian economy and the economic turmoil in Latin America, we simply cannot take our vote on fast-track lightly.

By voting on this bill today, which has no chance for passage, this body is taking a very irresponsible action that places short-term political goals ahead of assuring global markets of our nation's commitment to financial security and free markets. The end result of this politically motivated effort will only make passage of fast-track even less likely during the next Congress. While I will vote ''yes'' on final passage, it is only with the most reluctance and hesitation.

Mr. CRANE. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. SHAW), our distinguished colleague on the Committee on Ways and Means.

Mr. SHAW. Mr. Speaker, I thank the chairman for yielding me the time to speak on this most important piece of legislation.

So much has been said on both sides, by Members on both sides of this issue and on both sides of the aisle, about what is happening in the world economy today. And some of those things, when you really zero in on them, are rather frightening.

All this legislation does is to give the President the authority to go to the bargaining table to work out some type of a trade agreement, free trade agreement. And then, with the expectation and the knowledge and the fact that that particular treaty has to come back to this body and to the Senate for ratification. We in no way empower the President to do anything. We simply give him the guarantee of an up-or-down vote on whatever he might negotiate.

Now, for most of the Members that would seem so logical, but politics has gotten into this thing in an incredible way and an incredibly bad way. The unions are out there negotiating or trying to lean on their Members to vote against the fast track authority, when the fact is and the bottom line is that the higher-level jobs stay here in the United States, and those are the type of jobs that these unions want to attract to the United States. I never could understand that exact reasoning.

I think most important, even if you are not a free trader, the rest of the world is becoming a free trader. We are not there. The rest of the world is moving ahead. We are standing still in a protectionist situation. This is what this is all about.

If we were able to pass fast track within the next hour, hour and a half, that would probably be one of the most important votes that we could take in this session of the Congress that show that we are moving ahead. How can the strongest, largest economy that has ever been on the face of this earth be afraid of free trade?

We are the world's greatest exporter, the largest exporter in the world. Our jobs depend upon it. With all of the problems that are going on in the other economies, let us pull together and pass fast track today. Let us give the President the authority that he needs to move us ahead in the world economy.

Mr. MATSUI. Mr. Speaker, I yield myself such time as I may consume, just to mention to the gentleman, if you want to pass fast track, all you have to do is get the law that expired in 1994, which we passed in 1988, put it on the floor, and you will probably have 250 votes. But you do not want to do that because you really do not want this bill to pass. You want to use it for partisan advantage.

Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Speaker, I thank the gentleman for yielding me the time.

This is a sad moment for me because I came to Congress believing in enhancing the United States role in a global economy. I represent a State which has prospered mightily from trade. I have enjoyed working with my colleagues the gentleman from California (Mr. MATSUI), the gentleman from New York (Mr. RANGEL) and with members on the other side of the aisle like the gentleman from Illinois (Mr. CRANE), the gentleman from California (Mr. DREIER) and the gentleman from Arizona (Mr. KOLBE) in the development of a bipartisan trade policy.

Last year I was part of an effort, and we came close, there were maybe 210 Members who were willing to vote. But because we were not quite close enough, the Republican Speaker and the administration pulled it back.

Now, in an increasingly partisan atmosphere, the Republican leadership has recklessly endangered our progress and will produce not just fewer Democrats, there will be fewer Republicans that will vote for this bill than we claim to have had last year.

It will undercut our progress on environment and labor. It is a blatant partisan effort that will freeze some of the positions on both sides of the aisle. It toys with Members who really do care about this issue. And by producing today fewer Republicans, fewer Democrats, we are going to send a negative economic signal both at home and abroad.

Most sadly, it shatters the bipartisan trade leadership efforts that Members have worked so hard on on this floor.

I will personally work to restore that bipartisan coalition, work to build bridges, listen to and deal with the legitimate concerns Members have. But this failure that is going to occur today does not underscore the weakness of this President. It talks about the recklessness of the Republican leadership that is not going to be able to produce the same amount of votes that they claimed last year. I am not going to dignify this political act with a yes vote. I will vote present, and I urge others to do similar or vote against it.

I thank the gentleman for yielding me the time.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume to remind our distinguished ranking minority member that there was obviously something substantive in this bill when he voted for it in committee. I am sorry that the gentleman changed his position with the passage of time, because we need that kind of important bipartisan support.

Mr. Speaker, I yield 2 minutes to our distinguished colleague, the gentleman from Minnesota (Mr. RAMSTAD).

Mr. RAMSTAD. Mr. Speaker, I thank the distinguished chairman for yielding the time to me.

Mr. Speaker, if ever we needed to put statesmanship ahead of partisanship, it is here and now. We can move forward, remaining engaged in the global marketplace, or we can turn backward and isolate ourselves, driving a stake into our economy and saying goodbye to thousands of lost jobs.

As has been said before, the world economy will move forward with or without us. Our trading partners will continue to negotiate and enter into new trade agreements which grow their businesses and create new jobs in their countries.

Look at the last 20 major trade agreements enacted in this hemisphere since fast track expired. Where is the United States? Left out of all 20 major agreements. Around the world, believe me, Mr. Speaker, major exporting nations are hoping that Congress votes down fast track authority tonight.

□ 1700

Our competitors win if the world's largest economy is excluded from trade negotiations, pure and simple. As a Minnesotan and a member of the Subcommittee on Trade, I have seen firsthand the value of exports and increased trade to U.S. workers. My State of Minnesota is the 12th largest exporting State. The Twin Cities, which includes the Third Congressional District, is the eighth largest metropolitan area in terms of exporting in the Nation. Eight percent of Minnesota's gross State product is exported to other nations. Minnesota's exports over the last five years have grown 150 percent. Jobs have increased 25 percent.

But, Mr. Speaker, we cannot sit still. We must pass fast track to continue to grow our economy. Farmers in Minnesota and the rest of the Nation need the expanding markets in Latin America and Asia. Our high-tech manufacturers need them. Intellectual property needs them. Fast track is needed to break down the barriers to those critical markets.

The gentleman from New York (Mr. HOUGHTON) told us that 96 percent of the world's consumers live outside the United States. We cannot ignore them. Let us not leave America's workers, farmers, consumers and businesses behind. Let us put statesmanship ahead of partisanship. Let us pass fast track and keep America competitive.

Mr. MATSUI. Mr. Speaker, I yield myself such time as I may consume. I just might mention to the chair of the subcommittee that we did not even bring this bill to the committee nor subcommittee. We just brought it right to the floor because you were so anxious to make a political point.

I might add also last week in Congress Daily AM, ''One senior Republican aide appeared to view the bill as a loser, indicating that the leadership's decision to press is based upon political calculations. 'The decision to do it is to show business who is in the camp of business and who is in the camp of labor.'''

That is a great way to pass legislation. You know this bill is not going to pass. All this rhetoric about how we really need fast track is just that. It is rhetoric. This is not a debating society. This is to pass good legislation. But you are incapable of doing it because you folks do not know how to compromise. We passed NAFTA. We passed GATT. We passed the MFN China. You cannot pass legislation, because you just do not know how to compromise and make deals. That is the problem. You like to just talk about it.

Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. BECERRA).

Mr. BECERRA. Mr. Speaker, I thank the gentleman for yielding me this time. I would agree with everyone who has said that we need free trade. I would agree with everyone who says that we need to give the President fast track authority to negotiate free trade agreements. But we need free trade that offers fair treatment for America's workers and offers protection of our environment. And we need a bill to vote on for fast track authority that is not encumbered by politics.

Everyone here, as has been said before, knows that this bill is not going to pass. If you believe it will, then you should stand up here and say that you are willing to put your month's paycheck behind that. Yet we are five days away from the end of this fiscal year. On day six, we would have to shut the doors of government down because we do not yet have a budget in place to allow us to operate the government for the next fiscal year beginning October 1. Were it not for a short-term, stopgap, emergency continuing resolution that passed this House that allows us to operate until October 9, we would be preparing to close all of the doors of government down, from our parks to our Defense Department to our Department of Justice, in five days.

Today we are taking time to discuss fast track authority when we know it will fail, when we are five days away from closing down the end of the fiscal year and only one of the 13 appropriations bills that we need to have a full budget for the next fiscal year has been sent to the President for his signature. Why are we doing this? We know what is going to happen. October 9 will come and we still will not have those 12 other appropriation bills passed. We are not doing our work. We know this will not pass. It is clear six weeks away from an election, a point is to be made.

That point could have been made without jeopardizing the future of free trade for this country, of good fast track authority for the President.

It is unfortunate that politics again has taken over this House and has doomed what should otherwise be a good opportunity to have free trade authority and fast track authority for this President.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume. I would remind our colleagues that job relocation has always been a component of trade. Because of NAFTA, the Department of Labor estimated that we did lose 125,000 jobs, but only 10,000 of those people took advantage of the NAFTA retraining benefits. That was over the span of three years. We create more than 125,000 jobs every two weeks. We have been, primarily because of the advancement of free trade.

Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Michigan (Mr. CAMP).

(Mr. CAMP asked and was given permission to revise and extend his remarks.)

Mr. CAMP. Mr. Speaker, I thank the gentleman for yielding me this time. I would say to my colleagues from rural districts, this fast track bill has some of the most important pro-agricultural language in any bill you will vote on this year. A vote for fast track is a vote for United States farm families.

A provision in our fast track bill not included in any other version that has passed the House before in the 1980s or any other time, Special 301 for agriculture, requires the Trade Representative to place a much higher focus on our Nation's farmers every year, initiating cases against those countries with barriers to U.S. agricultural products. There is no doubt about it, our farmers are hurting this year. Why? Part of it is weather. In my own congressional district we have had half the rain of a normal year. But a lot of it also has to do with international conditions. South American countries had a bumper crop this year, pushing worldwide crop prices down. The Asian economic crisis pushed prices down further, because Asian demand has plummeted. The lack of demand is cutting U.S. agricultural exports by $2 billion or more, according to USDA estimates.

But we need to be able to tell our farmers in 1998, ''We're going to help you, we're going to help you increase your share in international markets when a strong dollar or weak demand are working against us. We are going to help you get good prices and a fair farm income.''

Trade is one of the most important tools we have to increase farm income. Last year our farmers exported $57 billion in agricultural products. With a $21 billion trade surplus last year, farmers made the largest dent in our trade deficit of any industry. Special 301 for agriculture helps address trade barriers. Under Special 301, when the U.S. Trade Representative makes their annual report on trade barriers, they must identify as priority countries those nations whose agricultural trade barriers have the most harmful impact on U.S. agricultural products. After identifying those countries, USTR is required to negotiate removal of the discriminatory barriers. If negotiations are unsuccessful, the U.S. can take retaliatory action under 301.

I am pleased to have worked on this provision with the gentleman from Minnesota (Mr. GUTKNECHT). I urge support of the bill.

Mr. MATSUI. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, as a Democratic supporter of fast track, I say here today that the Republican leadership of this House has killed the possibility of fast track's passage for years to come.

Let us be clear about what has happened and let us be honest about what has happened. Republicans have enough votes right now today to pass fast track without one single Democratic vote. You know that and I know that. But you also know you cannot do that, because there are a lot of Republicans not supporting fast track. So what you have done basically is to say, ''We can't pass it on our own,'' and then you gleefully let your leaders go out and say this is a great vote to have right before the election because it will give Democrats grief, and then you make no real effort to put together a bipartisan bill, and then have the audacity to have some Members come to the well of this House and blame the defeat of this on Democrats. I would say that is disingenuous.

I want fast track to pass. I think it is the right thing to do. But I hope that every American farmer and rancher and every American business that understands the importance of fast track knows that the Republican leadership today is putting the nail of death into the coffin of fast track's passage.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume. One more quote:

''As we enter the 21st century, the global economy requires us to seek opportunity, not just at home but in all of the markets of the world. We must shape this global economy, not shrink from it.''

That again is President William Clinton in this Chamber in January of this year.

Mr. Speaker, I yield 1½ minutes to the gentleman from Virginia (Mr. DAVIS).

Mr. DAVIS of Virginia. Mr. Speaker, this is not a bipartisan bill? This is a bill that just a few months ago the President would have signed and many of you voted for it in committee and would vote for it.

I am really disappointed in some of my colleagues on the other side of the aisle. What I hear them saying is they are more concerned about protecting some of their Members from a controversial vote that splits their coalition than in passing fast track. Frankly as one of the Republicans who voted for IMF funding over objections from some of my leadership, I do not think it is statesmanship, I do not think it is the right direction for the country, and I do not think you are giving cover to anybody by voting ''no'' on this or fooling anybody.

But meantime, the world goes on. Dozens of treaties are being negotiated around the world between countries while America simply sits on the sidelines. Chile, the fastest growing economy in the western hemisphere, has new trade agreements with every country in the western hemisphere except for Cuba and the United States. Their markets now buy more from European countries than from the United States because we have not been able to sit down and negotiate agreements with them because we sit idly by in the House waiting for, I guess what people on the other side would wait for an opportune time, which I gather now is sometime after the election when they believe their coalition is not split.

Our experience with amendable trade agreements goes way back to Smoot-Hawley and shows that it does not work. We need fast track legislation. This is the longest expiration that we have had in history. With 95, 96 percent of world consumers living outside the United States, it is important that the surpluses that we have in this country, whether it is computers, whether it is food and agricultural products, that we be able to sell these at a fair price and penetrate other markets. Without this, we cannot move on.

A ''no'' vote today just kisses this off to six months or a year from now. In the meantime, American consumers suffer by paying higher prices and American exporters lose jobs.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. OBERSTAR).

Mr. OBERSTAR. I thank the gentleman for yielding me this time. Mr. Speaker, we in Minnesota and Michigan's iron ore and mining industry and the lower lake steel mills must never forget the harsh lessons of the 1970s and 1980s. We paid a terrible price for unfair trading practices in steel and iron ore. We lost 330,000 jobs in the basic steel industry in America, a 57 percent reduction in jobs, 450 plants closed, nearly 10,000 jobs permanently lost in Minnesota's iron ore, mining and taconite industry due to subsidized imports of steel from Japan, Korea, Europe and Brazil.

Our domestic industry since then has modernized, spent $50 billion in new plant and equipment, producing the highest quality steel in the world. Our productivity stands at four man-hours per ton. Our plants give the best quality steel at the lowest cost. Yet steel imports have surged in May, June and July this year, 113 percent up from Japan, 90 percent up from Korea, 32 percent up from Russia, Ukraine and

others. From Latin America and the Caribbean, imports stand at 4.7 million tons for the first seven months of this year alone. We are on a pace toward 36 million tons of steel imports in America, 26 percent of domestic consumption. Layoffs are already happening in basic steel and in the iron ore mining industry in Minnesota and Michigan.

I say no fast track in the face of unfairly traded steel, dumped in the U.S. market at subsidized prices with the label ''Japanese steel at Russian prices imported from Latin America.''

Mr. CRANE. Mr. Speaker, I yield 1½ minutes to the gentleman from Illinois (Mr. MANZULLO).

Mr. MANZULLO. Mr. Speaker, they get up at the crack of dawn and they work 18 hours a day. They take care of their animals. They cultivate their crops. They repair the roofs of their barns that have been torn off by savage winds. They are preparing to go into the field, to cultivate the corn, to harvest it, to sell it. Harvest time is the time to pass fast track. Because without fast track, American farmers have lost 78 million bushels of corn in sales to Chile and three other Latin American countries to the Argentinians. Because Argentina has an agreement with those four Latin American countries and we do not.

□ 1715

Let us talk about the people. Let us talk about the farmers who are directly suffering as a result of the President's failure to lead the Nation in adopting fast track. They are the ones that are suffering. Them. The ones who work all those hours. And to the men and women at the Neon plant in Chrysler, they could not sell 4000 Neons to Chile. Mexico sold those Neons to Chile because Mexico has a free trade agreement with Chile and the United States does not. Four thousand automobiles could have been manufactured in this country, and they were not because we do not have fast track.

Mr. Speaker, it is the people that count.

Mr. MCDERMOTT. Mr. Speaker, I yield 2½ minutes to the gentleman from Iowa (Mr. BOSWELL).

(Mr. BOSWELL asked and was given permission to revise and extend his remarks.)

Mr. BOSWELL. Mr. Speaker, I thank the gentleman for the opportunity to come and speak this afternoon, and I welcome the opportunity to finally see a vote on fast track. I deplore the games that have been played with American farmers and others who depend on trade.

Since last summer I have fought to include child labor provisions in the fast track legislation. Like many of my colleagues, I have lived outside the country for 9 years of my life, and I have seen firsthand some of the miserable conditions, some of the rotten conditions under which some children have to work. As the one true leader of the world stage, I believe the United States must be concerned about those who are least able to protect themselves, the children.

Mr. Speaker, I have worked with the administration and leaders from both sides of the aisle to have fast track legislation that will consider child labor in countries with which we negotiate under fast track. This bill make an important first step in this direction. As of last night, and I thank my colleagues, as of last night the bill requires the President to focus on the laws governing the exploitative labor and submit to this body a report on the Nation's child labor laws.

I might share with my colleagues that the amendment that I had tried to bring before this body did much the same thing. It said a country which we would deal with would have a standard for child labor, and, second, that they would not force their own standard, not saying what it would be. I think this accomplishes much the same thing.

So, Mr. Speaker, I claim that partial victory and I feel very good. Last year I worked very closely with the administration to support my child labor language, and the President did support my efforts and agreed to my language, and I have a letter here that affirms that, that precedes the fact that we made this effort.

This fast track bill gives farmers a fair shake in fast track negotiations. The legislation requires the trade representative to identify countries that deny fair and equitable market access to U.S. agricultural products. Also, before entering into negotiations that reduce United States tariffs on agricultural products the President must consult with the agricultural committees of the House and Senate. Involving the ag committee is a very good addition to the process.

Make no mistake, fast track is an important part of the long solution for the world economy. What our agricultural community needs in the short term is to fully fund the IMF. I have always supported fast track, and I have always supported provisions that contemplate child labor. Today I declare a partial win and am pleased to vote for fast track. Both of these are important measures.

Mr. CRANE. Mr. Speaker, I yield 1 minute to our distinguished colleague, the gentleman from California (Mr. CALVERT).

Mr. CALVERT. Mr. Speaker, I rise today in support of fast track trade legislation.

For the last several years the majority in Congress has eliminated the deficit, produced tax relief for the first time in 16 years and reformed welfare. The result has been a strong American economy. And Congress today has its role to play again. We cannot allow the current global economic crisis to slow U.S. economic growth any further.

By denying the President the ability to negotiate fast track trade agreements we are hurting the long term prosperity of our country. We in Congress must send a strong and clear signal to our citizens and the world that we are willing to make the tough decisions today to secure prosperity for our children.

Mr. Speaker, I urge all my colleagues to support fast track legislation. It is the right thing to do. As was mentioned, 95 percent of the customers are outside of the United States. Keep our country strong, support fast track.

Mr. MATSUI. Mr. Speaker, I ask unanimous consent to yield 2 additional minutes to the gentleman from Washington (Mr. MCDERMOTT) who is a member of the Committee on Ways and Means and that he in turn be permitted to control that time.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MATSUI. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. DAVIS).

(Mr. DAVIS of Illinois asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Illinois. Mr. Speaker, the American people oppose fast track by a 2-to-1 margin because they see existing trade agreements that do not do enough to protect living standards or to keep our food, air and water safe. Some Members of this body feel that because we are in an economic boom like we have never seen before that the American people should support fast track to give our industries an even stronger economic boost. But while the rich of America are enjoying the good times of economic prosperity, I am constantly reminded in my district that there are no good times to be poor, but some times are worse than others.

Now we understand the question is not whether we should trade. Of course we should. There is no turning back from our global economy. But we also must understand that how we trade makes a big difference.

Mr. Speaker, I heard an old African proverb that says when elephants fight it is only the grass that gets trampled. Do not let this fast track further trample the lives of every day people. I ask that we vote against fast track and vote to save decent jobs for the American people.

Mr. CRANE. Mr. Speaker, I yield a minute and a half to our distinguished colleague, the gentleman from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I just want to say that some of the debate I have heard so far today on the floor of the House is almost embarrassing. We have literally heard Members say:

I would have voted for this bill 6 months ago, and I will vote for it in January, but I cannot vote for it now.

Mr. Speaker, it almost gives hypocrisy a bad name even here in Washington.

This is a very important vote, and as some of my colleagues have already pointed out, many of our farmers are in the middle of the harvest right now, and, frankly, we need to make sure that that harvest has a market.

As my colleagues know, a lot of people have criticized the farm bill and they say farmers are going broke today. Well, of course they are. We have lost $5 billion worth of exports. Trade was at record high back in 1996, and so was farm income, and it is no coincidence. Exports have dropped, and so has farm income. We cannot eat all that we produce here in the United States. Trade is critically important to us, and I want to call attention to something that the gentleman from Iowa (Mr. BOSWELL) said just a minute ago and the gentleman from Michigan (Mr. CAMP) said earlier as well:

This bill has in it super 301 language so that our government is now going to be responsible for enforcing the trade agreements that we have. Heretofore we have required that the trade groups have actually had to enforce them.

In the end, Members, this is a debate between those who believe that America can compete in a world marketplace and those who believe that America cannot. I, for one, am not willing to give up on America's farmers or America's workers because I believe that America can and will and must compete in a world marketplace.

Mr. MCDERMOTT. Mr. Speaker, I yield 1½ minutes to the gentleman from Texas (Mr. STENHOLM).

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

Mr. STENHOLM. Mr. Speaker, I rise in strong support of fast track legislation. Fast track authority will ensure that the agricultural trade success story does not reach an untimely end and that we maintain our position as a leader in the global economy.

But it is not the esoteric language of economics and trade ratios that motivate me on this issue. It is people and especially the people of west Texas who I am privileged to represent. My farmers and ranchers are hurting, and so are all the people who have business related to agriculture. In the absence of recent trade progress, my constituents have lost ground and see their incomes decrease by 30 percent. They need a ray of hope that markets will soon open up and allow them to keep and expand jobs and care for their families.

Mr. Speaker, H.R. 2621 would renew the authority necessary to renegotiate new trade agreements aimed at achieving these objectives.

To those who oppose this legislation, that is all we are talking about is sending our negotiators back to the table.

To the Republican leadership I say that I sincerely hope in the process of making the judgment to bring this bill to the floor; today they have done everything in their power to make sure this measure succeeds. If this was a reckless gamble on their part, I fear the message that failure will send to our trading partners around the world.

To my colleagues on the Democratic side of the aisle who support free trade but have been frustrated about the process, let me say I understand their frustration, but it is time to put people above politics. Our constituents who need jobs, who need opportunities, look at our partisan squabbling as just so much childishness. Adults are expected to know that there comes a time when it does not matter who is at fault. They just have to take the circumstances they have been given and try to do what is right.

Mr. Speaker, I appeal to my friends on both sides of the aisle to vote yes for fast track.

Mr. Speaker, I rise in strong support of fast-track legislation on behalf of the farmers and ranchers and other producers of America. This legislation is far more important than any short-term political gain or benefit to either side.

U.S. agricultural trade is a great success story. Our agricultural exports have increased nearly $20 billion since 1990 to $57.1 billion in 1997. Sixty percent of this expansion was due to the rising volume of high-value exports, such as beef, poultry meat, and horticultural products. Bulk commodities, especially grains and soybeans, accounted for the rest of the expansion as both volume and prices rose in 1995–1996. How did this tremendous growth occur? Because of the trade agreements negotiated under previous fast-track authority.

Fast-track authority will ensure that the agricultural trade success story does not reach an untimely end, and that we maintain our position as a leader in the global economy. Future export prospects for U.S. agricultural products depend, in large part, on our ability to maintain and expand market access, ensure fair competition, and further level the international playing field for U.S. producers and exporters.

But it's not the esoteric language of economics and trade ratios that motivate me on this issue; it's people, and especially the people of west Texas whom I am privileged to represent. We have heard a lot today from folks on the other side of this issue about workers and jobs and what trade agreements mean for them. That is my concern precisely. My farmers and ranchers are hurting, and so are all of the people who have businesses related to agriculture. In the absence of recent trade progress, my constituents have lost ground and seen their incomes decrease by 30 percent. They need a ray of hope that markets will soon open up, allowing them to keep and expand their jobs and care for their families.

H.R. 2621 would renew the authority necessary to negotiate new trade agreements aimed at achieving these objectives. Any trade agreement reached under fast track would still require congressional approval. Fast track legislation simply says that we give our negotiators the authority they need to be at the table in upcoming trade negotiations in the World Trade Organization, Latin America, Asia, and elsewhere. Without fast-track authority, the U.S. will miss an important opportunity to help write the rules that will govern trade in the 21st century. Our farmers and ranchers, as well as other business exporters, will be left out in the cold.

To the Republican leadership I say that I sincerely hope in the process of making the judgment to bring this bill to a vote today, you have done everything in your power to make sure this measure succeeds. If this was a reckless gamble on your part, I fear the message that failure will send to our trading partners around the world.

To my colleagues on the Democratic side of the aisle who support free trade but have been frustrated about the process by which this bill has come to the floor, I say that I understand your frustration. But it's time to put people above politics. Our constituents who need jobs, who need opportunities, look at our partisan squabbling as just so much childishness. Adults are expected to know that there comes a time when it doesn't matter who is at fault—you just have to take the circumstances you've been given and try to do what's right.

Regardless of what you think about how we got to where we are today, we are past the point of arguing about whether this is the right time to vote on fast track. The time is here; the bill is before us. We must make a choice.

I appeal to my friends on my own side of the aisle to rise above the circumstances into which we were thrust and reaffirm our commitment to the hard-working men and women of our districts who count on us to keep their best interests at heart.

I ask all Members to put politics aside and pass this legislation. Vote for the American farmer and rancher, the small business man and woman. Vote yes for fast track.

Mr. CRANE. Mr. Speaker, I yield 2 minutes to our distinguished colleague, the gentleman from Nebraska (Mr. BARRETT).

Mr. BARRETT of Nebraska. Mr. Speaker, I obviously rise in support of H.R. 2621.

Mr. Speaker, I know that everyone is aware of the economic distress out there on our farms and our ranches. Fast track, of course, is one of the much needed responses to that situation.

This fall, if we fail to pass it and if we adjourn without having extended fast track, if the legislation does fail, I think the finger of blame can be directed, of course, straight at the White House for failing to rally the number of Democrat votes needed to pass.

Agriculture is dependent on its export markets, and it is the responsibility of Congress and the administration to make sure that those markets are maintained and expanded. We need lower foreign tariffs, we need to stop the use of foreign trading enterprises to block or underbid our U.S. ag exports, and of course we need fast track to get this done.

For those who argue an imperiled Bill Clinton should not be granted fast track authority, they might be looking at the trade issue with blinders on. It will be the trade experts at the table, not the President, and if history is any gauge, the next round of GATT will not be completed for years. Bill Clinton will be out of the picture by then.

This could be a good day for agriculture and other industries dependent on exports, and I hope it is. I hope enough Members muster the courage to

ignore the pleadings of labor unions and protectionists who want us to live in the past ignoring the global marketplace and limiting future economic growth. U.S. businesses and industry cannot survive without fully participating in the global marketplace, and of course we need fast track to negotiate that full and fair participation.

I urge my colleagues to support H.R. 2621.

Mr. MATSUI. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Speaker, the message we send to the world today by voting no on fast track is crystal clear. The primary focus of the next generation of trade policies will be in support of worker rights, strong environmental laws and solid food safety regulations.

□ 1730

Future trade agreements coming from this Congress will mean better wages in developing countries, and improved environment, better food safety and increased workers' rights. Existing trade agreements have all too often eroded our living standards, undermined clean air and water laws, and continued to depress wages from workers all over the world, from Nike workers in Indonesia, to GM workers in Mexico, to metal workers in Lorraine, Ohio.

Vote no on fast track.

Mr. CRANE. Mr. Speaker, I yield 1½ minutes to the gentleman from Kansas (Mr. RYUN).

Mr. RYUN. Mr. Speaker, while the majority of Americans are enjoying an unprecedented level of economic prosperity, natural disasters and low farm commodity prices are hurting farmers nationwide.

I have seen firsthand the devastating effects facing farmers in my state. The farmers near LeRoy, Kansas, must sell their wheat, milo, corn and soybeans at record low prices, primarily because export markets for these products have been shut out. Farmers simply cannot survive under these conditions.

The correlation between fast track authority and the recent decline in farm prices is unmistakable. When U.S. presidents have had fast track authority, commodity prices have remained stable. However, prices have sharply declined for these products since 1996 when fast track authority expired.

Approval of fast track is a vital step in relieving the burden that has fallen so heavily on the backs of American farm families. It is wrong. It is absolutely wrong for us to prevent our hard-working farmers from earning a living and feeding their families while they allow us to feed our own.

Mr. Speaker, I encourage my colleagues on both sides of the aisle and the President to stand up for American farmers and approve fast track authority.

Mr. MATSUI. Mr. Speaker, I yield one minute to the gentleman from Pennsylvania (Mr. KLINK).

Mr. KLINK. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I cannot believe what I am hearing: If we do not have fast track authority, we cannot negotiate a trade agreement. Yet dozens upon dozens of trade agreements have been negotiated by this administration without fast track authority, including a giant international telecom agreement. That is the fact of the matter.

The question here is whether we as Members of Congress have a say in what is done. And I have to go back to NAFTA, because there were many of us in this chamber that had concerns about the environmental measures, about the labor law measures, about the fact that increased drugs would come here. We wanted to insert language into the agreement. We could not do that. We were concerned about the violence and the assassinations in Mexico and wanted to put some language in to deal with that. We wanted to deal with the problem of their indigenous population. Right after NAFTA passed, they had a revolution. We did not have an opportunity to deal with that.

The question is whether we here in Congress want to have a say or whether we just want to have an up or down vote on every trade agreement.

Do not give up what is your duty. We as Members of Congress are to have a say in the commerce of this Nation. Fast track flushes that away.

Mr. CRANE. Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from California (Mr. CUNNINGHAM).

Mr. CUNNINGHAM. Mr. Speaker, I would like to commend the gentleman from Texas (Mr. STENHOLM). I think of all the debate today, that he was very rational. He asked both sides to take a look at this and come together, instead of the partisanship from either side. I laud the gentleman.

I was undecided. I have been treed, I have been lobbied, but never threatened, because I said I did not know if I was going to vote for this bill, and I came here today to listen, and I am appalled.

I would tell my friend from California, I am appalled, because when we sit down, the thing we talk about that we hate the most about this job is the partisanship at times. And I want to tell you, this debate has sickened most of us on this floor, that when you want to talk about an issue and you are well rehearsed in unison partisan attacks on the Republicans, it sickens this debate.

I grew up in Missouri. I have friends that have farms that are having to work second and third jobs just to hang onto their farms. I have got ranchers in California from whom you can buy a cow for about $500, about one-third of the value that it should be. They are dying.

The most important thing that I hear today is that this is the most important vote that we can cast in this body for our farmers and our ranchers and our small business people. But yet we would rather stay up here and say the Republicans are only doing this to embarrass the President.

This gentleman is not doing that. I came to this floor to listen to an honest debate, and I am sorry and saddened by the debate that has taken place today.

Mr. MATSUI. Mr. Speaker, I yield one minute to the gentleman from Rhode Island (Mr. KENNEDY).

Mr. KENNEDY of Rhode Island. Mr. Speaker, I want to thank the gentleman for yielding me this time.

Mr. Speaker, I want to say to my colleagues in this House that I had the opportunity this past year to go down to Reynosa, Mexico. I went into the maquiladora section. I went to several maquiladora sections. I went in unannounced to factories and introduced myself to the workers. Most of the workers were women, most of them were 14 and 15 years old. Most of them, I would say 90 percent of them, worked six days a week, and at the end of the week they had $47 to take home. I went to neighborhood after neighborhood, and all I saw were mud floors. No indoor plumbing.

So I say to myself, it is fine to talk about this global economy and the need for trade, but the fact of the matter is, as Martin Luther King said, we are all going to be affected by the same web of mutuality. If we do not insist on standards for our brothers and sisters in Mexico, believe me, we are the next ones on the chopping blocks.

In my state of Rhode Island, we have already seen our workers lose jobs and benefits because of the depressing aspect that NAFTA has had on our workers' conditions here in this country. Vote no on fast track authority. Let the Congress decide how to enforce the status.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would say to my colleague that in my lifetime as a child before World War II, I was child labor at the farm. We got paid 10 cents an hour, worked 10 hours a day to make a dollar, six days a week, and we were ecstatic. We had no indoor plumbing and had no electricity either. But we made a tremendous transition upward nationwide from that time. That was in the State of Indiana, I might remind the gentleman too.

Mr. Speaker, I yield 1½ minutes to the gentleman from Michigan (Mr. UPTON).

Mr. UPTON. Mr. Speaker, what is fast track? Fast track allows the President to negotiate trade agreements with other countries. Does Congress lose its right to approve those treaties, those agreements? No, they do not. Absolutely not. This body, this Congress, will then vote yes or no based on the merits of the trade agreement that may be negotiated.

I would like to think that every Republican and every Democrat in this body does in fact care about jobs. Let

me tell you about some of the jobs in Michigan, an exporter, by the way, to the tune of $38 billion in exports last year.

I visited a multinational company recently that showed me a letter from their general manager down in Chile. That letter talked about the importance of Chile's market, their leadership, the gateway to a very important market in the world. That general manager in that letter asked that the Michigan company stop sending goods manufactured in Michigan and change to their facility in Canada.

Why? Well, Canada, thanks to their free trade agreement, their strategy, their trade agreements they have been able to reach because they had fast track, do not have to pay tariffs on their goods going down to Chile. That is right. That same good produced in Canada has an automatic 11 percent discount compared to the same product manufactured in Michigan. We cannot do that. Why? We do not have fast track. This bill allows that to happen.

We see this happening time and time again across the country. Without fast track, there are incentives in fact for companies to send their manufactured goods from other countries.

Mr. McDERMOTT. Mr. Speaker, I yield two minutes to the gentleman from Ohio (Mr. SAWYER).

(Mr. SAWYER asked and was given permission to revise and extend his remarks.)

Mr. SAWYER. Mr. Speaker, the chairman of the Committee on Ways and Means got it exactly right. This is a very fragile time. And while I am inclined to support this bill, that fragility makes this measure at this time a foolhardy exercise that could greatly damage our economic strength in the world.

Make no mistake about it: American prosperity depends on the success of our trading arrangements. Today the world's balance of power is defined less in military terms than it is as a matter of economic strength. Trade negotiations are as important to our economic future as the Soviet arms talks were to our national security in an earlier era. But subjecting fast-track legislation to certain defeat today is not only bad politics, it is bad and dangerous policy. It sends a reckless message to securities markets everywhere.

Our inability to work out an orderly agreement for trade negotiating authority can do real damage in real time to already fragile markets, including our own, and to economies around the world. Moreover, it damages the worthwhile goals of people on both sides of the measure before us. It works toward no constructive resolution of legitimate concerns over labor and environmental standards that are within our grasp.

Negotiating authority is important because our prosperity is tied to market opening global trade, and I believe we must move forward. But playing reckless politics with this issue is a dangerous exercise, and those who brought it to the floor will bear the burden for its defeat and whatever consequences it has throughout the world.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to pass on another quote two to our colleagues this evening. ''I think we should seek to advance worker and environmental standards around the world. I have made it abundantly clear that it should be part of our trade agenda. But we cannot influence other countries' decisions if we send them a message that we are backing away from trade with them.''

Again, President Clinton in January of this year in this chamber.

Mr. Speaker, I yield one minute to the gentleman from Washington (Mr. NETHERCUTT).

Mr. NETHERCUTT. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, if American agriculture does not grow, it will die. That is what Secretary Glickman has said, and he is absolutely right.

The reason I am supporting this fast track bill is because it has the tremendous potential for our agriculture exports to grow and prevent American agriculture from suffering more than it already has this year.

This bill has an agriculture component that allows an ag trade representative to sit at the table at all trade negotiations and to report back to Congress the effort that such negotiations have on agriculture. We in Congress get to vote on these final trade bills. We get to vote no if they are no good, and I would not hesitate to vote no. I trust my friends on the left would not either.

What is interesting is we have heard today people say, let us fund IMF with $18 billion. What is surprising is those proponents would trust a non-American entity with an $18 billion sort of unstructured commitment, but not trust the President of the United States or this administration to negotiate a trade bill.

If you support agriculture, vote for fast track.

Mr. MATSUI. Mr. Speaker, I yield two minutes to the gentleman from Ohio (Mr. TRAFICANT.)

(Mr. TRAFICANT asked and was given permission to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, this is not a free trade bill. This is not even a trade bill. This is a process bill, an accelerated process on how we are going to handle the trade agreement. And, once again, Congress is going to turn the powers over to the White House.

So I have a couple questions. The first one is, if our policy on trade is so good, why do we not follow the Constitution and have the Senate ratify it with a two-thirds vote? And another question, maybe a street question: If our trade policy is so good, why does China not do it? Why does Japan not do it? I want you to think about that.

You know, it really gets to me when we talk about all of this. China is building missiles with American dollars, Japan is building schools with American dollars, Mexico is building factories with American dollars. America is building prisons and passing out training vouchers.

Now, I have heard all of this about all these great jobs you are producing. We are shipping jobs overseas and we are not even keeping score.

So I just want to say this to the Congress: An America that buys much more than they sell year in and year out is an America that is facing economic and military disaster.

□ 1745

If this policy is so good, let two-thirds of the United States Senate ratify it and let it earn its merits through the constitutional process.

I would just like to say one other thing. Even a flea market charges table space. American policies are subsidizing foreign workers and American policies are downsizing American workers. Members can give me all the statistics on jobs they want, but we are flipping a lot of hamburgers in America. People are worried sick about their jobs.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to remind my colleague, again, the gentleman from I think it is Poland, Ohio (Mr. TRAFICANT), I would like to remind him that we have been at full employment for now 3 years in a row, and that the fastest growing component of our national economy has been trade. It has been the most productive. That is what we are putting at risk when we contemplate terminating international trade agreements.

I would remind my colleague also that the Constitution says that on trade issues we are the ultimate judge. Under fast track, we are still the ultimate judge. We make the input all along the way, we look at the final product, and then we vote it up or down, so it is exclusively within our jurisdiction. I would urge the gentleman to reconsider his misguided policy.

Mr. Speaker, I yield 2 minutes to my distinguished colleague, the gentleman from Arizona (Mr. KOLBE)

Mr. KOLBE. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I would like to respond to a few of the arguments that I have been listening to in this debate today. One, of course, that we have heard over and over again is about how trade and trade agreements are going to drive down incomes, they are going to drive down wages.

It is ironic that argument should be raised today. Here on the front page of the Washington Post, ''Poverty rate fell, incomes rose in 1997. Income for the typical American household rose at a rate nearly twice that of inflation in 1997, and income and poverty figures

returned to the levels that the Nation hasn't seen before the last recession,'' more than a decade ago.

So it is just false. We have had a 3,000 percent increase in trade over the last 35 years, a tremendous increase in the last 7 to 10 years. It is absolutely false to say that income levels are falling, that jobs are being lost. How can they argue that jobs are being lost when 6 million jobs have been created in the last few years, and unemployment is at the lowest possible rate? We have to be putting our heads in the sand, imagining things, to say that employment has been lost.

The second argument I want to raise is one we have heard a lot of on the floor the last several years, why we need to provide the funding for the IMF. I happen to believe that is important. I do think part of our world responsibilities is to have this funding to maintain stability in currencies.

However, I would like to ask my colleagues who urge us to vote for IMF, and then turn around and vote against fast track, how do they think these countries are ever going to generate the economy, the wherewithal, to repay the loans they get from the IMF? Or do they just believe there should be international welfare, that we should shell this money out, but those countries are never going to be able to have the income in order to make the repayments to the International Monetary Fund? It is another phony argument.

Finally, there is the political argument that somehow this is just being done for political reasons. There is politics that are being played. This President said last year he was for IMF, or for fast track. He said in his State of the Union speech this January he was for it. Now he is against it, but next January he will be for it again. If he was not off raising funds today, if he was here in the United States campaigning, if he was here in Washington campaigning for this, we might be able to pass this today.

I urge my colleagues to vote for this. Vote for America. Vote for our future. Vote for fast track.

Mr. MATSUI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I might just point out to the gentleman, my very dear friend from Arizona, that the President does not oppose fast track. The President advised the gentleman's membership in the early summer of this year that the votes were not there. He knew the votes were not there. The votes are not going to happen. They will not have 218 votes. The President was right about this.

We are bringing this up for no reason at all except for political advantage. The gentleman saw the quotes in the newspapers from various Members, including the chairman of the Republican Campaign Committee.

Mr. Speaker, I yield 2 minutes to the gentleman from the State of Oregon (Mr. DEFAZIO).

Mr. DEFAZIO. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I have heard some interesting things. I guess we could call it election year hyperbole. Somehow this legislation, fast track, is going to be the salvation of our failing family farms. Can they hang on for 5 or 10 years until the next hypothetical trade agreements brought forward under fast track? I don't think so.

Guess what, the last two agreements that came forward under fast track screwed the farmers in America. They were promised the world, but when it came down to whether the banking sector or the aerospace sector or the computer sector got favorable treatment in those agreements, and something had to be traded off, what got traded off? Agriculture.

This is about a process that includes plausible deniability. That means there are a lot of people here who do not want to take responsibility for what is happening in America. They can say, you know, I had concerns about NAFTA. I knew there were problems with some parts of NAFTA. I knew there were problems with labor agreements, they were kind of weak, and we lost a lot of jobs there, and wages have gone down on both sides of the border. Yes, I had some real concerns about those environmental provisions. I really did not think they would clean up the border, which is one of the largest and fastest growing hazardous waste sites in the world. But I had to vote up or down, and I could not sacrifice 2 years of secret negotiations, and we will fix those things later.

That is what we hear every time an agreement comes forward under fast track. Are Members going to blow up three years of careful secret negotiations, just because they have a minor concern about their farmers or about the environment or about American workers? No. The herd here most times said, gee, I would have liked to do something, but I could not. Why could they not? Because they gave away that authority at the beginning.

Do not give away that authority ever again. Have Members not learned from our past mistakes? Can we not learn from a $200 billion a year trade deficit? Can we not learn from a race to the bottom in terms of wages and the environment?

If we cannot learn, then hopefully the election year shenanigans here, this will help family farms, it is not going to do a damned thing for family farms, and the Members know that.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The Chair will remind Members they should avoid profanity.

Mr. CRANE. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Maryland (Mrs. MORELLA).

(Mrs. MORELLA asked and was given permission to revise and extend her remarks.)

Mrs. MORELLA. Mr. Speaker, I rise in support of the bill. I do not know why all this rhetoric, because this legislation is, at its essence, a simple and straightforward proposition.

The bill would give the President the authority to have a straight up or down vote on legislation implementing the trade agreements which he negotiates. It is the same authority which previous Congresses have granted to every U.S. president, Republicans and Democrats, since 1974.

Presidents need this authority in order to assure their negotiating partners that a deal is a deal. Why would anyone negotiate with someone who could not stand by the deal to which they agreed? Why would a national leader invest enormous time, energy, and prestige in a negotiating process in which the other party kept coming back to renegotiate the deal?

I just want to point out that in the last 10 years, about 70 percent of U.S. economic growth has been generated by the exporter of goods and services. In my own State of Maryland, our exports to Mexico, just as an example, have increased by 82 percent since the passage of the NAFTA. Overall, Maryland's exports have increased by almost 130 percent since 1987.

Expanded trade has opened markets, created opportunities for exporters, created jobs, strengthened the State economy, and raised the living standards for all Marylanders and throughout the country. We are not even debating a trade agreement, we are only proposing to allow the President an up or down vote on whatever deal he may reach.

Fast track authorization will give the President the opportunity to negotiate the strongest and most beneficial agreement possible. If Members do not like the agreement, we can vote against it. But to deny the President fast track authority is to prejudge and agreement before it is made.

Mr. MATSUI. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota (Mr. MINGE).

Mr. MINGE. Mr. Speaker, I thank the gentleman from California for yielding time to me.

Mr. Speaker, I am troubled by the circumstances in which fast track is coming up this afternoon. I am afraid that we are bringing this agreement up at this time, not so much to promote fast track as to promote wedge issues, and to claim that it is going to accomplish things going far beyond what it actually can accomplish in the short term.

I represent an agricultural area. I recognize the importance of trade. But I would also like to remind my colleagues that we just finished dealing with the International Monetary Fund. What happened? A very modest increase in funding, far below what the President requested, and no up or down vote on the actual $18 billion that are needed for IMF.

Perhaps even more important than something that is long-term or an intermediate term advantage opportunity for agriculture is what are we

doing in the short term. We ought to be bringing that up for a vote this afternoon. We need to respond to the agricultural crisis that confronts America, and do it promptly.

Mr. CRANE. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Connecticut (Mrs. JOHNSON) for a brief colloquy.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I would like to ask for clarification by the chairman of a provision which concerns negotiating objectives for trade in civil aircraft.

Is it the chairman's understanding that H.R. 2621 explicitly retains the legislated negotiating objectives contained in the Uruguay Round Agreements Act and the accompanying Statement of Administrative Action for trade in civil aircraft?

Mr. CRANE. Mr. Speaker, will the gentlewoman yield?

Mrs. JOHNSON of Connecticut. I yield to the gentleman from Illinois.

Mr. CRANE. Mr. Speaker, that is my understanding.

Mrs. JOHNSON of Connecticut. Then, I would ask the chairman, shall the USTR understand that such intent is confirmed in legislation, and ensure that the legislated objectives will continue to constitute the principal U.S. negotiating objectives in future negotiations?

Mr. CRANE. That is correct.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I thank the chairman for his support of this provision, which is necessary for the continuing international competitiveness of aerospace companies and the jobs they support.

Mr. CRANE. I thank the gentlewoman.

Mr. Speaker, I yield 1 minute to our distinguished colleague, the gentleman from Maryland (Mr. BARTLETT).

(Mr. BARTLETT of Maryland asked and was given permission to revise and extend his remarks.)

Mr. BARTLETT of Maryland. Mr. Speaker, I am strongly supportive of expanded free and open trade, but this bill is not the way to get there. It is unconstitutional. I have here a press release from the U.S. Chamber of Commerce to the media in my district, chastising me for not supporting this bill. They make my point. Listen.

''* * * noted that with fast track, negotiators would be able to close deals.'' The President and his negotiators closed the deal. Where is the Congress? We would become merely a rubber stamp, clearly in violation of the Constitution.

I am all for free and expanded trade. This is not the way to get there, at the expense of our Constitution. If we do not understand it, the U.S. Chamber understands it. The President and his negotiators would close the deal.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. ROEMER).

(Mr. ROEMER asked and was given permission to revise and extend his remarks.)

Mr. ROEMER. Mr. Speaker, thank my good friend, the gentleman from California (Mr. MATSUI) for yielding time to me.

Mr. Speaker, I rise today on the floor, recognizing the importance of trade and growth in our economy, and rise as a free trader. I have supported GATT, I have supported normal trade with China, I have supported the Caribbean Basin Initiative. I have also supported African trade.

But I also rise, Mr. Speaker, as a fair trader. These initiatives were both free, to get into new markets, and fair. This proposal, fast track, is more of NAFTA. It is free trade, but it is not fair to our working people, to the people with families and jobs, particularly in the Midwest.

□ 1800

NAFTA lost Hoosiers 17,000 jobs. NAFTA created a $40 billion deficit between the U.S. and Mexico when we had a surplus before, and fast track is more of NAFTA.

Let us defeat this bill, but let us work together in a bipartisan way for growth and trade. Let us work on improving education and training for displaced workers. Let us work on trade fairness, and let us work on trade enforcement and implementation.

Trade is important. Trade should be bipartisan. But trade has to be fair. This program will not be fair to working Hoosiers, it will not be fair to families, and it will not be good for America.

I encourage my colleagues to defeat fast track.

Mr. CRANE. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. HUNTER).

Mr. HUNTER. Mr. Speaker, I have a graph here that shows the G7, that is the big nations of the world, the big western democracies and their net exports to Mexico before and after NAFTA. That includes the United States.

We call this chart ''Find the dummies,'' because it is apparent that, after NAFTA, every one of the big nations, Canada, France, Germany, Italy, UK and Japan, all continue to do well with Mexico with respect to trade, except the United States. The United States immediately fell into an enduring $15 billion trade deficit.

The first rule of business is one does not give their money to poor business managers. The Clinton trade team consists of poor business managers.

Not this President, not this time.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, as we all know, fast track authority will establish the framework for our trade relationship for the next 10 years. As such, it is critical to the importance that this accord places on the environment.

Therefore, I reluctantly oppose this bill, because it limits the administration's ability to address concerns regarding protection of the environment and bilateral regional and other trade agreements.

To the extent that the environment is mentioned at all in the pending legislation, it is in a restrictive way. San Francisco, the city which I represent, is a city which is built on trade and continues to thrive on it. We appreciate the value of free trade. We also understand that the environment and the economy are inextricably linked. We believe that the environment must be central to any fast track legislation.

My colleagues have mentioned that other presidents have had this authority. Indeed, I have voted for it in the past. Under previous fast track authority, the President had the discretion both to negotiate and to include in trade bills that were brought to Congress under fact track environmental, labor and human rights terms that the President deemed appropriate. That the President deemed appropriate. This bill removes the ''appropriate'' standard.

The legislation passed by the House Committee on Ways and Means also limits the discretion of the negotiators to achieve results only on matters that are directly related to trade.

One important aspect of addressing global environmental degradation is through attention to production process methods. If we are to slow environmental damage, we must deal with the way items are produced as well as with consumption. Will production process methods be included under the administration's interpretation of ''directly related to trade''?

In addition, there are many other reasons why, and I will submit that with my full statement, but, in addition, unless we give the environment more value by including it in fast track, we are squandering the comparative value U.S. business has in leading the world in the development of production environmental technologies. To ignore the connection between the environment and the economy is to be on the wrong side of the future.

I urge my colleagues to vote ''no.''

Mr. Speaker, I rise in opposition to H.R. 2621, the Fast Track legislation before the House today. I am disappointed that the Republican leadership has chosen to bring before the House a failed fast track proposal which does not address pressing issues in the global economy. Fast track authority will establish the framework of our trade relations for the next ten years. As such, it is a defining moment for the importance we accord the environment. This fast track bill would relegate this important issue to secondary status in trade agreements and would only ensure that it remains of secondary status as we move into the next century.

Not one of the concerns raised about this fast track proposal last year has been remedied in the bill before us today. This fast track bill limits the Administration's ability to address concerns regarding protection of the environment in bilateral, regional, and other

trade agreements. To the extent that the environment is mentioned in the pending legislation, it is in a restrictive way.

San Francisco, which I represent, is a city which was built on trade and continues to thrive on it. We appreciate the value of free trade. We also understand that the environment and the economy are inextricably linked. We believe that the environment must be central to any fast track legislation.

Under previous fast track authority, the President had the discretion both to negotiate and to include in trade bills that were brought to Congress under fast track environmental, labor or human rights terms that the President deemed ''appropriate.'' H.R. 2621 removes the ''appropriate'' standard and the Administration's discretion is limited to making the language necessary only for the operation or implementation of the trade agreement. The Administration would now be precluded from achieving more than allowed under the legislation and prevented from having those provisions considered under fast track.

The legislation passed by the House Ways and Means Committee also limits the discretion of the negotiators to achieve results only on matters that are ''directly related to trade.'' Serious questions are already being raised about how ''directly related to trade'' will be defined. It is my understanding that there is no legislative history to define this phrase.

One important aspect of addressing global environmental degradation is through attention to production process methods. If we are to slow environmental damage, we must deal with the way items are produced, as well as with consumption. Will production process methods be included under the Administration's interpretation of ''directly related to trade?''

Serious questions have also been raised about the implications of language in H.R. 2621 purportedly designed to ensure that foreign governments do not waive their existing domestic environmental, health, safety or labor measures in order to give themselves a competitive edge. The language in the bill unfortunately precludes action to encourage strengthening such standards. Perhaps of even more immediate harm, however, is that it does not address a government's failure to enforce existing standards. In addition, H.R. 2621 only addresses foreign governmental policies and practices. Private sector actions to limit environmental protection are not addressed. Finally, countries with no existing environmental standards fall completely outside this provision.

My constituents and I are also concerned with the consequences of a provision in the fast track bill which would essentially allow derogation or waiver of existing domestic laws if such actions are ''consistent with sound macroeconomic development.'' Under this provision, it appears that countries could indeed lower their environmental standards to gain a competitive edge, as long as this action is consistent with their macroeconomic development.

As many of our Republican colleagues have recently expressed concern about the lack of transparency in the functioning of the International Monetary Fund (IMF), I believe they should be supportive of promoting transparency in the functioning of the World Trade Organization (WTO). While ''transparency'' is appropriately one of the negotiating objectives outlined in the legislation, it is essential that procedural transparency be expanded to the WTO both in the trade negotiation process and in the dispute settlement process. Benchmarks must be established by which transparency can be gauged. There must be expanded access to documents by those who are interested in the dispute settlement process. And, we must insist on ensuring the ability of non-governmental groups to participate.

I would also note my concern that while we are promoting transparency in other countries, the fast track legislation takes a step back from transparency in this country by granting the President new authority to allow for the classification of trade reports when deemed appropriate, rather than employing previous language allowing classification only when necessary to protect national security or trade secrets.

Environmental issues in the global economy have very real consequences not only for people in the developing world, but also for people here in the United States. Concerns about the quality of the air we breathe and the water we drink have now been compounded in the public eye by concerns about the safety of the food which we eat. As international trade is increasingly the norm, we must ensure the right to safeguard American consumers in international trade agreements. Standards worldwide should be elevated; we cannot encourage a ''race to the bottom''. In addition, unless we give the environment more value by including it in fast track, we are squandering the comparative value U.S. business has in leading the world in the development and production of environmental technology.

H.R. 2621 is not the appropriate tool which to enter trade negotiations for the Twenty-First Century. I urge my colleagues to vote no on this flawed bill.

Mr. CRANE. Mr. Speaker, I reserve the balance of my time.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. STEARNS).

(Mr. STEARNS asked and was given permission to revise and extend his remarks and to include extraneous material.)

Mr. STEARNS. Mr. Speaker, I reluctantly rise to oppose fast track, and I want to thank the gentleman from California (Mr. MATSUI) for yielding me this time.

Mr. Speaker, the Florida Fruit and Vegetable Association has basically come out against the fast track vote we are having here tonight. Earlier, I was on the House Floor with the Florida Farm Bureau Federation, where they also opposed this fast track vote.

Farmers in my district are still opposed to the authority that we are proposing tonight to give to the President with fast track, regardless of the last-minute deals, because of the failure of this administration to live up to their promises from the last fast track authority.

For example, my tomato growers have written that, ''The President could have taken real steps to fix the problems for Florida's tomato growers and other winter or seasonal vegetable growers associated with the failures of the NAFTA agreement, yet nothing has happened.''

Mr. Speaker, President Clinton even wrote to Congress before NAFTA was approved to state that he ''was permanently committed to ensuring NAFTA was enforceable and effective to protect the U.S. vegetable industry against price-based import surges from Mexico.''

Mr. Speaker, despite these promises, the administration has failed to protect the winter vegetable industry; and, in fact, the onslaught of vegetables coming into Florida has hurt our industry terribly.

For these reasons, and for the reasons outlined in the two letters I put in the RECORD, I oppose fast track at this time.

Mr. Speaker, I submit the following letter for the RECORD:

FLORIDA FRUIT &
VEGETABLE ASSOCIATION,
Orlando, FL, September 25, 1998.

Hon. CLIFF STEARNS,
U.S. House of Representatives,
Washington, DC.

DEAR CONGRESSMAN STEARNS: This is to advise you on behalf of the Florida Fruit and Vegetable Association and its membership that we continue to be opposed to the enactment of fast-track legislation. Our opposition is based on continuing concerns over current and potential trade agreements on import-sensitive agricultural products, the inadequacy of import relief remedies, country of origin labeling, and other issues. We accordingly ask you to vote ''no'' when the fast-track bill comes to the House floor later today.

We greatly appreciate your on-going support of Florida agriculture.

Sincerely,

MICHAEL J. STUART,
President.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. PASCRELL).

Mr. PASCRELL. Mr. Speaker, I thank the gentleman from California (Mr. MATSUI) for yielding.

Mr. Speaker, I rise to discuss a matter which is of great importance to my district and the Nation as a whole. This measure before us should be defeated. It seeks to extend fast track authority for 4 years. As such, it sets our national trade policy as we approach and then enter the 21st century.

No one doubts the fact that we live in a global economy. No one doubts that if we are to retain our preeminent position in the world we must lead from a position of economic strength.

For me, global leadership in the arena of international trade means that fair trade should not be subordinated to the notion of free trade. There is very little reciprocity in our trade agreements. We must trade with other nations on an equal footing.

Mr. Speaker, with such an horrific Asian economy, those goods are going to be flooding our markets in the next 2 months, 3 months, 2 years. The ships are coming into San Francisco ports now full with foreign goods. They are leaving half filled with our goods. They will leave with a quarter filled by the time this Asian crisis really hits our shores. This is the worst time to have fast track.

The proponents of fast track argue that we need it based on what they perceive as the successful NAFTA policy. They point to the creation of 311,000 jobs. I take exception to this figure and cite an alternative one which states we have lost 600,000 jobs because of NAFTA.

Now is not the time for fast track. Fast track is about jobs. It is about time that we stopped exporting our jobs. It is time that we protect our jobs. And it is time that we had fair trade agreements instead of the ones that have been placed before us.

Mr. Speaker, I urge my colleagues to defeat fast track resoundingly. It is not enough if we just slam it down with a few votes. We need total victory here, because we need a fair trade policy.

Mr. MATSUI. Mr. Speaker, I yield 1 minute to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, I rise in opposition to fast track. Today's legislation could be an opportunity to make a new beginning, to define a progressive role in trade for the next century for America. But this bill does not do this. It is a step backward.

We are not divided here today on the benefits of free trade. We embrace it. We are divided on how to best achieve it to compete in the global economy. I believe this fast track proposal turns its back on hard-working Americans. It will not defend small business owners and workers from the threat to their security posed by our trading partners' cheap labor and low standards. It does precious little to move away from the pattern of lost jobs, reduced labor, and lower living standards seen under NAFTA.

American families are struggling every single day to make ends meet. America has the opportunity and the responsibility to ensure that American values define the international market and that our citizens build solid futures.

Let us show that the Congress of the United States cares about and understands America's hopes and fears for the future. Vote ''no'' on fast track.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. VISCLOSKY).

(Mr. VISCLOSKY asked and was given permission to revise and extend his remarks.)

Mr. VISCLOSKY. Mr. Speaker, I also want to express my appreciation to the gentleman from California (Mr. MATSUI) for yielding me the time.

Mr. Speaker, I rise in opposition to fast track, given the experience historically we have had with NAFTA. We have had 124,000 jobs certified as having been lost because of NAFTA.

I would remind my colleagues the math works out to 72 workers a day since the inception of NAFTA have lost their jobs. Before the end of business today, 72 more American citizens are going to be certified as having lost their job because of NAFTA.

I rise in strong opposition to fast track.

But in fairness to the other side, there are potentially some reasons why Members might want to vote for it. The average real hourly wage in 1973 was $12 an hour. In 1997, it was $12.28, about 1 penny a year increase. If Members think that is enough for the American workers they represent, maybe they do want to vote for fast track.

If Members think that every household in America ought to have two workers for what one worker could provide in 1950, then fast track is for them. Thirty percent of American households in 1950 had one worker. Today, 53 percent need two workers.

If Members think it is a good idea to have a trade deficit with Mexico and other countries instead of trade surpluses, this is the thing for them. In 1993, we had a trade surplus with Mexico of $1.7 billion. Today, our deficit is $14.5 billion.

If Members think we ought to not have a strong steel industry in America, fast track is for them. We had a 100,000 ton steel surplus with Mexico in 1993. We have a 2.2 million ton deficit today.

Health care, if Members do not think workers need health care benefits or pensions or need a job, fast track is for them. I grew up in a neighborhood, I grew up in an America believing that the next generation should be better off. That is what we should be about. Those are the negotiations we ought to undertake to make sure that every American worker, every worker worldwide, has an improved standard of living.

Mr. Speaker, I rise today to voice my vehement opposition to Fast Track legislation. The last president to have Fast Track used it to give us the North American Free Trade Agreement (NAFTA). Since January 1, 1994, when NAFTA went into effect, our country has lost 124,000 jobs as a result of NAFTA. That breaks down to a loss of 72 jobs each day. 72 American citizens each day watch their jobs move out of this country and out of their communities. Before we leave tonight, an additional 72 Americans will be unemployed.

But its not just a problem of losing jobs. America's workers are seeing a sharp decline in their quality of life thanks to NAFTA and unfair trade. If you don't care about workers' quality of life, then vote for Fast Track.

The average real hourly wage for working Americans in 1973 was $12.00 per hour. In 1997, the average real hourly wage for working Americans was $12.28 per hour. That is an increase of one penny per year. One extra penny to pay bills, buy shoes for your children and put food on the table. If your family can survive on an annual raise of one extra cent per hour, then Fast Track is for you.

30% of American households in 1950 had two people working outside the home. Today, 53% of all families have two incomes. Two Americans today must work to make the equivalent of one income in 1950. If you believe that two adults in every household should have to work in order to support a family, then Fast Track is for you.

Our neighbor to the South, Mexico, is one of our largest trading partners. In the fiscal year prior to NAFTA, FY 1993, the U.S. had a trade surplus of $1.7 billion with Mexico. In FY 1997, the U.S. had a $14.5 billion trade deficit with Mexico. If you think that we ought to increase our trade deficits with other nations, then Fast Track is for you.

In 1993, The American steel industry saw a trade surplus with Mexico of 100,000 tons of steel. In 1997, the steel industry saw a trade deficit with Mexico of 2.2 million tons. If you think that we need to put the American steel industry out of business, laying off hundreds of thousands of U.S. steelworkers, then Fast Track is for you.

Because of jobs lost to NAFTA, many of our citizens have had to take lower-paying jobs with no benefits and no pensions. If you think that our citizens are not entitled to have a job that provides health benefits for themselves and their children, then vote for Fast Track. If you think that the hard working men and women of this country do not deserve a pension for their retirement years, then, yes, Fast Track is for you.

If it is fine with you that at the end of this day, at the end of this debate, 72 more people will be without work and unable to provide for their families, then vote for Fast Track. If you can live with the fact that you have sent American industry to foreign lands to make a profit without regard to workers' safety, human rights or the environment, then please, vote for Fast Track.

The American Dream has always promised that the next generation would have a better life, not a lower standard of living. American workers should not have to lower their standard of living just to compete with foreign workers who make $3.00 a day. If you want to sacrifice the American Dream for the working people of our nation, then vote for Fast Track.

I can't do that. I can't support raising hourly wages by a penny a year. I can't support forcing more and more households to rely on two incomes. I can't support turning trade surpluses into deficits. I can't support denying health insurance and pensions to workers. I can't support undercutting worker safety, human rights or the environment. I can't support sacrificing the American Dream for the workers of America. I cannot and will not support Fast Track.

Mr. CRANE. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Iowa (Mr. LATHAM).

Mr. LATHAM. Mr. Speaker, I rise today in strong support for fast track. As a representative from the State of Iowa, the importance of this to everyone in agriculture cannot be overestimated.

It is imperative that we have fast track. There are trade agreements going on today, negotiations that are going on around the world, and we are not at the table because we have not seen fit to trust this administration to give the authority to make agreements. We have got to be at the table with these agreements. It is essential for long-term growth.

I am very saddened today to see people who, as a matter of principle in the past, have supported fast track but today have decided they are going to play a shell game and let somebody else off the hook, let them vote ''yes'', because they are going to cover them and vote ''no.''

This is for the interest of the entire country. We have to pass fast track for agriculture, for the rest of trade in this world, and for this country for jobs here, for economic prosperity. We have to do it, and we have to do it today.

Mr. MATSUI. Mr. Speaker, I yield 1 minute to the gentleman from Maryland (Mr. CARDIN).

(Mr. CARDIN asked and was given permission to revise and extend his remarks.)

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Mr. CARDIN. Mr. Speaker, I had hoped that we were going to have a real debate on fast track where we would have a chance to reach a fair compromise on the issue. Instead we are going through a political exercise. That is regrettable.

In today's world, fast track should give the President the ability to negotiate international standards on labor and environment. But, no, this legislation restricts the President's ability to negotiate international standards on labor and environment. Negotiating strong international standards on environmental and labor issues will help American manufacturers, producers and farmers. It makes no sense to restrict the President's negotiating ability in this area unless you want to help foreign companies with cheap labor and poor environmental records.

For this reason, Mr. Speaker, I must oppose the fast track legislation that we have today. I would hope that in the future, there will be a real effort by the Republican leadership to work on a fast track bill that could pass this House, that will give the appropriate authority to the President.

Mr. CRANE. Mr. Speaker, I yield 2½ minutes to the gentleman from California (Mr. DREIER).

Mr. DREIER. Mr. Speaker, there is never a good time for a good trade bill. There is always a filing date or an election or the prospect of some other political development taking place. There is always an excuse not to proceed with a good trade bill.

I had the great privilege last fall to travel with the President throughout South America. The President stood up in country after country and talked about the fact that one of his top priorities was to get fast track negotiating authority through so that we could, in fact, embark on these very important trade agreements.

Mr. Speaker, this is a bipartisan bill. It was reported out of the Committee on Ways and Means with a very strong bipartisan vote. It was worked on long and hard by the President of the United States last fall as we moved towards that November 13 vote. And as has been said time and time again, the President, in his State of the Union message, talked about it being a priority this year and, on July 23, said that he believed that the Congress should vote on fast track when we can get the votes for the bill.

Now, with that strong bipartisan spirit here, I am convinced that there is a very strong will to implement fast track negotiating authority and to pass this measure. But what are our priorities? We continually hear Members talk about the fact that it is a top priority, Democrats and Republicans alike, many Democrats with whom I have been privileged to work over the past several years on this issue. But what are the priorities?

There are political priorities. There are political interests with which we are having to contend. There are partisan interests, and there are special interests. Quite frankly, we have special interests on our side, too. This is not an easy vote. We have got the Buchananites, Ross Perot. There are people who are opposed to this. But we have a responsibility to place the national interest ahead of those political interests, ahead of those partisan interests and ahead of those special interests.

Mr. Speaker, it is very, very important that we move ahead, because we are having this vote as we look at the serious problem that exists in the Pacific Rim. We are not going to find a perfect time to do it, but it seems to me that this is the right time because the right time is today.

Cast a vote in favor of fast track so that we can do this for American workers and American consumers and the global economy.

Mr. CRANE. Mr. Speaker, I ask unanimous consent for an additional 5 minutes for a special bipartisan purpose.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume, and I yield to the distinguished and talented service of Mary Jane Wignot. She has served on the professional staff of our Committee on Ways and Means during development of landmark trade legislation, such as the Omnibus Trade and Competitiveness Act of 1988 and the implementing bills for NAFTA and the Uruguay Round agreements.

There are few individuals in this country who know more and have contributed more to the development of U.S. trade policy than Mary Jane Wignot. Her wise counsel and drafting skills have been absolutely essential to the success of these historic bipartisan initiatives. I want to salute her and wish her all the best as she returns to her home town of Boston to continue her career.

I yield to the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Speaker, I thank the gentleman for yielding to me.

I, too, pay tribute to a remarkable individual that took the reins after one of our Members left, but she has given 24 years of her life to this committee and to her work and in every policymaking issue concerning trade, she was there from the negotiations of the Kennedy and Tokyo rounds and the formulation of the Trade Act of 1974.

She has worked on the trade agreements of 1979, the Omnibus Trade and Competition Act of 1988, and the NAFTA and Uruguay Round implementing bills in her capacity with the committee. These are the many projects, some of the many projects on which Mary Jane has brought her intellectual ability and sound judgment to bear.

Her devotion to excellence has epitomized the finest in bipartisan tradition that has characterized trade making policy over the last 20 years. At the end of this session she will retire, but we still know that she will be missed. To say that she will be missed is a gross understatement. We owe so much to her dedication and the fact that she has worked well with Republicans and Democrats. She has enjoyed her job and we all, staff and Members, have truly enjoyed working with her.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Let me add my comments about the service that Mary Jane Wignot has had in helping our committee work through so many trade issues for so many years. I think from almost the first time that I can remember trade deliberation on the Committee on Ways and Means, I looked out at the witness table and there Mary Jane was. And she always gave professional information that was always, at least in my memory, accurate, and helped us get through many, many trade issues over the years.

It is people who are so dedicated, who work such long hours and who do so on a nonpartisan, professional basis that make this Congress a truly enjoyable and fulfilling place to serve.

So, Mary Jane, I wish you well. We are losing a great resource when you leave. But I know that you will go on to help some other organization or many other people the rest of your life. Good luck.

Mr. MATSUI. Mr. Speaker, I yield myself such time as I may consume.

I just have to say that Mary Jane Wignot has been on the Committee on Ways and Means staff now since 1974, 24 years, but before that, many Members do not know this, but there was an office called the Special Trade Representative's office, and she actually virtually opened that office in 1964 with, believe it or not, the former Secretary of State; at that time he was the special trade representative, Christian Herter. That goes back an awful long ways in most of our memories.

There are so many nuggets, jewels on this Capitol Hill. She is a Vassar graduate, cum laude. She was graduated from the London School of Economics at the University of London, Columbia University in New York, the International School of International Affairs. She is really just an outstanding individual, and she has toiled in Washington for 34 years, 24 years on the Committee on Ways and Means. She served with Chairman Mills, Chairman Ullman, Chairman Rostenkowski, and Chairman Archer.

I would say that her loss to all of us and our committee and perhaps even in this body will probably be one of the major losses we have, probably more than all of the Members in this institution, because she is the institutional memory. She is the one who helped develop international trade policy in America for the last 30 years.

So, Mary Jane, we love you, and we are going to miss you a lot.

The SPEAKER pro tempore. The Chair advises Members that the gentleman from Texas (Mr. ARCHER) has 4½ minutes remaining; the gentleman from California (Mr. MATSUI) has 4½ minutes remaining; and the gentleman from Washington (Mr. MCDERMOTT) has 2¼ minutes remaining.

Mr. MCDERMOTT. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I have served 15 years in the State legislature and 10 years in the United States Congress, and this is a sad day because it is the most amateurish, inept legislative effort I have ever seen to try and pass a tough piece of legislation. There is no question that the Republicans have poisoned the fast track debate with partisan politics that will do honor to Ken Starr.

If the Republicans were serious about promoting America's global leadership and stabilizing the global economy, they would have replenished the International Monetary Fund months ago. Instead, the future of America's commitment to the IMF remains unclear to this day and so does the future of the international economy.

It would be easy for me to vote no today, to reject this vote for what it is, a political game to be debated on a day of pure partisanship. However, I feel strongly that collectively we have to rise above the partisan games of the majority and do the right thing for our Nation's economy.

This Congress simply should not play games with an issue that is difficult enough to pass without petty politics. So I will rise above the Speaker's games and support the promotion of the American export economy, but I am deeply disheartened that this bill will fail today because the Republicans have allowed political avarice to damage support for what must be a bipartisan issue. You have made the future passage of this bill infinitely more difficult by bringing it out this way and ramming it. You know you have not got the votes.

I learned in the State legislature 25 years ago, if you do not have the votes, do not come to the floor with it, because you will never get it passed if you keep doing that kind of thing.

This is a bad day for the United States economy. You should not do this kind of thing without consulting and building the broad base that trade should have in this country.

This is not a partisan issue. It is not Republican. It is not Democrat. You have to work together when you are dealing in the international arena. I sat at the table at the State dinner in Brazilia and had Brazilians say to me, boy, we are glad you have not passed fast track because we want your President weak. Now, that is not what we want, whether that President is a Democrat or a Republican.

I voted for every piece of free trade legislation. We have to, if we are going to be a strong country.

Mr. MATSUI. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. FARR.).

(Mr. FARR of California asked and was given permission to revise and extend his remarks.)

Mr. FARR of California. Mr. Speaker, I urge my colleagues to vote no on this bill.

Mr. Speaker, I rise today to discuss a very important issue: fast track authority.

Fast track has been the subject of much debate and discussion, not just inside the Beltway but across the country. In my own district, many of my constituents have told me that they will benefit from new trade agreements reached with fast track; others have said that fast track ignores important global issues such as labor standards or environmental pollution.

''Fast Track'' sounds simple. Just give the President the authority to negotiate a trade treaty agreement and bring the end product back to Congress for an up or down vote. Sounds logical, doesn't it?

But it's not that simple. Here's the reason why: Political battles are won by listening to, and acting on, the concerns of those who have a vote in the outcome. I have one vote. My constituents want me to use it wisely, looking out for the best interests of the Central Coast of California. They want me to think globally and act locally.

Acting locally means protecting existing American jobs—local jobs dependent on reciprocal export markets for American products and goods. When you think about it, our economic future in agriculture and tourism depends on a healthy local economy.

Look at agriculture. The Central Coast has been a world leader in specialty crops and one of our strongest specialty crops have been fresh cut flowers. The flower and foliage industry in California ranks number one in the United States with $702 million in sales in 1996, holding a 22% share of the U.S. market. But we're losing nurseries and jobs to foreign imports. Colombian flowers that are allowed into the United States without any tariff are our biggest competition. No other flower growing country has that privilege.

The President has done nothing to right the wrongs created by the 1991 Andean Trade Pact, which put Central Coast flower growers at a severe disadvantage to Colombian fresh flower imports. The President has the legal authority to stop the closure of American nurseries that raise fresh cut flowers. But he is not using that authority because he is listening to the State Department, rather than American workers.

So why should the President be given more authority to make more deals for more South American imports when he doesn't protect American interests under existing law?

I support free trade. But free trade can't exist unless it is based on fairness. Fair trade means making deals for the United States that do not put our working men and women, our manufacturers and producers, and our quality of life at risk.

Chile is a beautiful country. I have traveled there and met with political, labor and business interests. They import three times more U.S. goods than they export, with the exception of agriculture. Making Chile a full trading partner with Canada, U.S. and Mexico will only jeopardize more American jobs in the fresh cut flower industry, in addition to our fishing and wine industries on the Central Coast.

So I will continue to oppose Fast Track unless we can see the following: (1) Lift the ''free entry'' of Colombian flowers to the U.S. marketplace. Treat Colombian flowers as all other flower imports are treated, with equal tariffs; and (2) protect the environmental and labor safeguards as strong as banking and security safeguards.

Some people would say that my ''no'' vote on fast track is inconsistent with, or contradictory to, my ''yes'' vote on NAFTA four years ago. I disagree.

Four years ago, the NAFTA vote was on legislation implementing a trade agreement negotiated by the President under fast track authority. This year's vote will not be on implementing a trade agreement but on renewing the power of the President to negotiate such agreements.

When NAFTA was voted on, the fast track authority granted to the President did not contain instructions to him to include in the trade agreement provisions relating to the rights of laborers or meeting certain environmental standards. Knowing these issues were a concern to many members of Congress, the President negotiated sidebar agreements to supplement the underlying document. With these sidebars in place, I was convinced NAFTA would, in the long run, be a good thing for the United States. The underlying agreement would open up new markets to our producers and the added-on sidebars would help drive our trade partners to stronger labor and environmental protections.

Although I must oppose the fast track legislation before Congress today, I have and will continue to support free trade. I will continue to examine each trade agreement reached with fast track authority on its individual merits, keeping in mind the need to think globally but act locally to protect American jobs on the Central Coast.

Mr. EVANS. Mr. Speaker, I rise today in opposition to granting fast track negotiating authority. I oppose this legislation because of the adverse effects that the North American Free Trade Agreement (NAFTA), which was negotiated under ''fast track'' authority, has had upon working American families.

There is no question that NAFTA's track record has had an adverse effect on U.S. wages. This country has lost over a quarter of a million jobs. In my home state of Illinois, 23 companies have moved to Mexico as a result of NAFTA. Instead of the old, failed ''fast track'', we need a trade negotiating authority that gives the President the tools to negotiate trade agreements that reflect the wishes of most Americans—fair, responsible trade that protects the environment, working families and public health.

We have must to lose with this vote. U.S. taxpayers have invested billions to establish and maintain one of the safest food supplies in the world. Yet we undermine consumer protection by allowing foods to be imported from countries where health and safety standards

either do not exist or are not enforced. Under NAFTA, food imports from Mexico and Canada have dramatically overburdened the Food and Drug Administration's ability to adequately inspect food imports. More and more we hear of illnesses caused from foreign foods. We need to make international bodies and foreign governments with weaker standards accountable if we are to protect the health of all Americans. Granting fast track authority will only threaten the safety of our food supply.

As a respesentative from the Corn Belt, I understand our farmers are struggling through tough times with commodity prices that are the lowest they've been in years. However, trade negotiations take years. Our farmers need immediate relief. We should be looking at ways to put money in their pockets where they most need it and ways to help our trading partners get back on their economic feet. Fast track is not the cure-all to the farm crisis, it is, at the moment, a distraction.

Without labor, food safety, and environmental provisions in the fast track legislation, we have no guarantee that these issues will ever be addressed. I am not willing to risk the health and safety of my constituents on an authority that cannot safeguard their well-being. Let fix the problems we have with unfair trade negotiations; let not add to them. I urge all my colleagues to vote no on fast track.

Mr. BERMAN. Mr. Speaker, I rise in reluctant opposition to fast track. Last year I strongly supported a similar fast track proposal, and I continue to believe that the fast track mechanism is necessary to ensure that new trade agreements don't become loaded up with special interest provisions in the normal legislative process.

But I simply cannot support legislation that is being brought to the House floor for blatantly political purposes, to divide Democrats less than two months before an election. And I do not think it is appropriate to tie the President's hands at the negotiating table—to a much greater extent than Democratic Congresses tied the hands of President's Reagan and Bush—when the Administration is not involved in the process.

It's clear that the Republican majority is not serious about passing this bill. Last year, members from both parties worked together to generate for fast track. This year, the majority made no effort to collaborate with the minority. This unwillingness to approach Democratic supporters of fast track exposes the Republican majority's true motivations—to score political points, not to pass the legislation.

It is irresponsible to bring up fast track knowing that it's going to fail. This will make it even more difficult to pass next year, and send an unfortunate signal to the international community that the United States does not want to remain engaged in the global economy. Such a signal couldn't come at a worse time, given the financial turmoil in Russia and parts of Asia.

International trade is clearly good for the American economy. Since 1992, almost 40 percent of our nation's total economic growth has been the direct result in international trade. Companies involved in exporting have expanded employment nearly 20 percent faster than firms serving only domestic markets, and jobs related to exports pay about 15 percent above the national average. New trade agreements—completed with fast track authority—would extend the benefits of trade to even more workers, consumers and companies.

But our trade policy—like foreign policy in general—must be based on bipartisan cooperation and consensus, not partisan politics. For that reason—and that reason alone—I intend to oppose this fast track legislation.

Mr. STARK. Mr. Speaker, I rise today in opposition to H.R. 2621, a bill to allow fast track procedures for trade agreements. NAFTA is a recent example of why Congress should not approve this fast track authority.

NAFTA proves that trade agreements do not necessarily beneift all workers. Our experience with NAFTA demonstrates that ''side agreements'' are not enforceable and labor, the environment and public safety are all at risk. Large corporations benefit from trade agreements like NAFTA. NAFTA enables these companies to exploit our most valuable resources for their own bottom line. For these reasons, I vehemently oppose granting fast track negotiating authority to the president.

In any trade agreement, the people deserve to know—and have us debate—the terms of trade expension. I am not satisfied that the terms before us in this fast track authority are satisfactory and I am certain that the benefit doesn't go to the workers in my district.

Estimates show that the number of jobs foregone in the U.S. because of NAFTA-induced imports is over 400,000. In my home state of California, 38,406 jobs were lost directly because of NAFTA, according to a narrow Commerce Department formula. This is nearly 10 percent of the total U.S. jobs lost because of NAFTA. Workers in California qualify for a significant portion of the Trade Adjustment Assistance (TAA)—California is one of the top six states where the most workers are certified for TAA.

Multinational corporations export not only products but also business operations cross the border; they exploit Mexican workers for a fraction of the United States labor costs. American workers lose decent paying jobs. Mexican workers get work with subsistence wages. The corporations benefit at the expense of human labor.

There are 981,302 Mexicans working in abhorrent conditions in Maquiladoras, making an average wage of $30–$35 for a 48 hour week as a direct result of NAFTA. These workers live in shacks made of cardboard and wood. I cannot grant a fast track trade negotiating authority if fair labor practices will not be protected.

The environmental loses through NAFTA as well. The Administration promised greater environmental protections along the border regions where industry was expected to grow as a result of NAFTA. Well, we have experienced greater industry growth along the Southern borbers, but as far as environmental protection goes, it was just another promise broken.

Hazardous waste coming into the United States increased 30 percent in 1995. In that same year, well water in U.S. border communities had sulfate concentrations of nearly twice what is considered safe for drinking water. Not only does the U.S. laborer lose through NAFTA, but so does the vulnerable child and grandparent who drinks polluted well water.

NAFTA does not ensure inspection standards for produce, agriculture and livistock. NAFTA has crippled border inspections and the U.S. does not have the manpower to inspect everything that comes across its borders. Frozen fruit imports have increased by 45 percent and frozen vegetable by 31 percent since NAFTA, but there has been no increase in inspection.

A 1997 GAO report shows that commercial passenger vehicles from Mexico are not being inspected regularly. The ones that have been inspected have been placed out of service for serious safety violations such as steering or brake problems, according to the Federal Highway Administration. Fifty-four percent of the commercial passenger vehicles that pass through our southern borders do so through California. These unsafe vehicles are endangering the passengers as well as the safety of those on the streets and highways of California.

Negotiating authority with the right terms-allowing US workers to share in the benefit and promoting economic growth in environmentally sound ways worldwide—is my bottom line. Without that before us, I will vote ''no'' on the Reciprocal Trade Agreement Authorities Act of 1997.

Mr. PAUL. Mr. Speaker, today, the House is asked to vote to approve H.R. 2621, a fast-track procedure under which international agreements might be approved as far into the future as October 1, 2005. The ''fast track'' procedure requires the President to submit draft international agreements, implementing legislation, and a statement of administrative action for congressional approval. Amendments to the legislation in Congress are not permitted once the bill is introduced and committee and floor action votes may consist only of ''yes'' or ''no'' votes on any potential agreement as it is introduced.

The fast-track procedure bill, in addition to creating an extra-constitutional procedure by which international agreements become ratified, sets general international economic policy objectives, re-authorizes ''Trade Adjustment Assistance'' welfare for workers who lose their jobs and for businesses which fail, and creates a new permanent position of Chief Agriculture Negotiator within the office of the United States Trade representative. The bill would reestablish the President's extra-constitutional ''executive authority'' to negotiate ''side agreements'' such as those dealing with environmental and labor issues. Lastly, the bill ''pays'' the government's ''cost'' of free trade by increasing taxes on a number of businesses which recently benefitted by a favorable judgment in federal tax court.

The Constitution clearly allows for international agreements and clearly specifies the means by which they are to be accomplished. Treaties, quite clearly are to be negotiated by the President with advice and consent of the Senate and can only become effective upon being ratified by a two-thirds majority of the Senate. The Constitution, however, does not expressly confer authority to make international agreements other than by treaties and, of course, the tenth amendment specifies that ''powers not delegated to the United States by the Constitution nor prohibited by it to the States, are reserved to the States, respectively, or to the people.'' To ignore or allow the one branch of the federal government to delegate it's powers to others destroys the liberty-protecting ability inherent to the Constitutional separation of powers.

Congress does have, amongst its enumerated powers, regulation of commerce with foreign nations. Imposing import tariffs, quotas, and embargoes, however economically detrimental to the macro economy of the United

States, are, at least, amongst powers delegated to Congress by Article I of the Constitution. Regulating commerce, of course, refers to enacting domestic laws which effect voluntary exchanges between trading partners who happen to be citizens of different governments. International agreements between the governments of those trading partners cannot be construed to escape the stringent treaty ratification process established by the document's framers just by suggesting Congress has the power to enact domestic regulation regarding foreign commerce. If this were an allowable justification for bypassing the constitutionally-mandated treaty process, Article I Congressional powers would almost completely undermine the necessity for the Constitutionally-mandated treaty process. Treaties regarding everything from international monetary policy to military policy would suddenly become ''ripe'' for the ''treaty-making'' power of the President and Congress. Instead, a bright line process exists whereby entering into agreements with foreign nations under which the U.S. government will do ''X'' if the government of Ruritania does ''Y'' must be understood to constitute an international agreement and, as such, require the more restrictive treaty process.

Moreover, because international courts regard ''treaties'' and ''agreements'' as equally binding on signatory governments, a stronger case is made that they must be made subject to the same constitutional process. Insofar as H.R. 2621 ignores the lake of a congressional role in the international treaty process and instead attempts to make Congress an integral part of a procedure for which it lacks any constitutional authority, this bill can be opposed on constitutional grounds alone.

Even if the procedure advocated by the bill were able to survive what should always be the Congressman's initial threshold of constitutionality, the bill contains provisions which will likely continue our country down the ugly path of internationally-engineered, ''managed trade'' rather than that of free trade. As explained by economist Murray N. Rothbard:

> [G]enuine free trade doesn't require a treaty (or its deformed cousin, a 'trade agreement'; NAFTA is called an agreement so it can avoid the constitutional requirement of approval by two-thirds of the Senate). If the establishment truly wants free trade, all it has to do is to repeal our numerous tariffs, import quotas, anti-dumping laws, and other American-imposed restrictions of free trade. No foreign policy or foreign maneuvering is necessary.

In truth, the bipartisan establishment's fanfare of ''free trade'' fosters the opposite of genuine freedom of exchange. Whereas genuine free traders examine free markets from the perspective of the consumer (each individual), the mercantilist examines trade from the perspective of the power elite; in other words, from the perspective of the big business in concert with big government. Genuine free traders consider exports a means of paying for imports, in the same way that goods in general are produced in order to be sold to consumers. But the mercantilists want to privilege the government business elite at the expense of all consumers, be they domestic or foreign.

Fast track is merely a procedure under which the United States can more quickly integrate and cartelize government in order to entrench the interventionist mixed economy. In Europe, this process culminated in the Maastricht Treaty, the attempt to impose a single currency and central bank and force relatively free economies to ratchet up their regulatory and welfare states. In the United States, it has instead taken the form of transferring legislative and judicial authority from states and localities and to the executive branch of the federal government. Thus, agreements negotiated under fast track authority (like NAFTA) are, in essence, the same alluring means by which the socialist Eurocrats have tried to get Europeans to surrender to the super-statism of the European community. And just as Brussels has forced low-tax European countries to raise their taxes to the European average or to expand their respective welfare states in the name of ''fairness,'' a ''level playing field,'' and ''upward harmonization,'' so too will the international trade governors and commissions be empowered to ''upwardly harmonize,'' internationalize, and otherwise usurp laws of American state governments.

The harmonization language in last year's FDA reform bill constitutes a perfect example. Harmonization language in this bill has the Health and Human Services Secretary negotiating multilateral and bilateral international agreements to unify regulations in this country with those of others. The bill removes from the state governments the right to exercise their police powers under the tenth amendment to the constitution and, at the same time, creates or corporatist power elite board of directors to review medical devices and drugs for approval. This board, of course, is to be made up of ''objective'' industry experts appointed by national governments. Instead of the ''national'' variety, known as the Interstate Commerce Act of 1887 (enacted for the ''good reason'' of protecting railroad consumers from exploitative railroad freight rates, only to be staffed by railroad attorneys who then used their positions to line the pockets of their respective railroads), we now have the same sham imposed upon worldwide consumers on an international scale soon to be staffed by heads of multilateral pharmaceutical corporations.

Lastly, critics of the bill convincingly argue that language within H.R. 2621 regarding ''Foreign Investment'' would establish new rights for foreign investors and corporations and new obligations for the United States. H.R. 2621 attempts to eliminate artificial or trade-distorting barriers to trade-related foreign investment by reducing or eliminating exceptions to the principle of national treatment; free the transfer of funds relating to investments; reduce or eliminate performance requirements and other unreasonable barriers to the establishment and operation of investments; seeks to establish standards for expropriation and compensation for expropriation, consistent with United States legal principles and practice; and provide meaningful procedures for resolving investment disputes. It is argued that H.R. 2621 will congressionally activate the nearly completed Multilateral Agreement on Investment which covers 29 countries and forbids countries from regulating investment or capital flows and would establish new rights for foreign investors and corporations and new obligations for the United States. The MAI requires governments to pay investors for any action that directly or indirectly has an equivalent effect of expropriation. The MAI would be enforceable through international tribunals similar to those of the World Trade Organization without the due process protections of the United States.

Because H.R. 2621 enacts an unconstitutional foreign policy procedure, furthers our nation down the internationally-managed (rather than free trade) path, sets general international economic policy objectives, re-authorizes ''Trade Adjustment Assistance'' welfare for workers who lose their jobs and for businesses which fail, potentially undermines U.S. sovereignty through MAI, and preserves the President's executive authority to negotiate ''side agreements.'' As such, I must oppose the bill.

Ms. DEGETTE. Mr. Speaker, after close review of this legislation, I have decided to oppose the ''Reciprocal Trade Agreement Authorities Act'' otherwise known as fast track trading authority. This proposal includes environmental, labor, and food safety standards as merely negotiating objectives, without any accompanying legislation or side agreements that directly address these issues. My greatest concern is that the health and safety of American families will be jeopardized in future trade accords if these issues are not made a much higher priority.

I believe that free trade is good for our economy. There are, however, certain precautions that need to be taken to ensure that free trade agreements do not undermine other principles that our country holds dear, such as a clean environment. One of the potential problems with trade agreements is that they create pressure on neighboring governments to relax environmental regulations in an effort to lure manufacturers across borders, thereby allowing these companies to profit by polluting and abusing natural resources. Congress must also make sure that there are sufficient labor protections when we make our trade agreements so that we can protect against multinational corporations moving production to other countries with lower labor costs. Lastly, we need to make sure that our trade agreements do not compromise our food safety standards. This is a real threat, particularly to our children who are often more severely affected by contaminated food than adults.

I am a proponent of free trade; I am as even stronger proponent of fair trade. Our priority should be to forge a sound trade policy that helps, not hurts, the working people of this country. While we address our concerns, we can still achieve strong free trade accords. The Executive branch has negotiated hundreds of agreements without the benefit of fast track, and will continue to do so if fast track authority is not renewed.

In my view, the administration's latest set of initiatives to protect labor and environmental issues in trade agreements are insufficient. If these issues are truly a priority, I believe the administration would have worked more aggressively to include them earlier on, instead of presenting a few feeble objectives in the eleventh hour of this debate. The new initiatives to make World Trade Organization activities, such as the settlement of international trade disputes, more open to the public, and to issue reports on worker conditions in other countries might prove valuable but they certainly do not offer enforceable protections. We must insist on negotiating authority that ensures trade pacts contain enforceable food safety, environmental, and labor provisions.

What we need is a concrete strategy to improve workers' rights and protect the environment in developing countries, while at the same time negotiating effective trade agreements. I do not believe that this version of fast track meets these vital goals.

Mr. LIPINSKI. Mr. Speaker, free trade advocates say that NAFTA has nothing to do with fast track. That's not true. NAFTA has everything to do with fast track.

NAFTA was negotiated under fast track, and look at what NAFTA has brought us. The evidence is clear. America has lost hundreds of thousands of jobs. And not only has it brought us a $16 billion trade deficit with Mexico, it's brought us lower wages, weaker consumer protections, and a dirtier environment. It's rolled back all of the advances we made this century and brought us back to the 19th century. Instead of leading us into the 21st century, it's dragging us down. That isn't sound public policy, no matter how you look at it.

Free trade advocates say that the economy is booming. That may be statistically accurate, but let's take a closer look at what NAFTA has meant for American working families. Although the U.S. economy grew at a robust 4 percent in 1994 and productivity increased by about 2 percent, American workers did not share in these gains. The wages of American workers have continued to fall since NAFTA was implemented. In NAFTA's first year, American workers saw the sharpest one year drop of their real hourly wages. The real median wage fell by over 2 percent, continuing a 20 year downward trend.

The evidence shows that not only did we lost American jobs, the American working men and women have seen a reduction in their wages as well. So what does NAFTA mean for American workers? The evidence shows NAFTA means stagnant incomes and falling wages for working Americans. Face the facts.

If we cut through the economic rhetoric that the free trade advocates use to cloud the debate on fast track and NAFTA, the question we have before us is actually quite simple—do we want to sacrifice American jobs at the altar of free trade? For myself, the answer is very simple—no.

That's why I opposed NAFTA. That's why I opposed fast track back in 1991, and that's why I am so strongly opposed to this fast track bill.

Free trade advocates want the American people to believe that those of us who oppose fast track are ignorant of the new international economy and are pursuing an ''America-last'' strategy. They think we are protectionists, as if it were some kind of dirty word. Well, if trying to protect American jobs, the American standard of living and American working families makes me a protectionist, then I will gladly wear that label.

The majority of Americans want fair trade. The majority of Americans don't want fast track stripped of labor and environmental protections. When I'm back home in the Third Congressional District of Illinois, every working man and woman tells me that thy don't want fast track. They don't want any more NAFTAs. They're tired of exporting American jobs instead of American products. Perhaps if some folks were to spend more time talking to Main Street instead of Wall Street, they would hear the same thing. Some folks seem to have lost sight of the fact that we work for the American people.

In reality though, this isn't a debate between so-called ''protectionism'' and free trade. It's a debate to shape America's future in the global economy, and to make the global economy work for us—not the other way around.

Mr. Speaker, this fast track legislation just won't work. It's just going to give us more NAFTAs. Instead of leading us into the 21st century, this fast track legislation will pull as back. Instead of rebuilding the American dream for working families, it will tear it down. That's why I am so strongly opposed to this bill. I will vote ''no'' on fast track, and I strongly urge all of my colleagues to do the same. Let us listen to Main Street, not Wall Street, because it's the working men and women of America that makes America so strong.

Mr. BERRY. Mr. Speaker, I rise today as a proponent of expanded trade opportunities for Americans. I support renewal of traditional trading authority for the President, and I will vote today in favor of H.R. 2621.

My vote today should not be an indication that I agree with the process that led us to vote at this time. In fact, I strongly disagree with the timing of this vote. I disagree with those Members who claim that we are voting on fast track today solely because fast track is a good idea. If the majority party wanted to pass fast track we could have voted on it last November; or January, February, March, or any other date before now. Likewise, we could vote on this next spring when we all return. The timing of this vote will jeopardize this much needed legislation from eventually passage.

I have worked for a long time and very hard for passage of fast track. I have colleagues on both sides of the aisle who are committed to expanding international trade, and they too have worked tirelessly for fast track. But today, some of these champions of trade are compelled to vote ''no'' on this crucial bill—not because it is a bad bill, but because of its terrible timing. People are playing politics with the global economy, and I find that shameful. At this precarious time we should be more prudent. The timing of this vote sends a signal to the world's economies that the United States is not ready to engage them in the marketplace. The timing of this vote sends them a message that we are preparing to move to a protectionist stance and that we are willing to stifle global economic growth.

I am prepared to vote ''yes'' on this critical legislation because I am so strongly committed to expanding trade opportunities for Americans. I only wish that the leaders of the majority party were prepared to show an equal commitment to this principle—and less of a willingness to play politics with our future.

Ms. BROWN of Florida. Mr. Speaker, I am very concerned about this Fast Track legislation. The way I see it, NAFTA has eroded 100 years of U.S. workers fighting for safety rights, worker protection, and fair wages and hours. There can be no serious global trade legislation without protection for workers and for the environment. For instance, we need to know that rain forests will not be destroyed or that women and children will not suffer from increased poverty and a violation of human rights.

And I need to know that Florida farmers will not suffer. What has NAFTA done for Florida? No oranges from Florida have gone to Mexico; however Mexican tomatoes have flooded the U.S. market.

We now have a history with NAFTA. We have lost good jobs. Corporations move and unemployed workers left behind get jobs paying less. The skilled jobs that once moved black workers into the middle class are gone and cities have lost an important tax base. At the same time, workers in rural America are suffering.

This is wrong. All citizens must be lifted with the economic tide—we are all in the same boat. I will work to see that we all can do better in this new global economy. I am especially concerned about our working men and women. Our workers want answers to important questions:

(1) How will American workers integrate into the global community? (2) Where will corporate investment be made? (3) How will global trade affect the balance of power between worker and management? (4) How will global trade affect our rural farmers and the global environment?

Our workers deserve reasonable answers to these questions.

Ms. HARMAN. Mr. Speaker, I rise in strong support of the pending measure granting the President fast track consideration of trade agreements he negotiates with our foreign trading partners.

As many of my colleagues know, despite pressure from the Administration, former President Carter, and many of my business constituents, I voted against NAFTA. But fast track is not NAFTA. But fast track is not NAFTA. Indeed, as I explained to a business audience in my district last fall, fast track is not a debate over NAFTA or whether what is negotiated will even resemble NAFTA.

I can appreciate the concern that the fast track process may result in a trade agreement certain interests can't support and perhaps can't defeat. But I am more concerned that the lack of fast track authority will mean that even good trade agreements cannot be negotiated because our trading partners will not want Congress to amend them.

I represent California's 36th Congressional District—which I call the aerospace center of the universe. Over the course of the last decade, the district has seen thousands of defense-dependent jobs disappear. But the local economy has rebounded—rebounded by diversifying and applying the high technology skills of South Bay workers to solving transportation problems, to cleaning up the environment, to developing advanced communications satellites and the infrastructure and software to support them, and to making advances in medical technologies adapted from Cold War programs.

Future growth, indeed the continued existence of these industries, depends on finding foreign markets. Diversification and access to foreign markets are the strategy for saving the defense industrial base that won the Cold War. Without trade, this industrial base would be far weaker today, and fewer high skilled workers would be employed. Most important, our ability to ramp up in times when our nation's security is threatened would be gravely jeopardized.

Trade benefits the non-defense sectors in my district as well: from toys to wet suits to automobiles. Most of our growth in manufacturing and service jobs in the last decade is trade-related.

Mr. Speaker, creating trade opportunities is an integral part of keeping a strong defense

production base at home and for keeping a strong local economy vibrant. Fast track is an essential tool in this effort.

I urge my colleagues to support this important measure.

Mr. FAWELL. Mr. Speaker, I rise today in support of H.R. 2621 and the extension of Fast Track trade negotiating authority. Study after study has shown that free trade benefits America by increasing exports, creating higher wage jobs, giving U.S. consumers more choice and lower prices, and keeping U.S. industries competitive. Since its original enactment in 1974, each president has benefitted from fast track authority, and has used this negotiating tool to advance U.S. economic and foreign policy interests. Without fast track, U.S. trade negotiators are put in the position of negotiating a treaty and then having it altered by the ''535 Secretaries of State'' residing in the Capitol. These alterations often make the agreement unacceptable to the other parties. For this reason, the U.S. has not been a party to over 20 free trade agreements which have been negotiated since fast track authority lapsed in 1994.

The partnership created under fast track between the president and Congress, enhances our ability to shape the rules of international trade and lead on multilateral initiatives that benefit U.S. businesses and workers through our entry into trade agreements. Without free trade, our ability to influence nations in other areas of critical interest to the United States, including human rights, the environment, and drug trafficking would be diminished. To influence these nations, we need to increase contact and trade, we cannot turn inward. Clearly, we need to reinstate fast track authority to restore our presence worldwide. Only with this authority can America retain and strengthen its trade status and its leverage with foreign nations to influence their labor, environmental, and other policies.

In addition, fast track helps American businesses and workers. Tariff rates in the United States are already among the lowest in the world. Fast track authority will give the president the ability to negotiate trade agreements with other nations, to lower their tariff rates. This will greatly increase the number of American goods that can be exported to these foreign nations. Treaties negotiated under fast track procedures will break down trade barriers and expand our exports, creating American jobs and providing a more secure economic future for America. You can be assured, Mr. Speaker, that while we debate the merits of fast track authority, Canada, Japan, and the countries of the European Union are negotiating free trade agreements with America's trading partners.

Our nation should be able to take full advantage of the advances which free trade status and fast track authority offer. I urge my colleagues to support H.R. 2621, and reinstate fast track authority for workers, for business, for America.

Mr. COYNE. Mr. Speaker, I rise in opposition to this legislation.

I oppose H.R. 2621 because I think that it would produce trade agreements that contain inadequate labor and environmental protections. I believe that trade agreements negotiated under the terms of this fast track authorization bill would destroy U.S. jobs and drive down American workers' wages.

Mr. Speaker, the United States is a world leader in terms of military power, diplomatic influence, economic vitality, technological innovation, and popular culture. As the richest and most powerful nation on earth, the United States enjoys a unique position of leadership—and provides us with the ability and opportunity to influence countries around the globe.

This country must be a leader in terms of worker rights and environmental standards as well. Our labor and environmental standards have a positive influence on labor and environmental laws and regulations around the world. We can and should promote labor rights, workplace safety, and environmental stewardship in developing nations. By doing so we help both American workers and foreign ones. Moreover, failure to do so places our workers and their employers at a competitive disadvantage in the global marketplace. Consequently, I strongly believe that any trade agreements that we reach with developing countries should promote worker rights and environmental protection in those countries.

I believe that responsible trade agreements can benefit this nation and its workers, and that giving the President carefully crafted ''fast track'' negotiating authority can promote such agreements. Consequently, in considering this legislation reauthorizing the administration's fast track negotiating authority, my decision on whether to support or oppose this fast track bill has been based upon the legislation's treatment of labor and environmental issues. I have concluded that this bill does not provide that adequate labor protections and environmental standards will be included in trade agreements negotiated under its fast track authority. Consequently I oppose this legislation.

I urge my colleagues to vote against this fast track legislation, and to work with me to develop fast track legislation that does a better job of promoting America's trade interests.

Mr. COSTELLO. Mr. Speaker, today, the Republican leadership is up to their old tricks again. Their plan to consider fast track trade authority not trivializes this important debate. The Republican leadership is playing a game with electoral politics—creating political havoc prior to the mid-term elections. We should be focusing on passing the appropriations bills and addressing health care legislation and education issues and true Social Security reform. We should put this bill away until we are ready to include binding provisions and enforcement mechanisms to protect worker rights, food safety and the environment.

I oppose this fast track legislation. When we considered granting the President fast track trade authority last year, I was opposed to that plan. Today, I have the same reservations. Presumably, one of the main reasons for fast track authority is to expand the North American Free Trade Agreement (NAFTA). NAFTA has cost hundreds of thousands of American jobs and failed to improve environmental conditions along the U.S.—Mexican border. I did not support NAFTA then, and I will not support expanding it now.

NAFTA resulted in a loss of almost 17,000 jobs in Illinois and 420,000 jobs nationwide. U.S. workers who found new employment after their jobs moved to Mexico took an average pay cut of $4,400. Unfortunately, this proposal will result in more disastrous impacts on U.S. workers. Workers will have reduced bargaining power under this agreement as employers use threats of moving jobs to lower wage-paying nations in order to lower worker contract demands. This fact track legislation provides absolutely no protection for American workers.

Further, this proposal fails to address necessary environmental standards. Since the passage of NAFTA, the degradation of the environment along our border with Mexico has escalated. By not requiring other nations to increase their environmental standards, we are putting American products, which are subject to stronger environmental rules, at a disadvantage in the competitive marketplace.

I am also concerned about food safety. Food-borne illness is on the rise around the world in part because of the ''globalization'' of the food supply. Imported food is over three times more likely to be contaminated with illegal pesticide residues than food grown in the U.S. Stronger pro-consumer language in any fast track legislation would correct this oversight, however, the provisions of this fast track bill would greatly restrict the United States' ability to protect the public from unsafe food. I am not convinced that this bill provides adequate consumer protections that we, as consumers, expect and should demand.

I also believe that trade agreements should be subject to moral and ethical standards. There are 1.3 billion people around the world living on less than $1 a day. This fast track legislation does not include provisions to reduce child labor or decrease poverty and inequity throughout the developing world. U.S. trade policies and negotiations should seek to change this unfortunate reality.

This is not the right fast track legislation; it is irresponsible to bring this bill up now. We put our credibility with our trading partners at risk because this fast track bill does not have the support of the majority of this Congress. Trade policy and its domestic and international consequences is too important to be used as a political football.

The bottom line is that this bill fails to address human rights, food safety, environmental regulations, or protect American workers. I cannot support this bill, and I urge my colleagues to vote no on fast track.

Mr. VENTO. Mr. Speaker, I rise today in opposition to a measure that would trade away my right to represent the interest of my constituents. This fast track legislation would place a straight jacket upon my ability to advocate for the people of Minnesota without the minimal safeguards that address key issues of concern. Let me be clear, I am for trade, but I am not in favor of surrending and limiting the opportunity to influence trade agreements the United States administration appointees shape. The Constitution in fact preserves our role in the Congress to shape trade agreements, and this fast track measure takes the wrong track in surrender of such congressional role to the Administration and bureaucrats.

I am especially concerned that this legislation today is being used as a political pawn by the Republican majority. Trade policies, and our role in shaping those policies, are much too important to be thrown away merely on the basis of eve-of-the-election politics. We should stop the rush for fast track, and open this floor for real debate on the role of our country in the global economy.

Despite what you may hear from proponents of this legislation, trade expansion will not die without fast track negotiating authority. Of the 200 plus trade pacts this Administration has

made over the past six years, all but two were considered without fast track procedures. 198 agreements didn't need such power. This is essentially the same fast track legislation that was opposed last year by labor, consumer, and environmental groups. No matter how you repackage it, fast track in this form is a bad deal for Americans. Our job in Congress is to represent our constituents, not to shift our power and limit our voice on key trade agreements, especially as our global economics become more integrated.

I understand the benefits of trade on our national and local economies. However, we need to use our economic leverage and market power to ensure that the rights and interests of our farmers, workers, environment and public health are advanced in our trade agreements. These are the very elements which have contributed in shaping one of the greatest economies in the world. Why should we lower the standards and protections that provide the foundation of our economy and U.S. prosperity? Trade pacts today have too often been the Trojan horse which undermines progress in these emerging areas of environmental policy, worker rights, health and safety standards.

I fear that new trade agreements without a prerequisite to address these specific concerns will just represent a high tide which carries American jobs to foreign shores and creates a lower common denominator. Some will capitalize on the growth of the emerging global economy and the expansion of trade, no matter the human indignity upon which it rests, and others will be displaced by downsizing, new technology, and offshore production. I, therefore, will not negotiate away my ability to advocate for my constituents' interests, jobs, wages, and livelihoods. My rejection of this process isn't the end of the issue, but rather a vote for Congress to insist upon a new negotiation framework and reclaim its proper role—a direct role in the trade agreements that will determine the policy and economic interface between the United States and our trade partners.

We have the ability and the responsibility to guide and set our economic and trade policy, keeping in mind the core values that have sustained our nation as the world's most successful economy; the basic human rights, social justice, safety and health, worker rights and the safeguarding of the environment. For that reason, I oppose this fast track legislation, and encourage my colleagues to do the same. It isn't a solution but the wrong track—a detour on the economic policy path to a sound global economy.

Mr. SKAGGS. Mr. Speaker, a year ago, when I announced my decision to support fast track trade negotiating authority, I told my constituents that I was supporting it because I believe strongly that good jobs depend on expanded trade—especially for a state like Colorado that is a leader in high tech and agricultural exports.

Over my twelve years in Congress, I have talked with workers, farmers, managers, and CEOs whose jobs depend on being able to sell their goods overseas. To expand U.S. exports we must make trade agreements to open foreign markets to the goods and services produced by Colorado's and America's workers.

One-third of our economic growth in recent years has come from exports. Our economy is in the eighth year of a steady expansion, with low inflation, and unemployment at such low levels that economists consider it to be ''full'' employment. I am convinced that the long-term health of our economy depends on continuing to lower barriers to our exports and expand opportunities to sell our goods.

For the United States to retreat from the policy of trade liberalization, which has been a major source of worldwide economic growth since the end of World War II, would have enormous consequences for this country and for the rest of the world.

What is essential in the long-run is a sustainable, centrist, bipartisan, and reliable coalition for a progressive trade policy. Playing political games with this issue won't succeed in the short-run—few believe there are enough votes to pass this measure today. But far worse, pushing today's vote on Fast Track will cause positions to harden and so will diminish the chances of achieving a centrist consensus on trade over the long-run. And trade policy simply has to be bipartisan if it is to be effective or reliable.

Sadly, the Republican leadership seems more interested in scoring pre-election political points in making real improvements in the world trading environment. If they really wanted to sustain a bipartisan coalition in support of a progressive trade policy, they would not be bringing Fast Track up today.

A Republican aide is quoted as saying that the decision to bring this to a vote, regardless of its chance of passage, was ''to show business who is in the camp of business, and who is in the camp of labor.'' That's the sort of maneuver that severely damages the prospects for a national consensus on trade.

I can't vote for Fast Track today, because I choose not to be part of an effort to manipulate this important issue for partisan advantage a few weeks before the election. I will vote ''present'' to protest this cynical treatment of an issue that is so important to America's continued prosperity.

Mr. DICKS. Mr. Speaker, I am very disappointed with the reasons that the leadership has brought this legislation to the floor this afternoon. Both sides of this debate—and both parties—know very well that there are not enough votes to pass this bill today, a bill that I believe is extremely important for the future of our country. Rather, this legislation is being used as a political tool with the sole purpose of trying to embarrass the President. I believe that this is wrong, and I think that the leadership on the other side should have worked with the Administration in good faith to gain the votes to pass this bill instead of using such an important and inflammatory political issue simply for partisan gain.

Despite the actions of the other side, I support reextending fast track negotiating authority to the President for certain trade agreements. I believe that this authority is necessary to ensure that the United States remains a global leader on free trade, and to enable the President to continue to work to open foreign markets to American goods.

Trade is critical to Washington state, which is our nation's leader in per capita goods exports. In fact, one in every four jobs in my state is directly or indirectly dependent on exports—almost 740,000 people—and this figure is expected to increase to one in three by 2005.

These are not low wage service jobs that have been generated from the growth of trade in my state. These are high-wage jobs—jobs that pay 46 percent more than the overall state average. We are talking about thousands of union Machinists making airplanes at the Boeing Company, we are talking about software developers at Microsoft, we are talking about mill workers that fabricate aluminum at Kaiser, chip makers at Intel, and workers at Weyerhaeuser that produce lumber and wood products for export.

Trade is not just important to big companies; in my state, there are many more small businesses than big ones that depend on international trade. There are many small companies that supply machine and airplane parts that go into the aircraft that we sell overseas, thousands of farmers that grow apples and wheat, and countless small, family-owned mills that process timber and sell the products in Asian and other overseas markets.

Fast track negotiating authority is critical to the continued prosperity of the Pacific Northwest. A second Information Technology Agreement, one of the Fast Track priorities of this Administration, is important for the many high tech companies in the Puget Sound area. Further negotiations on intellectual property, a principal negotiating objective of the bill, will also help these companies to fight software piracy, which costs the industry billions of dollars each year. Future agricultural agreements will also help open markets for Washington's farmers.

Many Fast track opponents are arguing that the only reason for considering this bill at all is to enable the President to expand NAFTA to Chile and beyond. In actuality, negotiating a comprehensive trade agreement with Chile—a more economically developed country than Mexico—is only a small part of the Administration's trade agenda. This agenda also includes expanding current trade agreements to achieve reduced foreign tariffs on U.S. high technology products and services (some of which currently exceed 30 percent), greater protection of American intellectual property, improved access to foreign government procurement activities, and elimination of barriers against U.S. agricultural products. With 30 percent of our recent economic growth tied to exports, and these export-related jobs paying between 13 to 16 percent more than the average national wage, it is imperative that we actively pursue trade agreements that open foreign markets to America's products and services. It is important not to forget that more than 95 percent of the world's population lives outside the United States.

Mr. Speaker, despite my dissatisfaction with the reasons for which this legislation is under consideration today, I will vote in favor of the bill. In my judgment, fast track negotiating authority is too important to my district, my state, and my country for me not to support it.

Mr. CUMMINGS. Mr. Speaker, I rise today in support of the United States Congress and in opposition to fast track.

I am going to be brief because what I have to say is straight forward: fast track may have been right in the past, but it is clearly wrong for the present and wrong for the future.

There was a time then international trade agreements were little more than the terrain of bean-counters: the fees applied to the importing and exporting of goods.

Today, however, these agreements have expanded well beyond bean-counting, and even beyond trade into the realm of finance and investment.

Such agreements directly impact the meat and potatoes of what our work in Congress is all about: worker rights, the environment, economic equality, human rights, food safety, even health care and education spending.

Therefore, we, the Members of Congress, must have a voice in the direction of these international agreements.

I did not become a United States Representative to act as a rubber stamp.

Rather, I came here to represent my constituents by using my voice to debate and to amend as I see fit legislation that has a direct bearing on their lives.

And, to those among us who argue that the United States needs fast track to participate in the international global economy—I ask for one, just one example from the last four years during which time we did not have fast track that the United States has not had a seat at the table in an international trade, investment or finance negotiation? Anyone? I thought not. Because there are no examples. We have never been kept from the table and we will not be left out in the future.

For all these reasons, Mr. Speaker, I continue my opposition to fast track by voting against this bill.

Mr. KLECZKA. Mr. Speaker, I rise today to express my strong opposition to giving fast track trade negotiating authority to the president. Not only is this bill a bad deal for working men and women, but it prevents Congress from doing its job.

Let me start out by saying that I am very concerned that we are even having this debate today. The Republican leadership has brought this bill to the floor with little interest in promoting a sensible trade policy for our nation. Instead, the bill before us today has the sole intent of embarrassing President Clinton and forcing Democrats to cast a tough political vote before an election.

Last year, fast track was pulled from the House calendar because there were not enough votes for passage. Since that time, no effort has been made to address the concerns of those who opposed fast track. The Republican leadership tinkered around the edges to add a few more provisions to make the vote even more difficult for some members, but nothing of substance. No protections for our environment. No protections for workplace safety. No protections for hardworking Americans and their families.

I must remind my colleagues that the Constitution of the United States gives Congress the power to regulate commerce with foreign nations. Since 1974, however, the House and Senate have abdicated this responsibility by giving the president trade negotiating authority that limits congressional input. This culminated in the failed North American Free Trade Agreement (NAFTA).

The legacy of NAFTA is the growing number of American companies heading south of the border to take advantage of low wages and non-existent workplace safety and environmental standards. Two years ago, Johnson Controls, located in my congressional district, said they were closing a valve plant and taking 200 jobs with them to Mexico. Companies such as Fruit of the Loom and Sara Lee have joined Johnson Controls in abandoning thousands of their workers in search of lower costs in Mexico.

Even worse, companies are using the threat of relocating in Mexico in order to force their loyal employees to accept cuts in pay and benefits. To top it off, many workers are being required to work longer hours in order to meet the production demands of corporate CEOs. A commission created under a side agreement of NAFTA conducted a study that showed these threats were carried out three times more often under NAFTA than in the past. This lack of bargaining power has prevented American workers from enjoying the benefits of the recent period of economic prosperity.

Many say the recent economic expansion has been, in part, a result of the recent trade policies of our nation. While that may be true, it is a fact that American workers have not enjoyed the benefits that should come with economic prosperity. From 1993 to 1996, real median wages fell 4.1 percent. My state of Wisconsin has been hit particularly hard—recent Census data shows Wisconsin was only one of four states where household income did not grow over the past year. In fact, the median income in Wisconsin dropped almost $1,800—or 4.2 percent—last year. The reason: the quality of jobs, measured by wages, has deteriorated.

America should also be concerned about what recent trade agreements have done to the environment. The proponents of fast track point out that we are in a global economy and need this authority to avoid being left out. But what they fail to realize that when we choose to ignore environmental standards in trade negotiations, we are putting our own health and safety at risk.

Instead of debating this partisan sham of a trade bill, the House of Representatives should be doing its job. We must defeat this legislation and reassert our constitutional duty to debate, amend, and then approve trade proposals that are in the best interest of working families.

Mr. FRELINGHUYSEN. Mr. Speaker, I rise today in strong support of H.R., 2621, known as ''fast track'' authorization for the President to negotiate international trade agreements. Congress must pass this legislation today for several reasons—it will open markets and create jobs, it is the right policy for American export businesses, and it is about leadership.

H.R. 2621 will give the U.S. an edge by opening up overseas markets to our products and services. Over 96 percent of the world's consumers live outside of the U.S. and fast track will ensure some of America's most important industries market access and future economic expansion.

I hear from countless businesses and their employees that fast track is the right policy for American Export Businesses. There is virtually no question that exports have contributed immensely to America's increasing economic vitality and stature throughout the world.

America leads the world in net exports. Last year, American exports of goods and services totaled more than $933 billion—14 percent of total world trade. More than 11 million U.S. jobs are export-related, including 1 in 5 manufacturing jobs, which pay an average of 13–16 percent above the national average.

Thirdly, fast track is about leadership. We are the world's global leader in trade and our action today is both symbolic and substantive. You can't lead the world towards democratic ideals and free markets if you remove yourself from the trade process. We need to be involved on all continents, and right now we are shutting ourselves out of too many overseas markets.

Similarly, our country cannot be an advocate for global environmental protection and the improvement of labor conditions and wages if we are not at the table to lead in these efforts.

Finally, I would like to express my disappointment over the President's personal involvement during this debate today. Over the past year, he and members of his Administration, including the Vice-President, the Secretary of State, and the Treasury Secretary, have been quoted repeatedly about the urgency of passage of fast track. In this regard, I would like to quote Secretary of State Madeline Albright's July 24, 1997 speech to the Pacific Council and Los Angeles World Affairs Council. She said,

> American prestige is not divisible. If we want our views and interests respected, we cannot sit on the sidelines with towels over our heads while others seize the opportunities presented by the global marketplace. That is why, from a foreign policy perspective, I consider fast track to be among our highest legislative priorities.

I commend the leadership of the House for bringing this bill to the floor today, despite the lack its support by the President and his Administration, because they understand the importance of this bill for our country.

Mr. Speaker and colleagues, I urge the passage of this legislation. It is inconceivable that we would not act today to assure a brighter future and a better standard of living for our children and grandchildren and their futures.

Mr. DAVIS of Illinois. Mr. Speaker, when the United States enters into trade agreements, the objective should be to advance the standard of living for working families in our country and abroad.

Just like the average family in Illinois' 7th Congressional District. They are impacted by this trade agreement whether they like it or not. My hope is for them. They want what you and I want—to provide, to the best of their ability, for their loved ones.

My hope is for the people in the district, so that they can obtain a Living Wage, a wage that allows workers to lead a dignified life while working in a safe and healthy environment—an environment that respects their needs as a worker and a human being. Their struggles and desires are not so different from yours and mine. They want to put clothes on their children's back, they want to put food on the table, have access to reliable transportation, live in adequate housing and be able to obtain affordable child care for their children. Their issues need to be taken into account and be an active part of this debate. We need to engage the people in this debate—for we are playing with their livelihoods.

I hope for a trade agreement that will help to broaden our economy, help eradicate poverty, while bringing jobs and a decent quality of life to all of those involved. However, based upon recent reports, NAFTA as a trade agreement and trade model, has not met its promises. Thus, I believe that any standard of trade, based on the NAFTA model, will further threaten the standard of living for working families, not only in the USA but in other countries as well. Therefore, I am opposed to HR 2621, Fast Track.

''Free traders'' often state that those opposed to NAFTA-based agreements—like fast track, need to ''get with the times''— Often asserting that we are opposed to this treaty out

of fear for the future. I pronounce that this is just simply not the truth. I welcome healthy change and look forward to supporting a treaty that will serve in the best interest of small businesses, workers and the environment in this country, as well as all those involved.

Mr. Speaker, I know that when we start placing people before profits; placing democratic safeguards before raw political gain; placing the well-being of our land ahead of the fiscal bottom line of a limited number of business concerns and protecting our inhabitants from irresponsible development—then the future will be hopeful for those ordinary folks both here and in places like Mexico.

Instead of fast-track, we need an agreement that increases our purchasing power, that improves living standards for all, and that proposes constructive solutions to pressing development and social problems, and that enhances healthy commerce throughout the region.

''Fast track'' proponents continue to argue that jobs are being created, but they cannot back up their claims.

Studies show that 65% of laid off U.S. workers end up in lower paying jobs. The vast majority of new jobs in the United States are now in low paying sectors of the economy. The U.S. Department of Labor's forecast of job growth over the next ten years shows the greatest increase in cashiers, janitors, retail sales clerks and waiters and waitresses.

The Administration argues that they need ''fast track'' authority to negotiate trade agreements, but this just isn't so. By their own admission, only 2, out of over 200 trade agreements negotiated while in office, have been negotiated under ''fast-track'' authority. Working families are better served by public debate over trade agreements, not backroom deals cut by policy players that can only be voted up or down.

Fast-tracking is an issue of democracy. There is no adequate time to debate. Thus, members are forced to circumvent on their duty to vote.

Finally, given the negative effects that NAFTA has had on workers both here and across the continent, using a region known as the Maquiladora, as point-in-case. The area is an environmental and health disaster area called a ''cesspool of infectious diseases'' by the American Medical Association. Residents on both sides of the border suffer from alarming rates of hepatitis, chronic diarrhea and tuberculosis. Contamination by toxic industrial wastes and chemicals has been linked to the clusters of cancer, rare birth defects and immunological diseases on both sides of the border in 1995.

This is a tragic example of the types of human costs that can be experienced when linked to rapid industrialization without any human rights standards. Yes, we need jobs and a solid economy, but, I ask my colleagues, at what cost and at the expense of whom? We need to seek equitable trade across borders, we cannot think of what is only good for U.S. citizens. We need enforceable workers' rights provisions and standards for all parties in trade agreements. This is fair trade.

To honestly analyze this ''agreement,'' we must understand not only what NAFTA is, but more importantly what it is not. NAFTA did not create substantially more free trade with Mexico, it did not create higher paying jobs for rank and file workers—on either side of the Rio Grande, it did not ensure the development of Mexico, and it side-steps critical social, environmental and economic issues. NAFTA is the absence of wage and labor rights, and responsible environmental regulations.

I say that NAFTA is more about Wall St. than about Roosevelt Road in my district where businesses thrive and employe many working-class families.

What can we learn from this debate? One strategy that seems abundantly clear is that we must work together to introduce and pass legislation that seeks to defend the rights and improve the quality of life for all working people across borders. People in my district—and beyond—need good, decent-paying jobs with a liveable wage as well as a workplace that has an atmosphere of safety and respect for all.

With a new effort afoot to spearhead international trading blocks, we must respond by allowing aggressive organizing to take place in the workplace, and create an atmosphere that welcomes the advocating of social change that safeguards workers, communities and the environment. To ask for less is to consign all of us to a spiral of economic decay and growing human misery that undercuts the humanity and well-being of all people of the America.

Mr. Speaker, I close today, by submitting to you that our struggle is linked to the struggle of poor and oppressed people throughout the world and their economic liberation protects our economic development. I look forward to supporting a treaty that will help small business prosper, a treaty that gives everybody the same break that the current treaty reserves for only the most powerful players at the table. We need a fair trade agreement that includes all who have a right and need to trade.

Good trade is good for people in the 7th Congressional District of Illinois, the city of Chicago as well as the people in the USA and Mexico. A higher wage means more purchasing power which means a stronger economy.

Mr. CONYERS. I am opposed to this bill to grant ''fast track'' negotiating authority to the president. The failed record of the North American Trade Agreement should have taught this body that it is time for us to remake our trade policy. NAFTA has hurt workers in America, increased poverty in Mexico and accelerated environmental destruction along the border.

The NAFTA disaster demonstrates not that we shouldn't be making trade agreements, but that we need a fully participatory policy making process that protects the interests of consumers, workers and the environment. That process should put Congress, a body devoted to responsiveness to people back home, at the center of the trade debate.

In my own state, NAFTA has been devastating to the auto industry. In 1997, the trade deficit with Mexico was $13.9 billion for autos and automobile parts alone! This figure is expected to go up a bit this year because from January through July of 1998, the trade deficit was $8.7 billion, compared to $8.3 billion for the same period last year. And keep in mind that before NAFTA, in 1993, the United States only had a $3.6 billion overall deficit with Mexico.

I visited the low-wage maquiladora factories in Mexico in 1993. All the foreign-owned corporations told us that this business sector would shrink. Instead it has increased by half since NAFTA. This means that polluted corridor along the US border is growing uncontrollably and NAFTA's weak environmental protections give us almost no redress.

So Americans are not better off and Mexicans are not better off. According to Mexico's National Autonomous University, the number of people living in extreme poverty has gone up from 31 percent in 1993 to 50 percent in 1996. This is not a fair deal for anyone except the greedy few who have profited from slashing American jobs and suppressing American wages.

I know we can negotiate a better trade agreement. But the first step is to keep Congress and the American people involved by rejecting the failed fast-track approach to trade. I urge a ''no'' vote on this bill.

Mr. WEYGAND. Mr. Speaker, today we are scheduled to vote on whether to grant fast-track authority to the President. I believe that, as written, we cannot ensure that U.S. citizens and citizens of other countries will get the safeguards they deserve therefore, I will be voting against granting the president fast-track authority and urge my colleagues to do the same.

Mr. Speaker, in the United States we have a great deal of environmental, worker and consumer safeguards that make our standard of living among the highest in the world. We have worked very hard at building a nation where people can live with assurances that their food has been inspected, their roads are relatively free of unsafe vehicles, their air and water are clean and they can earn a livable wage. Why should U.S. citizens or any other citizen of any nation not be guaranteed the continuation of those same benefits? Why should U.S. standards be compromised?

One of the purposes of trade agreements should be to better both or all trading partners. Our goal should be to raise the standard of living for everyone. Weak standards should be strengthened, strong standards should not be weakened. As we have seen with NAFTA, not including certain safeguards in the text of a trade agreement itself will result in a lower standard of living.

Because we cannot look into a crystal ball to find out how a trade agreement will turn out we must ensure that environmental, consumer and worker safeguards are included, up-front. Including these provisions in the fast-track bill will ensure that high standards are part of the negotiations and will not be sacrificed.

I fully understand the importance of entering into trade agreements to make sure that the U.S. is not left behind in this global economy. Expanding export opportunities is critical to the continued economic development of Rhode Island's economy and I will work to continue to create and expand those opportunities without giving up our standard of living. I am in favor of fair and equitable trade, but not at the expense of jobs and our families. We should trade goods, not export jobs.

I believe that this fast track is the wrong track. It quiets the American people's voice in their government. This Fast-Track does not defend workers and consumers and therefore is a hindrance to fair trade, rather than a boon.

I believe we can have free and fair trade, trade that benefits American workers and consumers and defends the environment. I believe we can have agreement that will result in higher wages, cleaner air and greater consumer safeguards. This bill will not yield those

desired results. Again, I urge my colleagues to vote against this bill.

Mr. DELAHUNT. Mr. Speaker, I rise in strong opposition to the bill.

This debate is not about ''free trade'' versus ''protectionism''—though that is how proponents of the fast track proposal often characterize it. It is not about ''engagement'' versus ''isolationism.'' Or ''leadership'' versus ''retreat.''

What this debate is about is whether the most powerful nation on the planet will help create a global economic system in which everyone has a fair share of the wealth.

Or whether we will continue to pursue trade policies that magnify existing inequities. That favor huge multinationals and ''agribusiness'' combines over locally-owned enterprises and family farms. That encourage American companies to go where they won't be hampered by fair labor standards, consumer protection laws and environmental regulations.

This legislation failed last year and it deserves to fail again. Because the working people of America understand what it will mean for them. For their families. And their communities. They have seen what NAFTA has brought them, and they are not about to allow the Congress to repeat that costly mistake.

NAFTA may have generated record profits for some large corporations. But those profits have come at the expense of workers whose jobs moved south. And farmers who couldn't compete with cheap Mexican wages. And consumers forced to buy potentially unsafe produce.

Nor are the consequences of NAFTA confined to our side of the border. On a recent trip to Mexico, I saw what NAFTA has meant for the people of that country. Factory workers denied decent working conditions and the right to organize. Agricultural laborers exposed to chemicals banned in the United States. Thousands of subsistence farmers forced off their land to make room for giant export producers.

To help address these concerns, I have joined with a number of my colleagues in this House, the Mexican Congress and the Parliament of Canada, in an agreement to establish a Tri-National Commission. The Commission will meet every few months, beginning early next year, to examine the effects of NAFTA in all three countries, and to look at better alternatives.

We have been warned that if we fail to approve the bill, we will be shut out while other countries reach agreements. That, I submit, is an appeal to fear and weakness that ill befits a strong and confident nation. A nation with the strongest economy in the world.

We should not negotiate because we are afraid we will be left out. Rather, we should negotiate in the secure knowledge that our trading partners need the American market at least as much as we need theirs. That a great nation need not accept what others decree, but can work with them to reshape the structure of international trade.

If we fail to do this—if we do nothing to address the growing gulf between the haves and have nots—if we continue to enter into agreements which codify the inequities of the current trading system—we will have much to answer for.

I urge my colleagues to stand with working men and women everywhere in just saying ''no.''

Ms. WATERS. Mr. Speaker, I rise in strong opposition to this once-failed ''Fast Track'' trade authority legislation that the Republican leadership has chosen to bring to the floor.

Our urban centers and rural communities nationwide have suffered greatly from the corporate flight and job loss promoted and encouraged by NAFTA. Wages for manufacturing workers have been depressed by brutal global competition with terribly exploited workers overseas. And the violent turmoil in the world's financial markets threaten to ruin the economies of many developing nations.

But, in these uncertain financial times, the Republicans are using this bill for their partisan purposes and ignoring the danger signs, throwing protections for American workers and families out the window.

But they should not, and will not, pass this bill. They still have no real protections for American workers who face the loss of their jobs overseas. Environmental concerns continue to be ignored.

And, despite all the Republican rhetoric about being tough on drugs, this legislation does nothing to stop the increase of the flow of drugs into the U.S.

Loosening the rules of trade, without building in any safeguards against drug trafficking, has meant a virtual explosion of the flow of cocaine, heroin and other narcotics into the U.S. In November 1997 I called for the addition of specific, core language in trade agreements that addressed drug trafficking. I published a report ''Drug Trafficking on the Fast Track'' that documented the dramatic increase in drug trafficking that came as a result of NAFTA.

And this week's New York Times highlighted these dangers reporting that the brother of Mexico's former President Carlos Salinas, ''assumed control over practically all drug shipments through Mexico.'' He used government trucks and railroad cars to ship tons of narcotics into the United States using influence and bribery to buy protection from the nation's army and police force.

So we negotiated a free trade treaty having absolutely no drug trafficking protections built in, with a government that was literally directing the flow of cocaine and narcotics into the United States.

We cannot repeat the mistakes of the past.

We cannot sign trade treaties with governments who are involved in, or complicit with, drug cartels and international drug trafficking. Until we address this issue, and protect the rights of American workers, we should reject this legislation.

We need a fair trade agreement that protects American families. I urge my colleagues to vote no on this fast track legislation.

[From the New York Times, Sept. 19, 1998]

SALINAS BROTHER IS TIED BY SWISS TO DRUG TRADE

(By Tim Golden)

MEXICO CITY.—After a nearly three-year inquiry into drug corruption in Mexico, Swiss police investigators have concluded that a brother of former President Carlos Salinas de Gortari played a central role in Mexico's cocaine trade, raking in huge bribes to protect the flow of drugs into the United States.

In a secret 369-page report, the investigators assert that Salinas's elder brother, Raúl, used his wide influence in the administration to organize an elaborate network of protection for drug smugglers. He also channeled drug money to his brother's presidential campaign, the report alleges.

''When Carlo Salinas de Gortari became President of Mexico in 1988, Raúl Salinas de Gortari assumed control over practically all drug shipments through Mexico,'' the report states. ''Through his influence and bribes paid with drug money, officials of the army and the police supported and protected the flourishing drug business.''

From a low-profile position in the administration's food-distribution agency, the report states, Raúl Salinas commandeered Government trucks and railroad cars to haul cocaine north, skimming payoffs that the Swiss estimate at upwards of $500 million. On what some of his reputed former associates referred to as ''green light days,'' he arranged for drug loads to transit Mexico without concern that they might be checked by the army, the coast guard or the federal police.

A partial copy of the report was obtained by The New York Times. It appears to be based largely on interviews with nearly 90 former drug traffickers, reputed Salinas associates and other witnesses, most of them unidentified.

Swiss officials said they expected the report to be the basis for their Government's seizure in the coming weeks of more than $130 million that Raúl Salinas deposited in Swiss banks.

Lawyers for Salinas dismissed the report Friday as the slanderous product of a Swiss crusade to confiscate what they insisted was a fortune that their client earned by legitimate means.

''The report is absolutely false,'' Salinas's lead attorney, Eduardo Luengo Creel, said in an interview. ''It contains statements, assertions and situations that do not correspond to the facts. It is a police report. It does not have the validity of an evaluation by an investigating judge.''

''We do not even know who these people are,'' Luengo said of the many confidential informants listed in the document, which Salinas's lawyers received two months ago. ''To accuse someone with anonymous witnesses is unconstitutional in any country.''

The document states that Swiss investigators were unable to determine conclusively what involvement the former President, his father and other family members might have had in the purportedly illicit activities of Raúl Salinas.

Some family members, it implies, were among a group of people around Raúl Salinas who were implicated in criminal activities. It based that finding on witnesses it described as ''principally credible'' but did not identify.

The report says the investigators did not look further into the matter because the people mentioned were irrelevant to their inquiry into whether Salinas's Swiss funds came from illegal activities.

Nonetheless, the report adds, somewhat obliquely. ''We have to seriously question the probability that a person with as much power as the President of Mexico for years did not learn about criminal activities of this extent, even if his brother was heavily involved.'' Carlos Salinas has been living recently in Europe.

The Swiss report is by far the most exhaustive assessment to date of Raúl Salinas's reported dealings with the Mexican underworld.

It is clearly a prosecutorial document, one that cites Salinas's own version of events mostly to show how it appears to contradict other facts. Because the Swiss seizure of Salinas's assets would be a civil court action, the report also aims at a considerably lower threshold of proof than would be required in a criminal case.

Raúl Salinas was widely rumored to have grown rich on dubious business dealings during his brother's presidency, but the accusations were almost never public or specific. Shortly after Carlos Salinas's term ended, in December 1994, his chosen successor, Ernesto Zedillo, shattered a long Mexico tradition of impunity for presidential families by authorizing Raúl Salinas's arrest on charges that he ordered the murder of a leader of the governing party who was his former brother-in-law.

In the tiny maximum-security prison cell where Salinas has spent the last three and a half years, he has been struck by wave after wave of new allegations. Federal prosecutors in New York are pressing ahead with a criminal investigation into the possibility that he may have laundered illicit funds through his accounts at Citibank headquarters in New York. And after a series of reversals in their murder case, Mexican officials say they are close to announcing new corruption charges against him.

Much of the Swiss evidence seems to come from witnesses who are identified only by pseudonyms like ''Ludmilla'' and ''Juan,'' and whose credibility is difficult to judge.

Some claimed they had arranged the protection of drug shipments with Salinas directly. Others, including bodyguards, chauffeurs and secretaries, said they had attended meetings at which they saw Salinas receive suitcases full of cash from smugglers. Still others, including an American drug enforcement agent, testified to matters they had learned about second-hand.

As the true names of several of the witnesses have leaked out over the course of the Swiss investigation, Salinas's lawyers have attacked their accounts. But even when the informants are convicted criminals, the report often asserts reasons why their claims are credible.

Legal experts in Switzerland and the United States predicted that the confidentiality of the sources arrayed against Salinas might well prove a weak point in the Government's case. If a seizure is ordered and lawyers for Salinas challenge it in court, as they insist they will, the judge who evaluates the case will have access to the witnesses' identities but the lawyers will not.

In contrast to law enforcement officials in the United States who have studied Mexican drug corruption for years, the small team of Swiss federal police investigators had virtually no background in the subject. But since their arrest of Salinas's third wife, Paulina Castañón, as she tried to retrieve phony passports with her husband's picture from a Swiss safe-deposit box in November 1995, the Swiss detectives managed to scour American court files and jail cells for anyone who might claim a link to their target.

In at least a few such cases, United States law-enforcement officials have acknowledged, those informants had been ignored or misused by prosecutors in the United States until the Swiss sought them out. The Swiss report also cites some confidential witnesses who are described as people who once worked or socialized around Salinas, and it contains what two American investigators described as a meticulous analysis of his financial dealings.

''For us, what they have would be a triable case,'' said a United States law-enforcement official who is familiar with the Swiss evidence.'' It wouldn't be a slam-dunk, but you could definitely take it to court.''

For the family of a former President who was once celebrated as the bold architect of a new relationship between Mexico and the United States—the man who championed the North American Free Trade Agreement and brought to power a new generation of Ivy League-educated technocrats—the report paints a devastating portrait.

Quoting unidentified former associates of the family, the report contends that both Raúl and Carlos were ''introduced'' to the drug trade in the late 1970's by their father, Raúl Salinas Lozano, a former Government minister. It did not make clear what that introduction involved.

''Raúl Salinas Lozano, with his political influence, would have preferred Raúl at the head of the Government in Mexico,'' it continues, quoting an informant close to the family to present a dark new twist on an old story of brotherly ambition. ''But because Raúl Salinas de Gortari's infamous earlier life would not have permitted him to hold a high-level government position, the father decided to support his son Carlos instead.''

Long before Carlos Salinas began to make his name in the mid-1980's as Mexico's young, Harvard-trained Budget Minister, the report suggests, his father had built a friendship with one of the legendary figures of Mexico's north-border drug trade, Juan N. Guerra. Such a relationship has been reported in the past, and angrily denied by Raúl Salinas Lozano.

The eldest son of the one-time border Senator—Salinas Lozano was a dominant figure in the politics of his home state of Nuevo León—and a nephew of the trafficker Juan García Ábrego, inherited the connection, the report contends.

Quoting a series of former drug traffickers, the Swiss investigators state that Raúl Salinas began arranging protection for both Garcia Ábrego and traffickers of the Medellín cartel in Colombia even before his brother became President.

One of those traffickers, identified as ''Giuseppe,'' appears to be José Manuel Ramos, a former high-level Medellín cocaine distributor who operated out of northern Mexico and Texas until his arrest in 1990. Three American law-enforcement officials familiar with his case described Ramos, who remains in prison, as highly credible.

Both Ramos and his wife, Luz Salazar, (the ''Ludmilla'' of the report) referred the Swiss detectives to payment ledgers and other documents that had been seized at the time of their arrest. According to the report, the documents helped to corroborate that from 1987 to 1989, they paid Salinas $28.7 million on behalf of their boss, José Gonzalo Rodríguez Gacha.

Another convicted trafficker who gushes with information about Raúl Salinas, Marco Enrique Torres, has weaker bona fides.

While the report notes some corroboration of Torres's account by an F.B.I. agent who pursued his case, Orlando Muñoz, it fails to note Salinas's denials that he ever knew Torres. Nor does it raise questions about the more improbable parts of his tale of a long criminal friendship between a mid-level drug smuggler and a member of the Mexican political aristocracy.

Once Carlos Salinas became President at the end of 1988, the report states, his brother's power to assure the safe northward passage of drugs grew sharply.

Mr. MATSUI. Mr. Speaker, I yield the balance of my time to the gentleman from Missouri (Mr. GEPHARDT), the Democratic leader.

(Mr. GEPHARDT asked and was given permission to revise and extend his remarks.)

Mr. GEPHARDT. Mr. Speaker, I rise in opposition to this bill and ask Members on both sides of the aisle to oppose this bill.

I have voted for and worked on fast track bills in the past. I worked on a bill with then President Bush that we passed back in the late 1980s. I believe in trade, and I believe in trade agreements. I believe in opening markets. I believe in free trade agreements.

This is not a partisan issue. It is an issue on which I think people of like minds have to come together to prepare an architecture so that the free trade treaties that come from the fast track authority will succeed in opening up more trade and, most importantly, in increasing the compatibility between the countries that are engaging in trade.

□ 1830

To take NAFTA, for an example, it is a free trade treaty between countries that have very different standards of living, very different attempts at enforcing their basic laws. We now know that the problems that have come from NAFTA have been caused because we did not get in NAFTA the kind of enforcement provisions, with teeth, that would allow all the parties to get the other parties to the agreement to properly enforce their labor and environmental laws. We tried to get that in the treaty and at the end everyone said, ''Well, we can't get it.'' I vowed from that moment that if we had another fast track, and I thought and knew we should and would, that I would try to get in it provisions that would say definitely that any treaty that would come from that fast track would have to have proper provisions in it, with teeth, that would get the labor and environmental and other laws in the signatories to the treaty to properly enforce their laws.

Now, why is this important? If you go to Mexico today on the border, you will find the most modern plants in the world. In fact, there are double the number of plants than there were before NAFTA and double the number of jobs. In many ways that is good. That is what we hoped would happen. But if you examine further and you go in the villages where the workers live next to the plants that are modern, as modern as anything in the United States, you will find workers living in abject poverty. They live literally in the cardboard boxes that carry the goods out of the plants. The labor laws in Mexico are better than ours. They are just not enforced. If you speak with the workers and you ask why do you not join an independent union or why do you not bargain for better wages, they laugh at you. And they say, ''We have no ability to do that.'' They live next to open sewage ditches. Their children have hepatitis. Half the children cannot go to school because the workers do not earn enough money to send their children to school.

If this is the future of free trade in the world economy, then we have no future. If it is a race to the bottom because we do not insist on standards in trade, then we have let down everybody in the United States and we have let down everybody in the world. Surely we can do better than this.

I believe if we work from this day forward, because I do not think this

fast track will pass, we can work to a bipartisan fast track that will give the President the fast track authority that he wants, that has the proper conditions in it so we can construct the right architecture in the world so that free trade is also fair trade, it is trade with standards, it is trade that raises the standards in the world and not lowering everybody's standards to the lowest common denominator. Now, surely we can do this.

The fast track we have tonight not only does not allow us to have those kinds of provisions in free trade treaties, it specifically says we cannot take up those matters in free trade negotiations. It is the opposite of what we need. We are the leader in the world. We are the one that has to help bring this infrastructure, this architecture to the world.

What you are voting on tonight is a very imperfect instrument that will not get us where we need to be. We can do better than this. Vote this fast track down. Let us come back next year in a bipartisan way, honestly and decently, and put together a piece of legislation that will allow America to lead the world to a higher standard of living and to the benefits of trade for all the people of the world.

Mr. ARCHER. Mr. Speaker, I yield the balance of my time to the gentleman from Georgia (Mr. GINGRICH) the Speaker of the House of Representatives.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The gentleman from Georgia is recognized for 4½ minutes.

Mr. GINGRICH. Mr. Speaker, let me say that I agree with the gentleman from Missouri that this is an imperfect instrument and that this is a difficult time. On the other hand, we were told a year ago it was the wrong time to vote. That was not an election year. Now we are told this year, it is the wrong time to vote. This is an election year.

Now, since under our Constitution the House is elected every two years, if it is not right to vote in the year before the election and it is not right to vote in the year of the election, the correct answer from some of our friends on the left is that there is never a time to vote, because they do not want to expand markets. And I understand that. But we need to understand just how historic this moment is. And Members are going to have to live with their conscience for a long time if they vote ''no.''

We have entered the first deflation since the Great Depression, from Malaysia and Thailand, to Indonesia, to South Korea, to Japan, to Russia, now to Brazil, we see all over this planet people whose economies are shaky, whose currencies are shaky and they are looking for leadership. The choice for them is very simple: Do they move into the world market which since World War II has so dramatically increased the wealth of the entire world, including the United States? Or do they move towards autarchy and protectionism and beggaring their neighbors and all of the policies which under Smoot-Hawley led to the Great Depression? It is that simple. And you get to vote in a few minutes to send a signal to the entire world because the entire world is watching.

My friend from Washington State said the Brazilians hope we defeat it. He is right. The Brazilians want us to defeat fast track because they are creating a common market in South America and they do not want American exports and they know that if we do not have fast track, corporations are going to build new plants in Brazil and new plants in Argentina and take the jobs out of the U.S. because they are going to go behind that barrier. The European Common Market wants you to vote ''no.'' The European Common Market knows that for the first time since World War II, they are selling more to Argentina and more to Brazil than the United States. So the European Common Market hopes you will vote ''no.'' That is the goal they have, make sure the American President stays impotent.

You say we are playing politics? It is the American President, William Clinton, who sent up the request for fast track, and who this year talked about how bitterly, that is his word, bitterly he regretted the defeat of fast track last year in his own caucus. We did not bring it up last year because we were told it was impossible because your unions would not let you vote.

Well, most of you do not have an opponent now. Most of you do not have an excuse now. This is a vote of conscience. You can vote ''no,'' and when you vote ''no,'' particularly those of you who have said for years you were free traders, you tell us who is playing politics: The people who vote their conscience, the people who vote for history, the people who send the signal to the world that we actually believe and vote for free trade? Or those of you who were for free trade until it became inconvenient for the Democratic Party?

You were for free trade until the unions told you, not this time, not on this bill, not last year, not this year. And you think the unions are going to tell you next year, oh, that is fine, GEPHARDT and GORE can be for free trade in 1999, because after all, there will not be a presidential nomination, the unions will not care.

Let us be honest. The fact is the Democratic Party is wedded to protectionism and it is willing to give away Latin America to the Europeans, it is willing to allow the Brazilians to create a common market that excludes America, it is willing to have the world market grow without us and if necessary it is willing to send the signal to Asia, go ahead and withdraw from the world market. And for what gain?

Now, you will say, ''Well, it hurts America.'' Today's Washington Post, Poverty Rate Fell, Incomes Rose in 1997. This is the great damage of NAFTA. Poverty is going down, incomes are going up, we have the lowest unemployment rate in 30 years, the lowest inflation rate in 30 years, the lowest housing mortgage rate since 1967, because we have had the guts to compete in the world market, because our companies have grown leaner and tougher and smarter, because our farmers export, our small businesses export. 108,000 of the 113,000 exporters are small businesses. But that is not good enough. More jobs for Americans, more wealth.

You think you are going to convince the Mexicans to establish a higher standard of child labor when you do not trade with them? You think you are going to convince El Salvador to create a higher standard of wealth when you do not trade with them? The fact is this administration could introduce a proposed child labor agreement with Mexico anytime it wants to. They could come up next week and introduce it as a freestanding bill and make it be heard on its merits. But that is an excuse.

You know what the real issue is here. The real issue is, your union will not let you vote for free trade and you are willing to send a signal to the entire world at a time when a major firm was bailed out yesterday for $3.5 billion, an American firm, not a Japanese, not a Korean, not an Indonesian, an American firm, and in the middle of this level of instability, you yell partisan politics and then you vote partisan against your own rhetoric?

I am not going to embarrass my colleagues by reading into the RECORD what they said, what their President has said, what the Vice President has said. Because when they go out of the country, they are for fast track. The fact is this year, the President said he is for fast track. This year the Vice President said he is for fast track. It is sad to see the partisan politics of the unions and the Democratic Party and yes, this may go down, but if this goes down and we end up in a steep worldwide recession, some of us will have had the comfort of knowing, we cast the right vote, we sent the right signal, and we tried to sustain what has worked for 50 years and not let the world slide back to what failed in the Great Depression.

The SPEAKER pro tempore. Pursuant to House Resolution 553, the previous question is ordered on the bill, as amended.

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

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

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. RANGEL. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 180, noes 243, answered ''present'' 3, not voting 9, as follows:

[Roll No. 466]

AYES—180

Archer
Armey
Bachus
Baker
Ballenger
Barrett (NE)
Barton
Bass
Bateman
Bentsen
Bereuter
Berry
Bilbray
Bliley
Blunt
Boehner
Bonilla
Bono
Boswell
Brady (TX)
Bryant
Bunning
Burr
Callahan
Calvert
Camp
Campbell
Cannon
Castle
Chabot
Chambliss
Christensen
Clement
Collins
Combest
Cooksey
Cox
Crane
Cubin
Cunningham
Davis (FL)
Davis (VA)
DeLay
Dickey
Dicks
Dooley
Dreier
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Eshoo
Etheridge
Ewing
Fawell
Foley
Ford
Fossella
Franks (NJ)
Frelinghuysen
Ganske
Gekas
Gilchrest
Gillmor
Gingrich
Goodlatte
Granger
Greenwood
Gutknecht
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hobson
Hooley
Horn
Houghton
Hulshof
Hyde
Istook
Johnson (CT)
Johnson, E.B.
Johnson, Sam
Kasich
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
Lofgren
Lucas
Manzullo
McCollum
McCrery
McDermott
McInnis
McIntosh
McKeon
Miller (FL)
Minge
Moran (KS)
Moran (VA)
Morella
Myrick
Nethercutt
Northup
Nussle
Ortiz
Oxley
Packard
Parker
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Porter
Portman
Price (NC)
Radanovich
Ramstad
Redmond
Riggs
Rogan
Roukema
Ryun
Salmon
Sanford
Sawyer
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Skeen
Skelton
Smith (OR)
Smith (TX)
Snowbarger
Snyder
Stenholm
Stump
Sununu
Talent
Tanner
Tauscher
Tauzin
Thomas
Thornberry
Thune
Tiahrt
Upton
Watkins
Watts (OK)
Weldon (FL)
White
Wicker
Wilson
Young (FL)

NOES—243

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Baesler
Baldacci
Barcia
Barr
Barrett (WI)
Bartlett
Becerra
Berman
Bilirakis
Bishop
Blagojevich
Boehlert
Bonior
Borski
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Buyer
Canady
Capps
Cardin
Carson
Chenoweth
Clay
Clayton
Clyburn
Coble
Coburn
Condit
Conyers
Cook
Costello
Coyne
Cramer
Crapo
Cummings
Danner
Davis (IL)
Deal
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Diaz-Balart
Dingell
Dixon
Doggett
Doolittle
Doyle
Duncan
Engel
English
Ensign
Evans
Everett
Farr
Fattah
Fazio
Filner
Forbes
Fox
Frank (MA)
Frost
Gallegly
Gejdenson
Gephardt
Gibbons
Gilman
Gonzalez
Goode
Goodling
Gordon
Graham
Green
Gutierrez
Hall (OH)
Hastings (FL)
Hefner
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hoekstra
Holden
Hostettler
Hoyer
Hunter
Inglis
Jackson (IL)
Jackson-Lee (TX)
Jenkins
John
Johnson (WI)
Jones
Kanjorski
Kaptur
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
LaTourette
Lee
Levin
Lewis (GA)
Lipinski
LoBiondo
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDade
McGovern
McHale
McHugh
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Mink
Moakley
Mollohan
Murtha
Nadler
Neal
Neumann
Ney
Norwood
Oberstar
Obey
Olver
Owens
Pallone
Pappas
Pascrell
Pastor
Paul
Payne
Pelosi
Peterson (MN)
Pombo
Pomeroy
Poshard
Quinn
Rahall
Rangel
Regula
Reyes
Riley
Rivers
Rodriguez
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roybal-Allard
Royce
Rush
Sabo
Sanchez
Sanders
Sandlin
Scarborough
Schumer
Scott
Serrano
Sherman
Shuster
Sisisky
Slaughter
Smith (MI)
Smith (NJ)
Smith, Adam
Smith, Linda
Solomon
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stokes
Strickland
Stupak
Taylor (MS)
Taylor (NC)
Thompson
Thurman
Tierney
Torres
Towns
Traficant
Turner
Velazquez
Vento
Visclosky
Walsh
Wamp
Waters
Watt (NC)
Waxman
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wise
Wolf
Woolsey
Wynn
Young (AK)

ANSWERED ''PRESENT''—3

Blumenauer
Martinez
Skaggs

NOT VOTING—9

Burton
Fowler
Furse
Goss
Hutchinson
Jefferson
Pryce (OH)
Saxton
Yates

☐ 1859

So the bill was not passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A Further message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate has passed without amendment a bill of the House of the following title:

H.R. 4382. An act to amend the Public Health Service Act to revise and extend the program for mammography quality standards.

The message also announced that the Senate 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. 4112) ''An Act making appropriations for the Legislative Branch for the fiscal year ending September 30, 1999, and for other purposes.''.

MAKING IN ORDER LIMITED DEBATE AND POSTPONEMENT OF FURTHER CONSIDERATION OF H.R. 4579, TAXPAYER RELIEF ACT OF 1998

Mr. SOLOMON. Mr. Speaker, I ask unanimous consent that during consideration of H.R. 4579, pursuant to House Resolution 552, notwithstanding the order of the previous question, it may be in order after 30 minutes of the 60 minutes provided for initial debate on the bill, as amended pursuant to the rule, for the Chair then to postpone further consideration of the bill until the following legislative day, on which consideration may resume at a time designated by the Speaker.

The intent is that we would do 30 minutes of debate on the tax bill tonight, then rise, and after a Journal vote tomorrow morning take up the remaining 30 minutes of general debate time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. RANGEL. Mr. Speaker, reserving the right to object, I will not object, but I would like to take this time to ask my friend, why is it that he only requested 30 minutes when there is a total of 2 hours debate on this bill?

In view of the fact that so many Members would want to return to their home districts, especially this time of the political year, it would seem to me that if we started debate now, we could be out of here by 9 o'clock this evening. I am wondering, why are we just debating for 30 minutes? Why can we not just take up the bill and move on from there?

Mr. SOLOMON. Mr. Speaker, will the gentleman yield?

Mr. RANGEL. Further reserving the right to object, I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, as the gentleman knows, this was agreed to by the Republican and the Democrat leadership. We have to make sure the appropriators are going to get our work done. It is very, very difficult. We will go along with this.

Mr. RANGEL. I am glad that the gentleman gave that lengthy explanation there, because I thought for a minute he did not have any reason why we were doing this, but now he has cleared that all up.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. SNOWBARGER). Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORTS ON H.R. 4060, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1999, AND H.R. 6, HIGHER EDUCATION AMENDMENTS OF 1998

Mr. SOLOMON. Mr. Speaker, I ask unanimous consent that the managers

on the part of the House have until midnight tonight to file conference reports on H.R. 4060, which is the Energy and Water Development Appropriations Act, 1999, and H.R. 6, the Higher Education Amendments of 1998.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

MAKING IN ORDER ON MONDAY, SEPTEMBER 28, 1998, OR ANY DAY THEREAFTER, CONSIDERATION OF CONFERENCE REPORTS ON H.R. 4103, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1999, H.R. 4060, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1999, AND H.R. 6, HIGHER EDUCATION AMENDMENTS OF 1998

Mr. SOLOMON. Mr. Speaker, I ask unanimous consent that it be in order on Monday, September 28, 1998, or any day thereafter to consider the conference reports on the following bills; that all points of order be waived against each conference report and its consideration, and that each be considered as read when called up for consideration.

Those conference reports are H.R. 4103, Department of Defense Appropriations Act, 1999; H.R. 4060, Energy and Water Development Appropriations Act, 1999; and H.R. 6, Higher Education Amendments of 1998. We could then come to the floor without a rule, but under the same process.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. OBEY. Reserving the right to object, Mr. Speaker, I would like to make certain that there is an understanding that on Monday there will be no votes before 5 p.m.

Mr. SOLOMON. Mr. Speaker, will the gentleman yield?

Mr. OBEY. Further reserving the right to object, I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, that is my understanding. That is the agreement that the two leaders have made.

Mr. OBEY. Mr. Speaker, I withdraw my reservation of objection.

Mr. SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 4567

Mr. STENHOLM. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor from H.R. 4567.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 4567

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that the gentleman from Georgia (Mr. NORWOOD) be removed as a cosponsor of H.R. 4567. He was inadvertently placed on that bill through clerical error.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1995

Mr. METCALF. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 1995.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

TAXPAYER RELIEF ACT OF 1998

Mr. ARCHER. Mr. Speaker, pursuant to House Resolution 552, I call up the bill (H.R. 4579) to provide tax relief for individuals, families, and farming and other small businesses, to provide tax incentives for education, to extend certain expiring provisions, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 552, the bill is considered as having been read for amendment.

The text of H.R. 4579 is as follows:

H.R. 4579

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

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the ''Taxpayer Relief Act of 1998''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—

Sec. 1. Short title, etc.

TITLE I—PROVISIONS PRIMARILY AFFECTING INDIVIDUALS AND FAMILIES

Subtitle A—General Provisions

Sec. 101. Elimination of marriage penalty in standard deduction.
Sec. 102. Exemption of certain interest and dividend income from tax.
Sec. 103. Nonrefundable personal credits allowed against alternative minimum tax.
Sec. 104. 100 percent deduction for health insurance costs of self-employed individuals.
Sec. 105. Special rule for members of uniformed services and Foreign Service in determining exclusion of gain from sale of principal residence.
Sec. 106. $1,000,000 exemption from estate and gift taxes.

Subtitle B—Provisions Relating to Education

Sec. 111. Eligible educational institutions permitted to maintain qualified tuition programs.
Sec. 112. Modification of arbitrage rebate rules applicable to public school construction bonds.

Subtitle C—Provisions Relating to Social Security

Sec. 121. Increases in the social security earnings limit for individuals who have attained retirement age.
Sec. 122. Recomputation of benefits after normal retirement age.

TITLE II—PROVISIONS PRIMARILY AFFECTING FARMING AND OTHER BUSINESSES

Subtitle A—Increase in Expense Treatment for Small Businesses

Sec. 201. Increase in expense treatment for small businesses.

Subtitle B—Provisions Relating to Farmers

Sec. 211. Income averaging for farmers made permanent.
Sec. 212. 5-year net operating loss carryback for farming losses.
Sec. 213. Production flexibility contract payments.

Subtitle C—Increase in Volume Cap on Private Activity Bonds

Sec. 221. Increase in volume cap on private activity bonds.

TITLE III—EXTENSION AND MODIFICATION OF CERTAIN EXPIRING PROVISIONS

Subtitle A—Tax Provisions

Sec. 301. Research credit.
Sec. 302. Work opportunity credit.
Sec. 303. Welfare-to-work credit.
Sec. 304. Contributions of stock to private foundations; expanded public inspection of private foundations' annual returns.
Sec. 305. Subpart F exemption for active financing income.

Subtitle B—Generalized System of Preferences

Sec. 311. Extension of Generalized System of Preferences.

TITLE IV—REVENUE OFFSET

Sec. 401. Treatment of certain deductible liquidating distributions of regulated investment companies and real estate investment trusts.

TITLE V—TECHNICAL CORRECTIONS

Sec. 501. Definitions; coordination with other titles.
Sec. 502. Amendments related to Internal Revenue Service Restructuring and Reform Act of 1998.
Sec. 503. Amendments related to Taxpayer Relief Act of 1997.
Sec. 504. Amendments related to Tax Reform Act of 1984.
Sec. 505. Other amendments.

TITLE VI—AMERICAN COMMUNITY RENEWAL ACT OF 1998

Sec. 601. Short title.
Sec. 602. Findings and purpose.

Subtitle A—Designation and Evaluation of Renewal Communities

Sec. 611. Short title.
Sec. 612. Statement of purpose.
Sec. 613. Designation of renewal communities.
Sec. 614. Evaluation and reporting requirements.
Sec. 615. Interaction with other Federal programs.

Subtitle B—Tax Incentives for Renewal Communities

Sec. 621. Tax treatment of renewal communities.
Sec. 622. Extension of work opportunity tax credit for renewal communities.
Sec. 623. Conforming and clerical amendments.

TITLE I—PROVISIONS PRIMARILY AFFECTING INDIVIDUALS AND FAMILIES

Subtitle A—General Provisions

SEC. 101. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) IN GENERAL.—Paragraph (2) of section 63(c) (relating to standard deduction) is amended—

(1) by striking ''$5,000'' in subparagraph (A) and inserting ''twice the dollar amount in effect under subparagraph (C) for the taxable year'',

(2) by adding ''or'' at the end of subparagraph (B),

(3) by striking ''in the case of'' and all that follows in subparagraph (C) and inserting ''in any other case.'', and

(4) by striking subparagraph (D).

(b) ADDITIONAL STANDARD DEDUCTION FOR AGED AND BLIND TO BE THE SAME FOR MARRIED AND UNMARRIED INDIVIDUALS.—

(1) Paragraphs (1) and (2) of section 63(f) are each amended by striking ''$600'' and inserting ''$750''.

(2) Subsection (f) of section 63 is amended by striking paragraph (3) and by redesignating paragraph (4) as paragraph (3).

(c) TECHNICAL AMENDMENT.—Subparagraph (B) of section 1(f)(6) is amended by striking ''(other than with'' and all that follows through ''shall be applied'' and inserting ''(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 102. EXEMPTION OF CERTAIN INTEREST AND DIVIDEND INCOME FROM TAX.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 (relating to amounts specifically excluded from gross income) is amended by inserting after section 115 the following new section:

''SEC. 116. PARTIAL EXCLUSION OF DIVIDENDS AND INTEREST RECEIVED BY INDIVIDUALS.

''(a) EXCLUSION FROM GROSS INCOME.—Gross income does not include dividends and interest received during the taxable year by an individual.

''(b) LIMITATIONS.—

''(1) MAXIMUM AMOUNT.—The aggregate amount excluded under subsection (a) for any taxable year shall not exceed $200 ($400 in the case of a joint return).

''(2) CERTAIN DIVIDENDS EXCLUDED.—Subsection (a) shall not apply to any dividend from a corporation which, for the taxable year of the corporation in which the distribution is made, or for the next preceding taxable year of the corporation, is a corporation exempt from tax under section 501 (relating to certain charitable, etc., organization) or section 521 (relating to farmers' cooperative associations).

''(c) SPECIAL RULES.—For purposes of this section—

''(1) DISTRIBUTIONS FROM REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—Subsection (a) shall apply with respect to distributions by—

''(A) regulated investment companies subject to the limitations provided in section 854(b), and

''(B) real estate investment trusts subject to the limitations provided in section 857(c).

''(2) DISTRIBUTIONS BY A TRUST.—For purposes of subsection (a), the amount of dividends and interest properly allocable to a beneficiary under section 652 or 662 shall be deemed to have been received by the beneficiary ratably on the same date that the dividends and interest were received by the estate or trust.

''(3) CERTAIN NONRESIDENT ALIENS INELIGIBLE FOR EXCLUSION.—In the case of a nonresident alien individual, subsection (a) shall apply only—

''(A) in determining the tax imposed for the taxable year pursuant to section 871(b)(1) and only in respect of dividends and interest which are effectively connected with the conduct of a trade or business within the United States, or

''(B) in determining the tax imposed for the taxable year pursuant to section 877(b).

''(4) DIVIDENDS FROM EMPLOYEE STOCK OWNERSHIP PLANS.—Subsection (a) shall not apply to any dividend described in section 404(k).''

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 265(a) is amended by inserting before the period '', or to purchase or carry obligations or shares, or to make deposits, to the extent the interest thereon is excludable from gross income under section 116''.

(2) Subsection (c) of section 584 is amended by adding at the end thereof the following new flush sentence:

''The proportionate share of each participant in the amount of dividends or interest received by the common trust fund and to which section 116 applies shall be considered for purposes of such section as having been received by such participant.''

(3) Subsection (a) of section 643 is amended by redesignating paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following new paragraph:

''(7) DIVIDENDS OR INTEREST.—There shall be included the amount of any dividends or interest excluded from gross income pursuant to section 116.''

(4) Section 854 is amended to read as follows:

''SEC. 854. LIMITATIONS APPLICABLE TO DIVIDENDS RECEIVED FROM REGULATED INVESTMENT COMPANY.

''(a) CAPITAL GAIN DIVIDEND.—For purposes of section 116 (relating to partial exclusion of dividends and interest received by individuals) and section 243 (relating to deductions for dividends received by corporations), a capital gain dividend (as defined in section 852(b)(3)) received from a regulated investment company shall not be considered as a dividend.

''(b) OTHER DIVIDENDS.—

''(1) AMOUNT TREATED AS DIVIDEND.—

''(A) DEDUCTION UNDER SECTION 243.—In any case in which—

''(i) a dividend is received from a regulated investment company (other than a dividend to which subsection (a) applies), and

''(ii) such investment company meets the requirements of section 852(a) for the taxable year during which it paid such dividend,

then, in computing any deduction under section 243, there shall be taken into account only that portion of such dividend designated under this subparagraph by the regulated investment company and such dividend shall be treated as received from a corporation which is not a 20-percent owned corporation.

''(B) EXCLUSION UNDER SECTION 116.—If the aggregate dividends and interest received by a regulated investment company during any taxable year are less than 95 percent of its gross income, then in computing the exclusion under section 116, rules similar to the rules of subparagraph (A) shall apply.

''(C) LIMITATIONS.—

''(i) SECTION 243.—The aggregate amount which may be designated as dividends under subparagraph (A) shall not exceed the aggregate dividends received by the company for the taxable year.

''(ii) SECTION 116.—The aggregate amount which may be designated as dividends under subparagraph (B) shall not exceed the sum of the aggregate dividends and aggregate interest received by the company for the taxable year.

''(2) NOTICE TO SHAREHOLDERS.—The amount of any distribution by a regulated investment company which may be taken into account as a dividend for purposes of the exclusion under section 116 and the deduction under section 243 shall not exceed the amount so designated by the company in a written notice to its shareholders mailed not later than 60 days after the close of its taxable year.

''(3) DEFINITIONS.—For purposes of this subsection—

''(A) GROSS INCOME.—In the case of 1 or more sales or other dispositions of stock or securities, the term 'gross income' includes only the excess of—

''(i) the net short-term capital gain from such sales or dispositions, over

''(ii) the net long-term capital loss from such sales or dispositions.

''(B) AGGREGATE DIVIDENDS.—

''(i) IN GENERAL.—The term 'aggregate dividends' does not include dividends described in section 116(b)(2) (relating to dividends excluded from income).

''(ii) DISTRIBUTIONS FROM REAL ESTATE INVESTMENT TRUSTS AND OTHER REGULATED INVESTMENT COMPANIES.—In determining the amount of any dividend for purposes of this subparagraph, the rules of section 116(c)(1) shall apply; except that, for purposes of applying subparagraph (C)(i) of paragraph (1), aggregate dividends shall not include a distribution from a real estate investment trust which, for the taxable year of the trust in which the dividend is paid, qualifies under part II of subchapter M (section 856 and following).

''(C) AGGREGATE INTEREST.—The term 'aggregate interest' means only interest includible in gross income. Gross income and aggregate interest received shall each be reduced by so much of the deduction allowable by section 163 for the taxable year as does not exceed aggregate interest received for the taxable year.

''(4) SPECIAL RULE FOR COMPUTING DEDUCTION UNDER SECTION 243.—For purposes of subparagraph (A) of paragraph (1), an amount shall be treated as a dividend for the purpose of paragraph (1) only if a deduction would have been allowable under section 243 to the regulated investment company determined—

''(A) as if section 243 applied to dividends received by a regulated investment company,

''(B) after the application of section 246 (but without regard to subsection (b) thereof), and

''(C) after the application of section 246A.''

(5) Subsection (c) of section 857 is amended to read as follows:

''(c) LIMITATIONS APPLICABLE TO DIVIDENDS RECEIVED FROM REAL ESTATE INVESTMENT TRUSTS.—

''(1) CAPITAL GAIN DIVIDEND.—For purposes of section 116 (relating to partial exclusion of dividends and interest received by individuals), a capital gain dividend (as defined in subsection (b)(3)(C)) received from a real estate investment trust which meets the requirements of this part shall not be considered as a dividend.

''(2) ONLY PORTION OF DIVIDEND EXCLUDABLE UNDER SECTION 116 IN CERTAIN CASES.—

''(A) IN GENERAL.—In any case in which—

''(i) a dividend is received from a real estate investment trust (other than a capital gain dividend, as defined in subsection (b)(3)(C)),

''(ii) such trust meets the requirements of this part for the taxable year during which it paid such dividend, and

''(iii) the aggregate interest received by such trust during the taxable year is less than 95 percent of its gross income,

then, in computing any exclusion under section 116, there shall be taken into account

only that portion of such dividend designated under this subparagraph as interest by the real estate investment trust.

''(B) LIMITATION.—The aggregate amount which may be designated as interest under subparagraph (A) shall not exceed the aggregate interest received by the trust for the taxable year.

''(3) ADJUSTMENTS TO GROSS INCOME AND AGGREGATE INTEREST RECEIVED.—For purposes of this subsection—

''(A) gross income does not include net capital gain,

''(B) gross income and aggregate interest received shall each be reduced by so much of the deduction allowable by section 163 for the taxable year (other than for interest on mortgages on real property owned by the real estate investment trust) as does not exceed aggregate interest received for the taxable year, and

''(C) gross income shall be reduced by the sum of the taxes imposed by paragraphs (4), (5), and (6) of subsection (b).

''(4) AGGREGATE INTEREST.—For purposes of this subsection, the term 'aggregate interest' means only interest includible in gross income.

''(5) NOTICE TO SHAREHOLDERS.—The amount of any distribution by a real estate investment trust which may be taken into account as interest for purposes of the exclusion under section 116 shall not exceed the amount so designated by the trust in a written notice to its shareholders mailed not later than 60 days after the close of its taxable year.

''(6) CROSS REFERENCE.—

''For restriction on dividends received by a corporation, see section 243(d)(3).''

(6) The table of sections for part III of subchapter B of chapter 1 is amended by inserting after the item relating to section 115 the following new item:

''Sec. 116. Partial exclusion of dividends and interest received by individuals.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 103. NONREFUNDABLE PERSONAL CREDITS ALLOWED AGAINST ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Subsection (a) of section 26 is amended to read as follows:

''(a) LIMITATION BASED ON AMOUNT OF TAX.—The aggregate amount of credits allowed by this subpart for the taxable year shall not exceed the sum of—

''(1) the taxpayer's regular tax liability for the taxable year, and

''(2) the tax imposed for the taxable year by section 55(a).''.

(b) CONFORMING AMENDMENTS.—

(1) Subsection (d) of section 24 is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(2) Section 32 is amended by striking subsection (h).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1997.

SEC. 104. 100 PERCENT DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Paragraph (1) of section 162(l) (relating to special rules for health insurance costs of self-employed individuals) is amended to read as follows:

''(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to 100 percent of the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, his spouse, and dependents.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 105. SPECIAL RULE FOR MEMBERS OF UNIFORMED SERVICES AND FOREIGN SERVICE IN DETERMINING EXCLUSION OF GAIN FROM SALE OF PRINCIPAL RESIDENCE.

(a) IN GENERAL.—Subsection (d) of section 121 (relating to exclusion of gain from sale of principal residence) is amended by adding at the end the following new paragraph:

''(9) MEMBERS OF UNIFORMED SERVICES AND FOREIGN SERVICE.—

''(A) IN GENERAL.—The running of the 5-year period described in subsection (a) shall be suspended with respect to an individual during any time that such individual or such individual's spouse is serving on qualified official extended duty as a member of the uniformed services or of the Foreign Service.

''(B) QUALIFIED OFFICIAL EXTENDED DUTY.—For purposes of subparagraph (A)—

''(i) IN GENERAL.—For purposes of this paragraph, the term 'qualified official extended duty' means any period of extended duty as a member of the uniformed services or a member of the Foreign Service during which the member serves at a duty station which is at least 50 miles from such property or is under Government orders to reside in Government quarters.

''(ii) UNIFORMED SERVICES.—For purposes of clause (i), the term 'uniformed services' shall have the meaning given such term by section 101(a)(5) of title 10, United States Code, as in effect on the date of the enactment of this paragraph.

''(iii) FOREIGN SERVICE OF THE UNITED STATES.—For purposes of clause (i), the term 'member of the Foreign Service' has the meaning given the term 'member of the Service' by paragraph (1), (2), (3), (4), or (5) of section 103 of the Foreign Service Act of 1980, as in effect on the date of the enactment of this paragraph.

''(iv) EXTENDED DUTY.—The term 'extended duty' means any period of active duty pursuant to a call or order to such duty for a period in excess of 90 days or for an indefinite period.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to sales and exchanges after the date of the enactment of this Act.

SEC. 106. $1,000,000 EXEMPTION FROM ESTATE AND GIFT TAXES.

(a) IN GENERAL.—Subsection (c) of section 2010 (relating to applicable credit amount) is amended to read as follows:

''(c) APPLICABLE CREDIT AMOUNT.—

''(1) IN GENERAL.—For purposes of this section, the applicable credit amount is $345,800.

''(2) APPLICABLE EXCLUSION AMOUNT.—For purposes of the provisions of this title which refer to this subsection, the applicable exclusion amount is $1,000,000.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 1998.

Subtitle B—Provisions Relating to Education

SEC. 111. ELIGIBLE EDUCATIONAL INSTITUTIONS PERMITTED TO MAINTAIN QUALIFIED TUITION PROGRAMS.

(a) IN GENERAL.—Paragraph (1) of section 529(b) (defining qualified State tuition program) is amended by inserting ''or by 1 or more eligible educational institutions'' after ''maintained by a State or agency or instrumentality thereof''.

(b) TECHNICAL AMENDMENTS.—

(1) The texts of sections 72(e)(9), 135(c)(2)(C), 135(d)(1)(D), 529, 530, and 4973(e)(1)(B) are each amended by striking ''qualified State tuition program'' each place it appears and inserting ''qualified tuition program''.

(2) The paragraph heading for paragraph (9) of section 72(e) and the subparagraph heading for subparagraph (B) of section 530(b)(2) are each amended by striking ''QUALIFIED STATE TUITION PROGRAMS'' and inserting ''QUALIFIED TUITION PROGRAMS''.

(3) The subparagraph heading for subparagraph (C) of section 135(c)(2) is amended by striking ''QUALIFIED STATE TUITION PROGRAM'' and inserting ''QUALIFIED TUITION PROGRAMS''.

(4) Sections 529(c)(3)(D)(i) and 6693(a)(2)(C) are each amended by striking ''qualified State tuition programs'' and inserting ''qualified tuition programs''.

(5)(A) The section heading of section 529 is amended to read as follows:

''SEC. 529. QUALIFIED TUITION PROGRAMS.''.

(B) The item relating to section 529 in the table of sections for part VIII of subchapter F of chapter 1 is amended by striking ''State''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1999.

SEC. 112. MODIFICATION OF ARBITRAGE REBATE RULES APPLICABLE TO PUBLIC SCHOOL CONSTRUCTION BONDS.

(a) IN GENERAL.—Subparagraph (C) of section 148(f)(4) is amended by adding at the end the following new clause:

''(xviii) 4-YEAR SPENDING REQUIREMENT FOR PUBLIC SCHOOL CONSTRUCTION ISSUE.—

''(I) IN GENERAL.—In the case of a public school construction issue, the spending requirements of clause (ii) shall be treated as met if at least 10 percent of the available construction proceeds of the construction issue are spent for the governmental purposes of the issue within the 1-year period beginning on the date the bonds are issued, 30 percent of such proceeds are spent for such purposes within the 2-year period beginning on such date, 50 percent of such proceeds are spent for such purposes within the 3-year period beginning on such date, and 100 percent of such proceeds are spent for such purposes within the 4-year period beginning on such date.

''(II) PUBLIC SCHOOL CONSTRUCTION ISSUE.—For purposes of this clause, the term 'public school construction issue' means any construction issue if no bond which is part of such issue is a private activity bond and all of the available construction proceeds of such issue are to be used for the construction (as defined in clause (iv)) of public school facilities to provide education or training below the postsecondary level or for the acquisition of land that is functionally related and subordinate to such facilities.

''(III) OTHER RULES TO APPLY.—Rules similar to the rules of the preceding provisions of this subparagraph which apply to clause (ii) also apply to this clause.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to obligations issued after December 31, 1998.

Subtitle C—Provisions Relating to Social Security

SEC. 121. INCREASES IN THE SOCIAL SECURITY EARNINGS LIMIT FOR INDIVIDUALS WHO HAVE ATTAINED RETIREMENT AGE.

(a) IN GENERAL.—Section 203(f)(8)(D) of the Social Security Act (42 U.S.C. 403(f)(8)(D)) is amended by striking clauses (iv) through (vii) and inserting the following new clauses:

''(iv) for each month of any taxable year ending after 1998 and before 2000, $1,416.66⅔,

''(v) for each month of any taxable year ending after 1999 and before 2001, $1,541.66⅔,

''(vi) for each month of any taxable year ending after 2000 and before 2002, $2,166.66⅔, and

''(vii) for each month of any taxable year ending after 2001 and before 2003, $2,500.''.

(b) CONFORMING AMENDMENT.—The second sentence of section 223(d)(4)(A) of such Act (42 U.S.C. 423(d)(4)(A)) is amended by inserting ''and section 121 of the Taxpayer Relief Act of 1998'' after ''1996''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years ending after 1998.

SEC. 122. RECOMPUTATION OF BENEFITS AFTER NORMAL RETIREMENT AGE.

(a) IN GENERAL.—Section 215(f)(2)(D)(i) of the Social Security Act (42 U.S.C. 415(f)(2)(D)(i)) is amended to read as follows:

''(i) in the case of an individual who did not die in the year with respect to which the recomputation is made, for monthly benefits beginning with benefits for January of—

''(I) the second year following the year with respect to which the recomputation is made, in any such case in which the individual is entitled to old-age insurance benefits, the individual has attained retirement age (as defined in section 216(l)) as of the end of the year preceding the year with respect to which the recomputation is made, and the year with respect to which the recomputation is made would not be substituted in recomputation under this subsection for a benefit computation year in which no wages or self-employment income have been credited previously to such individual, or

''(II) the first year following the year with respect to which the recomputation is made, in any other such case; or''.

(b) CONFORMING AMENDMENTS.—

(1) Section 215(f)(7) of such Act (42 U.S.C. 415(f)(7)) is amended by inserting '', and as amended by section 122(b)(2) of the Taxpayer Relief Act of 1998,'' after ''This subsection as in effect in December 1978''.

(2) Subparagraph (A) section 215(f)(2) of the Social Security Act as in effect in December 1978 and applied in certain cases under the provisions of such Act as in effect after December 1978 is amended—

(A) by striking ''in the case of an individual who did not die'' and all that follows and inserting ''in the case of an individual who did not die in the year with respect to which the recomputation is made, for monthly benefits beginning with benefits for January of—''; and

(B) by adding at the end the following:

''(i) the second year following the year with respect to which the recomputation is made, in any such case in which the individual is entitled to old-age insurance benefits, the individual has attained age 65 as of the end of the year preceding the year with respect to which the recomputation is made, and the year with respect to which the recomputation is made would not be substituted in recomputation under this subsection for a benefit computation year in which no wages or self-employment income have been credited previously to such individual, or

''(ii) the first year following the year with respect to which the recomputation is made, in any other such case; or''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to recomputations of primary insurance amounts based on wages paid and self employment income derived after 1997 and with respect to benefits payable after December 31, 1998.

TITLE II—PROVISIONS PRIMARILY AFFECTING FARMING AND OTHER BUSINESSES

Subtitle A—Increase in Expense Treatment for Small Businesses

SEC. 201. INCREASE IN EXPENSE TREATMENT FOR SMALL BUSINESSES.

(a) GENERAL RULE.—Paragraph (1) of section 179(b) (relating to dollar limitation) is amended to read as follows:

''(1) DOLLAR LIMITATION.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed $25,000.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1998.

Subtitle B—Provisions Relating to Farmers

SEC. 211. INCOME AVERAGING FOR FARMERS MADE PERMANENT.

Subsection (c) of section 933 of the Taxpayer Relief Act of 1997 is amended by striking '', and before January 1, 2001''.

SEC. 212. 5-YEAR NET OPERATING LOSS CARRYBACK FOR FARMING LOSSES.

(a) IN GENERAL.—Paragraph (1) of section 172(b) (relating to net operating loss deduction) is amended by adding at the end the following new subparagraph:

''(G) FARMING LOSSES.—In the case of a taxpayer which has a farming loss (as defined in subsection (i)) for a taxable year, such farming loss shall be a net operating loss carryback to each of the 5 taxable years preceding the taxable year of such loss.''

(b) FARMING LOSS.—Section 172 is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

''(i) RULES RELATING TO FARMING LOSSES.—For purposes of this section—

''(1) IN GENERAL.—The term 'farming loss' means the lesser of—

''(A) the amount which would be the net operating loss for the taxable year if only income and deductions attributable to farming businesses (as defined in section 263A(e)(4)) are taken into account, or

''(B) the amount of the net operating loss for such taxable year.

''(2) COORDINATION WITH SUBSECTION (b)(2).—For purposes of applying subsection (b)(2), a farming loss for any taxable year shall be treated in a manner similar to the manner in which a specified liability loss is treated.

''(3) ELECTION.—Any taxpayer entitled to a 5-year carryback under subsection (b)(1)(G) from any loss year may elect to have the carryback period with respect to such loss year determined without regard to subsection (b)(1)(G). Such election shall be made in such manner as may be prescribed by the Secretary and shall be made by the due date (including extensions of time) for filing the taxpayer's return for the taxable year of the net operating loss. Such election, once made for any taxable year, shall be irrevocable for that taxable year.''

(c) COORDINATION WITH FARM DISASTER LOSSES.—Clause (ii) of section 172(b)(1)(F) is amended by adding at the end the following flush sentence:

''Such term shall not include any farming loss (as defined in subsection (i)).''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to net operating losses for taxable years beginning after December 31, 1997.

SEC. 213. PRODUCTION FLEXIBILITY CONTRACT PAYMENTS.

The option under section 112(d)(3) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7212(d)(3)) shall be disregarded in determining the taxable year for which the payment for fiscal year 1999 under a production flexibility contract under subtitle B of title I of such Act is properly includible in gross income for purposes of the Internal Revenue Code of 1986.

Subtitle C—Increase in Volume Cap on Private Activity Bonds

SEC. 221. INCREASE IN VOLUME CAP ON PRIVATE ACTIVITY BONDS.

(a) IN GENERAL.—Subsection (d) of section 146 (relating to volume cap) is amended by striking paragraph (2), by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively, and by striking paragraph (1) and inserting the following new paragraph:

''(1) IN GENERAL.—The State ceiling applicable to any State for any calendar year shall be the greater of—

''(A) an amount equal to $75 multiplied by the State population, or

''(B) $225,000,000.

Subparagraph (B) shall not apply to any possession of the United States.''

(b) CONFORMING AMENDMENT.—Sections 25(f)(3) and 42(h)(3)(E)(iii) are each amended by striking ''section 146(d)(3)(C)'' and inserting ''section 146(d)(2)(C)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years after 1998.

TITLE III—EXTENSION AND MODIFICATION OF CERTAIN EXPIRING PROVISIONS

Subtitle A—Tax Provisions

SEC. 301. RESEARCH CREDIT.

(a) TEMPORARY EXTENSION.—

(1) IN GENERAL.—Paragraph (1) of section 41(h) (relating to termination) is amended—

(A) by striking ''June 30, 1998'' and inserting ''February 29, 2000'',

(B) by striking ''24-month'' and inserting ''44-month'', and

(C) by striking ''24 months'' and inserting ''44 months''.

(2) TECHNICAL AMENDMENT.—Subparagraph (D) of section 45C(b)(1) is amended by striking ''June 30, 1998'' and inserting ''February 29, 2000''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to amounts paid or incurred after June 30, 1998.

(b) INCREASE IN PERCENTAGES UNDER ALTERNATIVE INCREMENTAL CREDIT.—

(1) IN GENERAL.—Subparagraph (A) of section 41(c)(4) is amended—

(A) by striking ''1.65 percent'' and inserting ''2.65 percent'',

(B) by striking ''2.2 percent'' and inserting ''3.2 percent'', and

(C) by striking ''2.75 percent'' and inserting ''3.75 percent''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after June 30, 1998.

SEC. 302. WORK OPPORTUNITY CREDIT.

(a) TEMPORARY EXTENSION.—Subparagraph (B) of section 51(c)(4) (relating to termination) is amended by striking ''June 30, 1998'' and inserting ''February 29, 2000''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to individuals who begin work for the employer after June 30, 1998.

SEC. 303. WELFARE-TO-WORK CREDIT.

Subsection (f) of section 51A (relating to termination) is amended by striking ''April 30, 1999'' and inserting ''February 29, 2000''.

SEC. 304. CONTRIBUTIONS OF STOCK TO PRIVATE FOUNDATIONS; EXPANDED PUBLIC INSPECTION OF PRIVATE FOUNDATIONS' ANNUAL RETURNS.

(a) SPECIAL RULE FOR CONTRIBUTIONS OF STOCK MADE PERMANENT.—

(1) IN GENERAL.—Paragraph (5) of section 170(e) is amended by striking subparagraph (D) (relating to termination).

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to contributions made after June 30, 1998.

(b) EXPANDED PUBLIC INSPECTION OF PRIVATE FOUNDATIONS' ANNUAL RETURNS, ETC.—

(1) IN GENERAL.—Section 6104 (relating to publicity of information required from certain exempt organizations and certain trusts) is amended by striking subsections (d) and (e) and inserting after subsection (c) the following new subsection:

''(d) PUBLIC INSPECTION OF CERTAIN ANNUAL RETURNS AND APPLICATIONS FOR EXEMPTION.—

''(1) IN GENERAL.—In the case of an organization described in subsection (c) or (d) of section 501 and exempt from taxation under section 501(a)—

''(A) a copy of—

''(i) the annual return filed under section 6033 (relating to returns by exempt organizations) by such organization, and

''(ii) if the organization filed an application for recognition of exemption under section 501, the exempt status application materials of such organization,

shall be made available by such organization for inspection during regular business hours by any individual at the principal office of such organization and, if such organization regularly maintains 1 or more regional or district offices having 3 or more employees, at each such regional or district office, and

''(B) upon request of an individual made at such principal office or such a regional or district office, a copy of such annual return and exempt status application materials shall be provided to such individual without charge other than a reasonable fee for any reproduction and mailing costs.

The request described in subparagraph (B) must be made in person or in writing. If such request is made in person, such copy shall be provided immediately and, if made in writing, shall be provided within 30 days.

''(2) 3-YEAR LIMITATION ON INSPECTION OF RETURNS.—Paragraph (1) shall apply to an annual return filed under section 6033 only during the 3-year period beginning on the last day prescribed for filing such return (determined with regard to any extension of time for filing).

''(3) EXCEPTIONS FROM DISCLOSURE REQUIREMENT.—

''(A) NONDISCLOSURE OF CONTRIBUTORS.—Paragraph (1) shall not require the disclosure of the name or address of any contributor to the organization.

''(B) NONDISCLOSURE OF CERTAIN OTHER INFORMATION.—Paragraph (1) shall not require the disclosure of any information if the Secretary withheld such information from public inspection under subsection (a)(1)(D).

''(4) LIMITATION ON PROVIDING COPIES.—Paragraph (1)(B) shall not apply to any request if, in accordance with regulations promulgated by the Secretary, the organization has made the requested documents widely available, or the Secretary determines, upon application by an organization, that such request is part of a harassment campaign and that compliance with such request is not in the public interest.

''(5) EXEMPT STATUS APPLICATION MATERIALS.—For purposes of paragraph (1), the term 'exempt status applicable materials' means the application for recognition of exemption under section 501 and any papers submitted in support of such application and any letter or other document issued by the Internal Revenue Service with respect to such application.''

(2) CONFORMING AMENDMENTS.—

(A) Subsection (c) of section 6033 is amended by adding ''and'' at the end of paragraph (1), by striking paragraph (2), and by redesignating paragraph (3) as paragraph (2).

(B) Subparagraph (C) of section 6652(c)(1) is amended by striking ''subsection (d) or (e)(1) of section 6104 (relating to public inspection of annual returns)'' and inserting ''section 6104(d) with respect to any annual return''.

(C) Subparagraph (D) of section 6652(c)(1) is amended by striking ''section 6104(e)(2) (relating to public inspection of applications for exemption)'' and inserting ''section 6104(d) with respect to any exempt status application materials (as defined in such section)''.

(D) Section 6685 is amended by striking ''or (e)''.

(E) Section 7207 is amended by striking ''or (e)''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years ending after December 31, 1998.

SEC. 305. SUBPART F EXEMPTION FOR ACTIVE FINANCING INCOME.

(a) INCOME DERIVED FROM BANKING, FINANCING OR SIMILAR BUSINESSES.—Section 954(h) (relating to income derived in the active conduct of banking, financing, or similar businesses) is amended to read as follows:

''(h) SPECIAL RULE FOR INCOME DERIVED IN THE ACTIVE CONDUCT OF BANKING, FINANCING, OR SIMILAR BUSINESSES.—

''(1) IN GENERAL.—For purposes of subsection (c)(1), foreign personal holding company income shall not include qualified banking or financing income of an eligible controlled foreign corporation.

''(2) ELIGIBLE CONTROLLED FOREIGN CORPORATION.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'eligible controlled foreign corporation' means a controlled foreign corporation which—

''(i) is predominantly engaged in the active conduct of a banking, financing, or similar business, and

''(ii) conducts substantial activity with respect to such business.

''(B) PREDOMINANTLY ENGAGED.—A controlled foreign corporation shall be treated as predominantly engaged in the active conduct of a banking, financing, or similar business if—

''(i) more than 70 percent of the gross income of the controlled foreign corporation is derived directly from the active and regular conduct of a lending or finance business from transactions with customers which are not related persons, or

''(ii) it is engaged in the active conduct of a banking business and is an institution licensed to do business as a bank in the United States (or is any other corporation not so licensed which is specified by the Secretary in regulations).

''(3) QUALIFIED BANKING OR FINANCING INCOME.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified banking or financing income' means income of an eligible controlled foreign corporation—

''(i) which is derived in the active conduct of a banking, financing, or similar business by—

''(I) such eligible controlled foreign corporation, or

''(II) a qualified business unit of such eligible controlled foreign corporation,

''(ii) which is derived from 1 or more transactions—

''(I) with customers located in a country other than the United States, and

''(II) substantially all of the activities in connection with which are conducted directly by the corporation or unit in its home country, and

''(iii) is treated as earned by such corporation or unit in its home country for purposes of such country's tax laws.

''(B) LIMITATION ON NONBANKING BUSINESSES.—No income of an eligible controlled foreign corporation not described in paragraph (2)(B)(ii) (or of a qualified business unit of such corporation) shall be treated as qualified banking or financing income unless more than 30 percent of such corporation's or unit's gross income is derived directly from the active and regular conduct of a lending or finance business from transactions with customers which are not related persons and which are located within such corporation's or unit's home country.

''(C) SUBSTANTIAL ACTIVITY REQUIREMENT FOR CROSS BORDER INCOME.—The term 'qualified banking or financing income' shall not include income derived from 1 or more transactions with customers located in a country other than the home country of the eligible controlled foreign corporation or a qualified business unit of such corporation unless such corporation or unit conducts substantial activity with respect to a banking, financing, or similar business in its home country.

''(D) DETERMINATIONS MADE SEPARATELY.—For purposes of this subsection, the qualified banking or financing income of an eligible controlled foreign corporation and each qualified business unit of such corporation shall be determined separately for such corporation and each such unit by taking into account—

''(i) in the case of the eligible controlled foreign corporation, only items of income, deduction, gain, or loss and activities of such corporation not properly allocable or attributable to any qualified business unit of such corporation, and

''(ii) in the case of a qualified business unit, only items of income, deduction, gain, or loss and activities properly allocable or attributable to such unit.

''(4) LENDING OR FINANCE BUSINESS.—For purposes of this subsection, the term 'lending or finance business' means the business of—

''(A) making loans,

''(B) purchasing or discounting accounts receivable, notes, or installment obligations,

''(C) engaging in leasing (including entering into leases and purchasing, servicing, and disposing of leases and leased assets),

''(D) issuing letters of credit or providing guarantees,

''(E) providing charge and credit card services, or

''(F) rendering services or making facilities available in connection with activities described in subparagraphs (A) through (E) carried on by—

''(i) the corporation (or qualified business unit) rendering services or making facilities available, or

''(ii) another corporation (or qualified business unit of a corporation) which is a member of the same affiliated group (as defined in section 1504, but determined without regard to section 1504(b)(3)).

''(5) OTHER DEFINITIONS.—For purposes of this subsection—

''(A) CUSTOMER.—The term 'customer' means, with respect to any controlled foreign corporation or qualified business unit, any person which has a customer relationship with such corporation or unit and which is acting in its capacity as such.

''(B) HOME COUNTRY.—Except as provided in regulations—

''(i) CONTROLLED FOREIGN CORPORATION.—The term 'home country' means, with respect to any controlled foreign corporation, the country under the laws of which the corporation was created or organized.

''(ii) QUALIFIED BUSINESS UNIT.—The term 'home country' means, with respect to any qualified business unit, the country in which such unit maintains its principal office.

''(C) LOCATED.—The determination of where a customer is located shall be made under rules prescribed by the Secretary.

''(D) QUALIFIED BUSINESS UNIT.—The term 'qualified business unit' has the meaning given such term by section 989(a).

''(E) RELATED PERSON.—The term 'related person' has the meaning given such term by subsection (d)(3).

''(6) ANTI-ABUSE RULES.—For purposes of applying this subsection and subsection (c)(2)(C)(ii)—

''(A) there shall be disregarded any item of income, gain, loss, or deduction with respect

to any transaction or series of transactions one of the principal purposes of which is qualifying income or gain for the exclusion under this section, including any transaction or series of transactions a principal purpose of which is the acceleration or deferral of any item in order to claim the benefits of such exclusion through the application of this subsection,

''(B) there shall be disregarded any item of income, gain, loss, or deduction with respect to any transaction or series of transactions utilizing, or doing business with—

''(i) an entity which is not engaged in regular and continuous transactions with customers which are not related persons, or

''(ii) to the extent provided in regulations—

''(I) one or more entities in order to satisfy any home country requirement under this subsection, or

''(II) a special purpose vehicle, including a securitization vehicle, an intragroup financing arrangement, or any similar entity or arrangement, and

''(C) a related person, an officer, a director, or an employee with respect to any controlled foreign corporation (or qualified business unit) which would otherwise be treated as a customer of such corporation or unit with respect to any transaction shall not be so treated if a principal purpose of such transaction is to satisfy any requirement of this subsection.

''(7) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection, subsection (c)(1)(B)(i), subsection (c)(2)(C)(ii), and the last sentence of subsection (e)(2).

''(8) APPLICATION.—This subsection, subsection (c)(2)(C)(ii), and the last sentence of subsection (e)(2) shall apply only to the first taxable year of a foreign corporation beginning after December 31, 1998, and before January 1, 2000, and to taxable years of United States shareholders with or within which such taxable year of such foreign corporation ends.''

(b) INCOME DERIVED FROM INSURANCE BUSINESS.—

(1) INCOME ATTRIBUTABLE TO ISSUANCE OR REINSURANCE.—

(A) IN GENERAL.—Section 953(a) (defining insurance income) is amended to read as follows:

''(a) INSURANCE INCOME.—

''(1) IN GENERAL.—For purposes of section 952(a)(1), the term 'insurance income' means any income which—

''(A) is attributable to the issuing (or reinsuring) of an insurance or annuity contract, and

''(B) would (subject to the modifications provided by subsection (b)) be taxed under subchapter L of this chapter if such income were the income of a domestic insurance company.

''(2) EXCEPTION.—Such term shall not include any exempt insurance income (as defined in subsection (e)).''

(B) EXEMPT INSURANCE INCOME.—Section 953 (relating to insurance income) is amended by adding at the end the following new subsection:

''(e) EXEMPT INSURANCE INCOME.—For purposes of this section—

''(1) EXEMPT INSURANCE INCOME DEFINED.—

''(A) IN GENERAL.—The term 'exempt insurance income' means income derived by a qualifying insurance company which—

''(i) is attributable to the issuing (or reinsuring) of an exempt contract by such company or a qualifying insurance company branch of such company, and

''(ii) is treated as earned by such company or branch in its home country for purposes of such country's tax laws.

''(B) EXCEPTION FOR CERTAIN ARRANGEMENTS.—Such term shall not include income attributable to the issuing (or reinsuring) of an exempt contract as the result of any arrangement whereby another corporation receives a substantially equal amount of premiums or other consideration in respect of issuing (or reinsuring) a contract which is not an exempt contract.

''(C) DETERMINATIONS MADE SEPARATELY.—For purposes of this subsection and section 954(i), the exempt insurance income and exempt contracts of a qualifying insurance company or any qualifying insurance company branch of such company shall be determined separately for such company and each such branch by taking into account—

''(i) in the case of the qualifying insurance company, only net premiums, items of income, deduction, gain, or loss, and activities of such company not properly allocable or attributable to any qualifying insurance company branch of such company, and

''(ii) in the case of a qualifying insurance company branch, only net premiums, items of income, deduction, gain, or loss and activities properly allocable or attributable to such unit.

''(2) EXEMPT CONTRACT.—

''(A) IN GENERAL.—The term 'exempt contract' means an insurance or annuity contract issued or reinsured by a qualifying insurance company or qualifying insurance company branch in connection with property in, liability arising out of activity in, or the lives or health of residents of, a country other than the United States.

''(B) MINIMUM HOME COUNTRY INCOME REQUIRED.—

''(i) IN GENERAL.—No contract of a qualifying insurance company or of a qualifying insurance company branch shall be treated as an exempt contract unless such company or branch derives more than 30 percent of its net written premiums from exempt contracts (determined without regard to this subparagraph)—

''(I) which cover applicable home country risks, and

''(II) with respect to which no policyholder, insured, annuitant, or beneficiary is a related person (as defined in section 954(d)(3)).

''(ii) APPLICABLE HOME COUNTRY RISKS.—The term 'applicable home country risks' means risks in connection with property in, liability arising out of activity in, or the lives or health of residents of, the home country of the qualifying insurance company or qualifying insurance company branch, as the case may be, issuing or reinsuring the contract covering the risks.

''(C) SUBSTANTIAL ACTIVITY REQUIREMENTS FOR CROSS BORDER RISKS.—A contract issued by a qualifying insurance company or qualifying insurance company branch which covers risks other than applicable home country risks (as defined in subparagraph (B)(ii)) shall not be treated as an exempt contract unless such company or branch, as the case may be—

''(i) conducts substantial activity with respect to an insurance business in its home country, and

''(ii) performs in its home country substantially all of the activities necessary to give rise to the income generated by such contract.

''(3) QUALIFYING INSURANCE COMPANY.—The term 'qualifying insurance company' means any controlled foreign corporation which—

''(A) is subject to regulation as an insurance (or reinsurance) company by its home country, and is licensed, authorized, or regulated by the applicable insurance regulatory body for its home country to sell insurance, reinsurance, or annuity contracts to persons other than related persons (within the meaning of section 954(d)(3)) in such home country,

''(B) derives more than 50 percent of its aggregate net written premiums from the issuance or reinsurance by such controlled foreign corporation and each of its qualifying insurance company branches of contracts—

''(i) covering applicable home country risks (as defined in paragraph (2)) of such corporation or branch, as the case may be, and

''(ii) with respect to which no policyholder, insured, annuitant, or beneficiary is a related person (as defined in section 954(d)(3)),

except that in the case of a branch, such premiums shall only be taken into account to the extent such premiums are treated as earned by such branch in its home country for purposes of such country's tax laws, and

''(C) is engaged in the insurance business and would be subject to tax under subchapter L if it were a domestic corporation.

''(4) QUALIFYING INSURANCE COMPANY BRANCH.—The term 'qualifying insurance company branch' means a qualified business unit (within the meaning of section 989(a)) of a controlled foreign corporation if—

''(A) such unit is licensed, authorized, or regulated by the applicable insurance regulatory body for its home country to sell insurance, reinsurance, or annuity contracts to persons other than related persons (within the meaning of section 954(d)(3)) in such home country, and

''(B) such controlled foreign corporation is a qualifying insurance company, determined under paragraph (3) as if such unit were a qualifying insurance company branch.

''(5) LIFE INSURANCE OR ANNUITY CONTRACT.—For purposes of this section and section 954, the determination of whether a contract issued by a controlled foreign corporation is a life insurance contract or an annuity contract shall be made without regard to sections 72(s), 101(f), 817(h), and 7702 if—

''(A) such contract is regulated as a life insurance or annuity contract by the corporation's home country, and

''(B) no policyholder, insured, annuitant, or beneficiary with respect to the contract is a United States person.

''(6) HOME COUNTRY.—For purposes of this subsection, except as provided in regulations—

''(A) CONTROLLED FOREIGN CORPORATION.—The term 'home country' means, with respect to a controlled foreign corporation, the country in which such corporation is created or organized.

''(B) QUALIFIED BUSINESS UNIT.—The term 'home country' means, with respect to a qualified business unit (as defined in section 989(a)), the country in which the principal office of such unit is located and in which such unit is licensed, authorized, or regulated by the applicable insurance regulatory body to sell insurance, reinsurance, or annuity contracts to persons other than related persons (as defined in section 954(d)(3)) in such country.

''(7) ANTI-ABUSE RULES.—For purposes of applying this subsection and section 954(i)—

''(A) the rules of section 954(h)(6) shall apply,

''(B) there shall be disregarded any change in the method of computing reserves a principal purpose of which is the acceleration or deferral of any item in order to claim the benefits of this subsection or section 954(i),

''(C) a contract of insurance or reinsurance shall not be treated as an exempt contract (and premiums from such contract shall not be taken into account for purposes of paragraph (2)(B) or (3)) if—

''(i) any policyholder, insured, annuitant, or beneficiary is a resident of the United

States and such contract was marketed to such resident and was written to cover a risk outside the United States, or

''(ii) the contract covers risks located within and without the United States and the qualifying insurance company or qualifying insurance company branch does not maintain such contemporaneous records, and file such reports, with respect to such contract as the Secretary may require,

''(D) the Secretary may prescribe rules for the allocation of contracts (and income from contracts) among 2 or more qualifying insurance company branches of a qualifying insurance company in order to clearly reflect the income of such branches, and

''(E) premiums from a contract shall not be taken into account for purposes of paragraph (2)(B) or (3) if such contract reinsures a contract issued or reinsured by a related person (as defined in section 954(d)(3)).

For purposes of subparagraph (C), the determination of where risks are located shall be made under the principles of section 953.

''(8) COORDINATION WITH SUBSECTION (c).—This subsection and section 954(i) shall not apply to related person insurance income to which subsection (c) applies.

''(9) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection and section 954(i).

''(10) APPLICATION.—This subsection and section 954(i) shall apply only to the first taxable year of a foreign corporation beginning after December 31, 1998, and before January 1, 2000, and to taxable years of United States shareholders with or within which such taxable year of such foreign corporation ends.

''(11) CROSS REFERENCE.—

''For income exempt from foreign personal holding company income, see section 954(i).''

(2) EXEMPTION FROM FOREIGN PERSONAL HOLDING COMPANY INCOME.—Section 954 (defining foreign base company income) is amended by adding at the end the following new subsection:

''(i) SPECIAL RULE FOR INCOME DERIVED IN THE ACTIVE CONDUCT OF INSURANCE BUSINESS.—

''(1) IN GENERAL.—For purposes of subsection (c)(1), foreign personal holding company income shall not include qualified insurance income of a qualifying insurance company.

''(2) QUALIFIED INSURANCE INCOME.—The term 'qualified insurance income' means income of a qualifying insurance company which is—

''(A) received from a person other than a related person (within the meaning of subsection (d)(3)) and derived from the investments made by a qualifying insurance company or a qualifying insurance company branch of its reserves allocable to exempt contracts or of 80 percent of its unearned premiums from exempt contracts (as both are determined in the manner prescribed under paragraph (4)), or

''(B) received from a person other than a related person (within the meaning of subsection (d)(3)) and derived from investments made by a qualifying insurance company or a qualifying insurance company branch of an amount of its assets allocable to exempt contracts equal to—

''(i) in the case of property, casualty, or health insurance contracts, one-third of its premiums earned on such insurance contracts during the taxable year (as defined in section 832(b)(4)), and

''(ii) in the case of life insurance or annuity contracts, 10 percent of the reserves described in subparagraph (A) for such contracts.

''(3) PRINCIPLES FOR DETERMINING INSURANCE INCOME.—Except as provided by the Secretary, for purposes of subparagraphs (A) and (B) of paragraph (2)—

''(A) in the case of any contract which is a separate account-type contract (including any variable contract not meeting the requirements of section 817), income credited under such contract shall be allocable only to such contract, and

''(B) income not allocable under subparagraph (A) shall be allocated ratably among contracts not described in subparagraph (A).

''(4) METHODS FOR DETERMINING UNEARNED PREMIUMS AND RESERVES.—For purposes of paragraph (2)(A)—

''(A) PROPERTY AND CASUALTY CONTRACTS.—The unearned premiums and reserves of a qualifying insurance company or a qualifying insurance company branch with respect to property, casualty, or health insurance contracts shall be determined using the same methods and interest rates which would be used if such company or branch were subject to tax under subchapter L, except that—

''(i) the interest rate determined for the functional currency of the company's or branch's home country, and which, except as provided by the Secretary, is calculated in the same manner as the Federal mid-term rate under section 1274(d), shall be substituted for the applicable Federal interest rate, and

''(ii) such company or branch shall use the appropriate foreign loss payment pattern.

''(B) LIFE INSURANCE AND ANNUITY CONTRACTS.—The amount of the reserve of a qualifying insurance company or qualifying insurance company branch for any life insurance or annuity contract shall be equal to the greater of—

''(i) the net surrender value of such contract (as defined in section 807(e)(1)(A)), or

''(ii) the reserve determined under paragraph (5).

''(C) LIMITATION ON RESERVES.—In no event shall the reserve determined under this paragraph for any contract as of any time exceed the amount which would be taken into account with respect to such contract as of such time in determining foreign statement reserves (less any catastrophe, deficiency, equalization, or similar reserves).

''(5) AMOUNT OF RESERVE.—The amount of the reserve determined under this paragraph with respect to any contract shall be determined in the same manner as it would be determined if the qualifying insurance company or qualifying insurance company branch were subject to tax under subchapter L, except that in applying such subchapter—

''(A) the interest rate determined for the functional currency of the company's or branch's home country, and which, except as provided by the Secretary, is calculated in the same manner as the Federal mid-term rate under section 1274(d), shall be substituted for the applicable Federal interest rate,

''(B) the highest assumed interest rate permitted to be used in determining foreign statement reserves shall be substituted for the prevailing State assumed interest rate, and

''(C) tables for mortality and morbidity which reasonably reflect the current mortality and morbidity risks in the company's or branch's home country shall be substituted for the mortality and morbidity tables otherwise used for such subchapter.

The Secretary may provide that the interest rate and mortality and morbidity tables of a qualifying insurance company may be used for 1 or more of its qualifying insurance company branches when appropriate.

''(6) DEFINITIONS.—For purposes of this subsection, any term used in this subsection which is also used in section 953(e) shall have the meaning given such term by section 953.''

(3) RESERVES.—Section 953(b) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

''(3) Reserves for any insurance or annuity contract shall be determined in the same manner as under section 954(i).''

(c) SPECIAL RULES FOR DEALERS.—Section 954(c)(2)(C) is amended to read as follows:

''(C) EXCEPTION FOR DEALERS.—Except as provided by regulations, in the case of a regular dealer in property which is property described in paragraph (1)(B), forward contracts, option contracts, or similar financial instruments (including notional principal contracts and all instruments referenced to commodities), there shall not be taken into account in computing foreign personal holding company income—

''(i) any item of income, gain, deduction, or loss (other than any item described in subparagraph (A), (E), or (G) of paragraph (1)) from any transaction (including hedging transactions) entered into in the ordinary course of such dealer's trade or business as such a dealer, and

''(ii) if such dealer is a dealer in securities (within the meaning of section 475), any interest or dividend or equivalent amount described in subparagraph (E) or (G) of paragraph (1) from any transaction (including any hedging transaction or transaction described in section 956(c)(2)(J)) entered into in the ordinary course of such dealer's trade or business as such a dealer in securities, but only if the income from the transaction is attributable to activities of the dealer in the country under the laws of which the dealer is created or organized (or in the case of a qualified business unit described in section 989(a), is attributable to activities of the unit in the country in which the unit both maintains its principal office and conducts substantial business activity).''

(d) EXEMPTION FROM FOREIGN BASE COMPANY SERVICES INCOME.—Paragraph (2) of section 954(e) is amended by inserting ''or'' at the end of subparagraph (A), by striking ''; or'' at the end of subparagraph (B) and inserting a period, by striking subparagraph (C), and by adding at the end the following new flush sentence:

''Paragraph (1) shall also not apply to income which is exempt insurance income (as defined in section 953(e)) or which is not treated as foreign personal holding income by reason of subsection (c)(2)(C)(ii), (h), or (i).''

(e) EXEMPTION FOR GAIN.—Section 954(c)(1)(B)(i) (relating to net gains from certain property transactions) is amended by inserting ''other than property which gives rise to income not treated as foreign personal holding company income by reason of subsection (h) for the taxable year'' before the comma at the end.

Subtitle B—Generalized System of Preferences

SEC. 311. EXTENSION OF GENERALIZED SYSTEM OF PREFERENCES.

(a) EXTENSION OF DUTY-FREE TREATMENT UNDER SYSTEM.—Section 505 of the Trade Act of 1974 (29 U.S.C. 2465) is amended by striking ''June 30, 1998'' and inserting ''February 29, 2000''.

(b) RETROACTIVE APPLICATION FOR CERTAIN LIQUIDATIONS AND RELIQUIDATIONS.—

(1) IN GENERAL.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, and subject to paragraph (2), any entry—

(A) of an article to which duty-free treatment under title V of the Trade Act of 1974 would have applied if such title had been in effect during the period beginning on July 1, 1998, and ending on the day before the date of the enactment of this Act, and

(B) that was made after June 30, 1998, and before the date of the enactment of this Act, shall be liquidated or reliquidated as free of duty, and the Secretary of the Treasury shall refund any duty paid with respect to such entry. As used in this subsection, the term ''entry'' includes a withdrawal from warehouse for consumption.

(2) REQUESTS.—Liquidation or reliquidation may be made under paragraph (1) with respect to an entry only if a request therefor is filed with the Customs Service, within 180 days after the date of the enactment of this Act, that contains sufficient information to enable the Customs Service—

(A) to locate the entry; or

(B) to reconstruct the entry if it cannot be located.

TITLE IV—REVENUE OFFSET

SEC. 401. TREATMENT OF CERTAIN DEDUCTIBLE LIQUIDATING DISTRIBUTIONS OF REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.

(a) IN GENERAL.—Section 332 (relating to complete liquidations of subsidiaries) is amended by adding at the end the following new subsection:

''(c) DEDUCTIBLE LIQUIDATING DISTRIBUTIONS OF REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—If a corporation receives a distribution from a regulated investment company or a real estate investment trust which is considered under subsection (b) as being in complete liquidation of such company or trust, then, notwithstanding any other provision of this chapter, such corporation shall recognize and treat as a dividend from such company or trust an amount equal to the deduction for dividends paid allowable to such company or trust by reason of such distribution.''.

(b) CONFORMING AMENDMENTS.—

(1) The material preceding paragraph (1) of section 332(b) is amended by striking ''subsection (a)'' and inserting ''this section''.

(2) Paragraph (1) of section 334(b) is amended by striking ''section 332(a)'' and inserting ''section 332''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after May 21, 1998.

TITLE V—TECHNICAL CORRECTIONS

SEC. 501. DEFINITIONS; COORDINATION WITH OTHER TITLES.

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

(1) 1986 CODE.—The term ''1986 Code'' means the Internal Revenue Code of 1986.

(2) 1998 ACT.—The term ''1998 Act'' means the Internal Revenue Service Restructuring and Reform Act of 1998 (Public Law 105–206).

(3) 1997 ACT.—The term ''1997 Act'' means the Taxpayer Relief Act of 1997 (Public Law 105–34).

(b) COORDINATION WITH OTHER TITLES.—For purposes of applying the amendments made by any title of this Act other than this title, the provisions of this title shall be treated as having been enacted immediately before the provisions of such other titles.

SEC. 502. AMENDMENTS RELATED TO INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1998.

(a) AMENDMENT RELATED TO SECTION 1101 OF 1998 ACT.—Paragraph (5) of section 6103(h) of the 1986 Code, as added by section 1101(b) of the 1998 Act, is redesignated as paragraph (6).

(b) AMENDMENT RELATED TO SECTION 3001 OF 1998 ACT.—Paragraph (2) of section 7491(a) of the 1986 Code is amended by adding at the end the following flush sentence:

''Subparagraph (C) shall not apply to any qualified revocable trust (as defined in section 645(b)(1)) with respect to liability for tax for any taxable year ending after the date of the decedent's death and before the applicable date (as defined in section 645(b)(2)).''.

(c) AMENDMENTS RELATED TO SECTION 3201 OF 1998 ACT.—

(1) Section 7421(a) of the 1986 Code is amended by striking ''6015(d)'' and inserting ''6015(e)''.

(2) Subparagraph (A) of section 6015(e)(3) is amended by striking ''of this section'' and inserting ''of subsection (b) or (f)''.

(d) AMENDMENT RELATED TO SECTION 3301 OF 1998 ACT.—Paragraph (2) of section 3301(c) of the 1998 Act is amended by striking ''The amendments'' and inserting ''Subject to any applicable statute of limitation not having expired with regard to either a tax underpayment or a tax overpayment, the amendments''.

(e) AMENDMENT RELATED TO SECTION 3401 OF 1998 ACT.—Section 3401(c) of the 1998 Act is amended—

(1) in paragraph (1), by striking ''7443(b)'' and inserting ''7443A(b)''; and

(2) in paragraph (2), by striking ''7443(c)'' and inserting ''7443A(c)''.

(f) AMENDMENT RELATED TO SECTION 3433 OF 1998 ACT.—Section 7421(a) of the 1986 Code is amended by inserting ''6331(i),'' after ''6246(b),''.

(g) AMENDMENT RELATED TO SECTION 3708 OF 1998 ACT.—Subparagraph (A) of section 6103(p)(3) of the 1986 Code is amended by inserting ''(f)(5),'' after ''(c), (e),''.

(h) AMENDMENT RELATED TO SECTION 5001 OF 1998 ACT.—

(1) Subparagraph (B) of section 1(h)(13) of the 1986 Code is amended by striking ''paragraph (7)(A)'' and inserting ''paragraph (7)(A)(i)''.

(2)(A) Subparagraphs (A)(i)(II), (A)(ii)(II), and (B)(ii) of section 1(h)(13) of the 1986 Code shall not apply to any distribution after December 31, 1997, by a regulated investment company or a real estate investment trust with respect to—

(i) gains and losses recognized directly by such company or trust, and

(ii) amounts properly taken into account by such company or trust by reason of holding (directly or indirectly) an interest in another such company or trust to the extent that such subparagraphs did not apply to such other company or trust with respect to such amounts.

(B) Subparagraph (A) shall not apply to any distribution which is treated under section 852(b)(7) or 857(b)(8) of the 1986 Code as received on December 31, 1997.

(C) For purposes of subparagraph (A), any amount which is includible in gross income of its shareholders under section 852(b)(3)(D) or 857(b)(3)(D) of the 1986 Code after December 31, 1997, shall be treated as distributed after such date.

(i) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the 1998 Act to which they relate.

SEC. 503. AMENDMENTS RELATED TO TAXPAYER RELIEF ACT OF 1997.

(a) AMENDMENT RELATED TO SECTION 202 OF 1997 ACT.—Paragraph (2) of section 163(h) of the 1986 Code is amended by striking ''and'' at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting '', and'', and by adding at the end the following new subparagraph:

''(F) any interest allowable as a deduction under section 221 (relating to interest on educational loans).''

(b) PROVISION RELATED TO SECTION 311 OF 1997 ACT.—In the case of any capital gain distribution made after 1997 by a trust to which section 664 of the 1986 Code applies with respect to amounts properly taken into account by such trust during 1997, paragraphs (5)(A)(i)(I), (5)(A)(ii)(I), and (13)(A) of section 1(h) of the 1986 Code (as in effect for taxable years ending on December 31, 1997) shall not apply.

(c) AMENDMENT RELATED TO SECTION 506 OF 1997 ACT.—

(1) Section 2001(f)(2) of the 1986 Code is amended by adding at the end the following:

''For purposes of subparagraph (A), the value of an item shall be treated as shown on a return if the item is disclosed in the return, or in a statement attached to the return, in a manner adequate to apprise the Secretary of the nature of such item.''.

(2) Paragraph (9) of section 6501(c) of the 1986 Code is amended by striking the last sentence.

(d) AMENDMENTS RELATED TO SECTION 904 OF 1997 ACT.—

(1) Paragraph (1) of section 9510(c) of the 1986 Code is amended to read as follows:

''(1) IN GENERAL.—Amounts in the Vaccine Injury Compensation Trust Fund shall be available, as provided in appropriation Acts, only for—

''(A) the payment of compensation under subtitle 2 of title XXI of the Public Health Service Act (as in effect on August 5, 1997) for vaccine-related injury or death with respect to any vaccine—

''(i) which is administered after September 30, 1988, and

''(ii) which is a taxable vaccine (as defined in section 4132(a)(1)) at the time compensation is paid under such subtitle 2, or

''(B) the payment of all expenses of administration (but not in excess of $6,000,000 for any fiscal year) incurred by the Federal Government in administering such subtitle.''.

(2) Section 9510(b) of the 1986 Code is amended by adding at the end the following new paragraph:

''(3) LIMITATION ON TRANSFERS TO VACCINE INJURY COMPENSATION TRUST FUND.—No amount may be appropriated to the Vaccine Injury Compensation Trust Fund on and after the date of any expenditure from the Trust Fund which is not permitted by this section. The determination of whether an expenditure is so permitted shall be made without regard to—

''(A) any provision of law which is not contained or referenced in this title or in a revenue Act, and

''(B) whether such provision of law is a subsequently enacted provision or directly or indirectly seeks to waive the application of this paragraph.''.

(e) AMENDMENTS RELATED TO SECTION 915 OF 1997 ACT.—

(1) Section 915 of the Taxpayer Relief Act of 1997 is amended—

(A) in subsection (b), by inserting ''or 1998'' after ''1997'', and

(B) by amending subsection (d) to read as follows:

''(d) EFFECTIVE DATE.—This section shall apply to taxable years ending with or within calendar year 1997.''.

(2) Paragraph (2) of section 6404(h) of the 1986 Code is amended by inserting ''Robert T. Stafford'' before ''Disaster''.

(f) AMENDMENTS RELATED TO SECTION 1012 OF 1997 ACT.—

(1) Paragraph (2) of section 351(c) of the 1986 Code, as amended by section 6010(c) of the 1998 Act, is amended by inserting '', or the fact that the corporation whose stock was distributed issues additional stock,'' after ''dispose of part or all of the distributed stock''.

(2) Clause (ii) of section 368(a)(2)(H) of the 1986 Code, as amended by section 6010(c) of the 1998 Act, is amended by inserting '', or the fact that the corporation whose stock was distributed issues additional stock,'' after ''dispose of part or all of the distributed stock''.

(g) AMENDMENT RELATED TO SECTION 1082 OF 1997 ACT.—Subparagraph (F) of section 172(b)(1) of the 1986 Code is amended by adding at the end the following new clause:

''(iv) COORDINATION WITH PARAGRAPH (2).—For purposes of applying paragraph (2), an eligible loss for any taxable year shall be treated in a manner similar to the manner in which a specified liability loss is treated.''

(h) AMENDMENT RELATED TO SECTION 1084 OF 1997 ACT.—Paragraph (3) of section 264(f) of the 1986 Code is amended by adding at the end the following flush sentence:

''If the amount described in subparagraph (A) with respect to any policy or contract does not reasonably approximate its actual value, the amount taken into account under subparagraph (A) shall be the greater of the amount of the insurance company liability or the insurance company reserve with respect to such policy or contract (as determined for purposes of the annual statement approved by the National Association of Insurance Commissioners) or shall be such other amount as is determined by the Secretary.''

(i) AMENDMENT RELATED TO SECTION 1205 OF 1997 ACT.—Paragraph (2) of section 6311(d) of the 1986 Code is amended by striking ''under such contracts'' in the last sentence and inserting ''under any such contract for the use of credit or debit cards for the payment of taxes imposed by subtitle A''.

(j) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the Taxpayer Relief Act of 1997 to which they relate.

SEC. 504. AMENDMENTS RELATED TO TAX REFORM ACT OF 1984.

(a) IN GENERAL.—Subparagraph (C) of section 172(d)(4) of the 1986 Code is amended to read as follows:

''(C) any deduction for casualty or theft losses allowable under paragraph (2) or (3) of section 165(c) shall be treated as attributable to the trade or business; and''.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (3) of section 67(b) of the 1986 Code is amended by striking ''for losses described in subsection (c)(3) or (d) of section 165'' and inserting ''for casualty or theft losses described in paragraph (2) or (3) of section 165(c) or for losses described in section 165(d)''.

(2) Paragraph (3) of section 68(c) of the 1986 Code is amended by striking ''for losses described in subsection (c)(3) or (d) of section 165'' and inserting ''for casualty or theft losses described in paragraph (2) or (3) of section 165(c) or for losses described in section 165(d)''.

(3) Paragraph (1) of section 873(b) is amended to read as follows:

''(1) LOSSES.—The deduction allowed by section 165 for casualty or theft losses described in paragraph (2) or (3) of section 165(c), but only if the loss is of property located within the United States.''

(c) EFFECTIVE DATES.—

(1) The amendments made by subsections (a) and (b)(3) shall apply to taxable years beginning after December 31, 1983.

(2) The amendment made by subsection (b)(1) shall apply to taxable years beginning after December 31, 1986.

(3) The amendment made by subsection (b)(2) shall apply to taxable years beginning after December 31, 1990.

SEC. 505. OTHER AMENDMENTS.

(a) AMENDMENTS RELATED TO SECTION 6103 OF 1986 CODE.—

(1) Subsection (j) of section 6103 of the 1986 Code is amended by adding at the end the following new paragraph:

''(5) DEPARTMENT OF AGRICULTURE.—Upon request in writing by the Secretary of Agriculture, the Secretary shall furnish such returns, or return information reflected thereon, as the Secretary may prescribe by regulation to officers and employees of the Department of Agriculture whose official duties require access to such returns or information for the purpose of, but only to the extent necessary in, structuring, preparing, and conducting the census of agriculture pursuant to the Census of Agriculture Act of 1997 (Public Law 105–113).''.

(2) Paragraph (4) of section 6103(p) of the 1986 Code is amended by striking ''(j)(1) or (2)'' in the material preceding subparagraph (A) and in subparagraph (F) and inserting ''(j)(1), (2), or (5)''.

(3) The amendments made by this subsection shall apply to requests made on or after the date of the enactment of this Act.

(b) AMENDMENT RELATED TO SECTION 9004 OF TRANSPORTATION EQUITY ACT FOR THE 21ST CENTURY.—

(1) Paragraph (2) of section 9503(f) of the 1986 Code is amended to read as follows:

''(2) notwithstanding section 9602(b), obligations held by such Fund after September 30, 1998, shall be obligations of the United States which are not interest-bearing.''

(2) The amendment made by paragraph (1) shall take effect on October 1, 1998.

(c) CLERICAL AMENDMENT.—Clause (i) of section 51(d)(6)(B) of the 1986 Code is amended by striking ''rehabilitation plan'' and inserting ''plan for employment''.

TITLE VI—AMERICAN COMMUNITY RENEWAL ACT OF 1998

SEC. 601. SHORT TITLE.

This title may be cited as the ''American Community Renewal Act of 1998''.

SEC. 602. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress makes the following findings:

(1) Many of the Nation's urban centers are places with high levels of poverty, high rates of welfare dependency, high crime rates, poor schools, and joblessness.

(2) Federal tax incentives and regulatory reforms can encourage economic growth, job creation, and small business formation in many urban centers.

(3) Encouraging private sector investment in America's economically distressed urban and rural areas is essential to breaking the cycle of poverty and the related ills of crime, drug abuse, illiteracy, welfare dependency, and unemployment.

(b) PURPOSE.—The purpose of this title is to increase job creation, small business expansion and formation, educational opportunities, and homeownership, and to foster moral renewal, in economically depressed areas by providing Federal tax incentives, regulatory reforms, school reform pilot projects, and homeownership incentives.

Subtitle A—Designation and Evaluation of Renewal Communities

SEC. 611. SHORT TITLE.

This subtitle may be cited as the ''Renewing American Communities Act of 1998''.

SEC. 612. STATEMENT OF PURPOSE.

It is the purpose of this subtitle to provide for the establishment of renewal communities in order to stimulate the creation of new jobs, particularly for disadvantaged workers and long-term unemployed individuals, and to promote revitalization of economically distressed areas primarily by providing or encouraging—

(1) tax relief at the Federal, State, and local levels;

(2) regulatory relief at the Federal, State, and local levels; and

(3) improved local services and an increase in the economic stake of renewal community residents in their own community and its development, particularly through the increased involvement of private, local, and neighborhood organizations.

SEC. 613. DESIGNATION OF RENEWAL COMMUNITIES.

(a) IN GENERAL.—Chapter 1 of the Act is amended by adding at the end the following new subchapter:

''Subchapter X—Renewal Communities

''Part I. Designation.

''PART I—DESIGNATION

''Sec. 1400E. Designation of Renewal Communities.

''SEC. 1400E. DESIGNATION OF RENEWAL COMMUNITIES.

''(a) DESIGNATION.—

''(1) DEFINITIONS.—For purposes of this title, the term 'renewal community' means any area—

''(A) which is nominated by one or more local governments and the State or States in which it is located for designation as a renewal community (hereinafter in this section referred to as a 'nominated area'), and

''(B) which the Secretary of Housing and Urban Development, after consultation with—

''(i) the Secretaries of Agriculture, Commerce, Labor, and the Treasury; the Director of the Office of Management and Budget; and the Administrator of the Small Business Administration, and

''(ii) in the case of an area on an Indian reservation, the Secretary of the Interior,

designates as a renewal community.

''(2) NUMBER OF DESIGNATIONS.—

''(A) IN GENERAL.—The Secretary of Housing and Urban Development may designate not more than 20 nominated areas as renewal communities.

''(B) MINIMUM DESIGNATION IN RURAL AREAS.—Of the areas designated under paragraph (1), at least 20 percent must be areas—

''(i) which are within a local government jurisdiction or jurisdictions with a population of less than 50,000 (as determined under the most recent census data available),

''(ii) which are outside of a metropolitan statistical area (within the meaning of section 143(k)(2)(B)), or

''(iii) which are determined by the Secretary of Housing and Urban Development, after consultation with the Secretary of Commerce, to be rural areas.

''(C) ADDITIONAL DESIGNATIONS TO REPLACE REVOKED DESIGNATIONS.—

''(i) IN GENERAL.—The Secretary of Housing and Urban Development may designate one additional area under subparagraph (A) to replace each area for which the designation is revoked under subsection (b)(2), but in no event may more than 20 areas designated under this subsection bear designations as renewal communities at any time.

''(ii) EXTENSION OF TIME LIMIT ON DESIGNATIONS.—In the case of any designation made under this subparagraph, paragraph (4)(B) shall be applied by substituting '36-month' for '24-month'.

''(3) AREAS DESIGNATED BASED ON DEGREE OF POVERTY, ETC.—

''(A) IN GENERAL.—Except as otherwise provided in this section, the nominated areas designated as renewal communities under this subsection shall be those nominated areas with the highest average ranking with respect to the criteria described in subparagraphs (C), (D), and (E) of subsection (c)(3). For purposes of the preceding sentence, an area shall be ranked within each such criterion on the basis of the amount by which the area exceeds such criterion, with the area which exceeds such criterion by the greatest amount given the highest ranking.

''(B) EXCEPTION WHERE INADEQUATE COURSE OF ACTION, ETC.—An area shall not be designated under subparagraph (A) if the Secretary of Housing and Urban Development

determines that the course of action described in subsection (d)(2) with respect to such area is inadequate.

''(C) PRIORITY FOR EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES WITH RESPECT TO FIRST HALF OF DESIGNATIONS.—With respect to the first half of the designations made under this section, the nominated areas designated as renewal communities shall be chosen first from nominated areas which are enterprise zones or empowerment communities (and are otherwise eligible for designation under this section), and then from other nominated areas which are so eligible.

''(D) SEPARATE APPLICATION TO RURAL AND OTHER AREAS.—Subparagraph (A) shall be applied separately with respect to areas described in paragraph (2)(B) and to other areas.

''(4) LIMITATION ON DESIGNATIONS.—

''(A) PUBLICATION OF REGULATIONS.—The Secretary of Housing and Urban Development shall prescribe by regulation no later than 4 months after the date of the enactment of this section, after consultation with the officials described in paragraph (1)(B)—

''(i) the procedures for nominating an area under paragraph (1)(A),

''(ii) the parameters relating to the size and population characteristics of a renewal community, and

''(iii) the manner in which nominated areas will be evaluated based on the criteria specified in subsection (d).

''(B) TIME LIMITATIONS.—The Secretary of Housing and Urban Development may designate nominated areas as renewal communities only during the 24-month period beginning on the first day of the first month following the month in which the regulations described in subparagraph (A) are prescribed.

''(C) PROCEDURAL RULES.—The Secretary of Housing and Urban Development shall not make any designation of a nominated area as a renewal community under paragraph (2) unless—

''(i) the local governments and the State in which the nominated area is located have the authority—

''(I) to nominate such area for designation as a renewal community,

''(II) to make the State and local commitments described in subsection (d), and

''(III) to provide assurances satisfactory to the Secretary of Housing and Urban Development that such commitments will be fulfilled,

''(ii) a nomination regarding such area is submitted in such a manner and in such form, and contains such information, as the Secretary of Housing and Urban Development shall by regulation prescribe, and

''(iii) the Secretary of Housing and Urban Development determines that any information furnished is reasonably accurate.

''(5) NOMINATION PROCESS FOR INDIAN RESERVATIONS.—For purposes of this subchapter, in the case of a nominated area on an Indian reservation, the reservation governing body (as determined by the Secretary of the Interior) shall be treated as being both the State and local governments with respect to such area.

''(b) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—

''(1) IN GENERAL.—Any designation of an area as a renewal community shall remain in effect during the period beginning on the date of the designation and ending on the earliest of—

''(A) December 31, 2006,

''(B) the termination date designated by the State and local governments in their nomination pursuant to subsection (a)(4)(C)(ii), or

''(C) the date the Secretary of Housing and Urban Development revokes such designation under paragraph (2).

''(2) REVOCATION OF DESIGNATION.—The Secretary of Housing and Urban Development may, after a hearing on the record involving officials of the State or local government involved (or both, if applicable), revoke the designation of an area if the Secretary of Housing and Urban Development determines that the local government or State in which the area is located is not complying substantially with the State or local commitments, respectively, described in subsection (d).

''(c) AREA AND ELIGIBILITY REQUIREMENTS.—

''(1) IN GENERAL.—The Secretary of Housing and Urban Development may designate any nominated area as a renewal community under subsection (a) only if the area meets the requirements of paragraphs (2) and (3) of this subsection.

''(2) AREA REQUIREMENTS.—A nominated area meets the requirements of this paragraph if—

''(A) the area is within the jurisdiction of a local government,

''(B) the boundary of the area is continuous, and

''(C) the area—

''(i) has a population, as determined by the most recent census data available, of at least—

''(I) 4,000 if any portion of such area (other than a rural area described in subsection (a)(2)(B)(i)) is located within a metropolitan statistical area (within the meaning of section 143(k)(2)(B)) which has a population of 50,000 or greater, or

''(II) 1,000 in any other case, or

''(ii) is entirely within an Indian reservation (as determined by the Secretary of the Interior).

''(3) ELIGIBILITY REQUIREMENTS.—A nominated area meets the requirements of this paragraph if the State and the local governments in which it is located certify (and the Secretary of Housing and Urban Development, after such review of supporting data as he deems appropriate, accepts such certification) that—

''(A) the area is one of pervasive poverty, unemployment, and general distress,

''(B) the unemployment rate in the area, as determined by the appropriate available data, was at least 1½ times the national unemployment rate for the period to which such data relate,

''(C) the poverty rate (as determined by the most recent census data available) for each population census tract (or where not tracted, the equivalent county division as defined by the Bureau of the Census for the purpose of defining poverty areas) within the area was at least 20 percent for the period to which such data relate, and

''(D) in the case of an urban area, at least 70 percent of the households living in the area have incomes below 80 percent of the median income of households within the jurisdiction of the local government (determined in the same manner as under section 119(b)(2) of the Housing and Community Development Act of 1974).

''(4) CONSIDERATION OF HIGH INCIDENCE OF CRIME.—The Secretary of Housing and Urban Development shall take into account, in selecting nominated areas for designation as renewal communities under this section, the extent to which such areas have a high incidence of crime.

''(5) CONSIDERATION OF COMMUNITIES IDENTIFIED IN GAO STUDY.—The Secretary of Housing and Urban Development shall take into account, in selecting nominated areas for designation as renewal communities under this section, if the area has census tracts identified in the May 12, 1998, report of the Government Accounting Office regarding the identification of economically distressed areas.

''(d) REQUIRED STATE AND LOCAL COMMITMENTS.—

''(1) IN GENERAL.—The Secretary of Housing and Urban Development may designate any nominated area as a renewal community under subsection (a) only if—

''(A) the local government and the State in which the area is located agree in writing that, during any period during which the area is a renewal community, such governments will follow a specified course of action which meets the requirements of paragraph (2) and is designed to reduce the various burdens borne by employers or employees in such area, and

''(B) the economic growth promotion requirements of paragraph (3) are met.

''(2) COURSE OF ACTION.—

''(A) IN GENERAL.—A course of action meets the requirements of this paragraph if such course of action is a written document, signed by a State (or local government) and neighborhood organizations, which evidences a partnership between such State or government and community-based organizations and which commits each signatory to specific and measurable goals, actions, and timetables. Such course of action shall include at least five of the following:

''(i) A reduction of tax rates or fees applying within the renewal community.

''(ii) An increase in the level of efficiency of local services within the renewal community.

''(iii) Crime reduction strategies, such as crime prevention (including the provision of such services by nongovernmental entities).

''(iv) Actions to reduce, remove, simplify, or streamline governmental requirements applying within the renewal community.

''(v) Involvement in the program by private entities, organizations, neighborhood organizations, and community groups, particularly those in the renewal community, including a commitment from such private entities to provide jobs and job training for, and technical, financial, or other assistance to, employers, employees, and residents from the renewal community.

''(vi) State or local income tax benefits for fees paid for services performed by a nongovernmental entity which were formerly performed by a governmental entity.

''(vii) The gift (or sale at below fair market value) of surplus realty (such as land, homes, and commercial or industrial structures) in the renewal community to neighborhood organizations, community development corporations, or private companies.

''(B) RECOGNITION OF PAST EFFORTS.—For purposes of this section, in evaluating the course of action agreed to by any State or local government, the Secretary of Housing and Urban Development shall take into account the past efforts of such State or local government in reducing the various burdens borne by employers and employees in the area involved.

''(3) ECONOMIC GROWTH PROMOTION REQUIREMENTS.—The economic growth promotion requirements of this paragraph are met with respect to a nominated area if the local government and the State in which such area is located certify in writing that such government and State, respectively, have repealed or otherwise will not enforce within the area, if such area is designated as a renewal community—

''(A) licensing requirements for occupations that do not ordinarily require a professional degree,

''(B) zoning restrictions on home-based businesses which do not create a public nuisance,

''(C) permit requirements for street vendors who do not create a public nuisance,

''(D) zoning or other restrictions that impede the formation of schools or child care centers, and

''(E) franchises or other restrictions on competition for businesses providing public services, including but not limited to taxicabs, jitneys, cable television, or trash hauling,

except to the extent that such regulation of businesses and occupations is necessary for and well-tailored to the protection of health and safety.

''(e) COORDINATION WITH TREATMENT OF EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES.—For purposes of this title, if there are in effect with respect to the same area both—

''(1) a designation as a renewal community, and

''(2) a designation as an empowerment zone or enterprise community,

both of such designations shall be given full effect with respect to such area.

''(f) DEFINITIONS.—For purposes of this subchapter—

''(1) GOVERNMENTS.—If more than one government seeks to nominate an area as a renewal community, any reference to, or requirement of, this section shall apply to all such governments.

''(2) STATE.—The term 'State' includes Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Northern Mariana Islands, and any other possession of the United States.

''(3) LOCAL GOVERNMENT.—The term 'local government' means—

''(A) any county, city, town, township, parish, village, or other general purpose political subdivision of a State,

''(B) any combination of political subdivisions described in subparagraph (A) recognized by the Secretary of Housing and Urban Development, and

''(C) the District of Columbia.''

SEC. 614. EVALUATION AND REPORTING REQUIREMENTS.

Not later than the close of the fourth calendar year after the year in which the Secretary of Housing and Urban Development first designates an area as a renewal community under section 1400E of the Internal Revenue Code of 1986, and at the close of each fourth calendar year thereafter, such Secretary shall prepare and submit to the Congress a report on the effects of such designations in accomplishing the purposes of this title.

SEC. 615. INTERACTION WITH OTHER FEDERAL PROGRAMS.

(a) TAX REDUCTIONS.—Any reduction of taxes, with respect to any renewal community designated under section 1400E of the Internal Revenue Code of 1986 (as added by this subtitle), under any plan of action under section 1400E(d) of such Code shall be disregarded in determining the eligibility of a State or local government for, or the amount or extent of, any assistance or benefits under any law of the United States (other than subchapter X of chapter 1 of such Code).

(b) COORDINATION WITH RELOCATION ASSISTANCE.—The designation of a renewal community under section 1400E of such Code (as added by this subtitle) shall not—

(1) constitute approval of a Federal or Federally assisted program or project (within the meaning of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601 et seq.)), or

(2) entitle any person displaced from real property located in such community to any rights or any benefits under such Act.

(c) RENEWAL COMMUNITIES TREATED AS LABOR SURPLUS AREAS.—Any area which is designated as a renewal community under section 1400E of such Code (as added by this subtitle) shall be treated for all purposes under Federal law as a labor surplus area.

(d) COORDINATION WITH JOB TRAINING PROGRAMS.—Renewal communities are encouraged to coordinate efforts with job training providers who are public, private not-for-profit, or private for-profit entities.

Subtitle B—Tax Incentives for Renewal Communities

SEC. 621. TAX TREATMENT OF RENEWAL COMMUNITIES.

Subchapter X of chapter 1 (as added by subtitle A) is amended by adding at the end the following new parts:

''PART II—RENEWAL COMMUNITY CAPITAL GAIN

''Sec. 1400F. Renewal community capital gain.

''Sec. 1400G. Renewal community business defined.

''SEC. 1400F. RENEWAL COMMUNITY CAPITAL GAIN.

''(a) GENERAL RULE.—Gross income does not include any qualified capital gain recognized on the sale or exchange of a qualified community asset held for more than 5 years.

''(b) QUALIFIED COMMUNITY ASSET.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified community asset' means—

''(A) any qualified community stock,

''(B) any qualified community business property, and

''(C) any qualified community partnership interest.

''(2) QUALIFIED COMMUNITY STOCK.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'qualified community stock' means any stock in a domestic corporation if—

''(i) such stock is acquired by the taxpayer after December 31, 1999, and before January 1, 2007, at its original issue (directly or through an underwriter) from the corporation solely in exchange for cash,

''(ii) as of the time such stock was issued, such corporation was a renewal community business (or, in the case of a new corporation, such corporation was being organized for purposes of being a renewal community business), and

''(iii) during substantially all of the taxpayer's holding period for such stock, such corporation qualified as a renewal community business.

''(B) REDEMPTIONS.—A rule similar to the rule of section 1202(c)(3) shall apply for purposes of this paragraph.

''(3) QUALIFIED COMMUNITY BUSINESS PROPERTY.—

''(A) IN GENERAL.—The term 'qualified community business property' means tangible property if—

''(i) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after December 31, 1999, and before January 1, 2007,

''(ii) the original use of such property in the renewal community commences with the taxpayer, and

''(iii) during substantially all of the taxpayer's holding period for such property, substantially all of the use of such property was in a renewal community business of the taxpayer.

''(B) SPECIAL RULE FOR SUBSTANTIAL IMPROVEMENTS.—

''(i) IN GENERAL.—The requirements of clauses (i) and (ii) of subparagraph (A) shall be treated as satisfied with respect to—

''(I) property which is substantially improved by the taxpayer before January 1, 2007, and

''(II) any land on which such property is located.

''(ii) SUBSTANTIAL IMPROVEMENT.—For purposes of clause (i), property shall be treated as substantially improved by the taxpayer only if, during any 24-month period beginning after the date on which the designation of the renewal community took effect, additions to basis with respect to such property in the hands of the taxpayer exceed the greater of—

''(I) an amount equal to the adjusted basis at the beginning of such 24-month period in the hands of the taxpayer, or

''(II) $5,000.

''(4) QUALIFIED COMMUNITY PARTNERSHIP INTEREST.—The term 'qualified community partnership interest' means any interest in a partnership if—

''(A) such interest is acquired by the taxpayer after December 31, 1999, and before January 1, 2007,

''(B) as of the time such interest was acquired, such partnership was a renewal community business (or, in the case of a new partnership, such partnership was being organized for purposes of being a renewal community business), and

''(C) during substantially all of the taxpayer's holding period for such interest, such partnership qualified as a renewal community business.

A rule similar to the rule of paragraph (2)(C) shall apply for purposes of this paragraph.

''(5) TREATMENT OF SUBSEQUENT PURCHASERS.—The term 'qualified community asset' includes any property which would be a qualified community asset but for paragraph (2)(A)(i), (3)(A)(ii), or (4)(A) in the hands of the taxpayer if such property was a qualified community asset in the hands of all prior holders.

''(6) 10-YEAR SAFE HARBOR.—If any property ceases to be a qualified community asset by reason of paragraph (2)(A)(iii), (3)(A)(iii), or (4)(C) after the 10-year period beginning on the date the taxpayer acquired such property, such property shall continue to be treated as meeting the requirements of such paragraph; except that the amount of gain to which subsection (a) applies on any sale or exchange of such property shall not exceed the amount which would be qualified capital gain had such property been sold on the date of such cessation.

''(7) TREATMENT OF COMMUNITY DESIGNATION TERMINATIONS.—The termination of any designation of an area as a renewal community shall be disregarded for purposes of determining whether any property is a qualified community asset.

''(c) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) QUALIFIED CAPITAL GAIN.—Except as otherwise provided in this subsection, the term 'qualified capital gain' means any long-term capital gain recognized on the sale or exchange of a qualified community asset held for more than 5 years (determined without regard to any period before the designation of the renewal community).

''(2) GAIN BEFORE 2000 OR AFTER 2006 NOT QUALIFIED.—The term 'qualified capital gain' shall not include any gain attributable to periods before January 1, 2000, or after December 31, 2006.

''(3) CERTAIN GAIN NOT QUALIFIED.—The term 'qualified capital gain' shall not include any gain which would be treated as ordinary income under section 1245 or under section 1250 if section 1250 applied to all depreciation rather than the additional depreciation.

''(4) INTANGIBLES AND LAND NOT INTEGRAL PART OF DC ZONE BUSINESS.—The term 'qualified capital gain' shall not include any gain which is attributable to real property, or an intangible asset, which is not an integral part of a DC Zone business.

''(5) RELATED PARTY TRANSACTIONS.—The term 'qualified capital gain' shall not include any gain attributable, directly or indirectly, in whole or in part, to a transaction with a related person. For purposes of this paragraph, persons are related to each other if such persons are described in section 267(b) or 707(b)(1).

''(d) CERTAIN OTHER RULES TO APPLY.—Rules similar to the rules of subsections (g), (h), (i)(2), and (j) of section 1202 shall apply for purposes of this section.

''(e) SALES AND EXCHANGES OF INTERESTS IN PARTNERSHIPS AND S CORPORATIONS WHICH ARE QUALIFIED COMMUNITY BUSINESSES.—In the case of the sale or exchange of an interest in a partnership, or of stock in an S corporation, which was a renewal community business during substantially all of the period the taxpayer held such interest or stock, the amount of qualified capital gain shall be determined without regard to—

''(1) any intangible, and any land, which is not an integral part of any qualified business entity (as defined in section 1400G(b)), and

''(2) gain attributable to periods before the designation of an area as a renewal community.

''SEC. 1400G. RENEWAL COMMUNITY BUSINESS DEFINED.

''(a) IN GENERAL.—For purposes of this part, the term 'renewal community business' means—

''(1) any qualified business entity, and

''(2) any qualified proprietorship.

Such term shall include any trades or businesses which would qualify as a renewal community business if such trades or businesses were separately incorporated. Such term shall not include any trade or business of producing property of a character subject to the allowance for depletion under section 611.

''(b) QUALIFIED BUSINESS ENTITY.—For purposes of this section, the term 'qualified business entity' means, with respect to any taxable year, any corporation or partnership if for such year—

''(1) every trade or business of such entity is the active conduct of a qualified business within a renewal community,

''(2) at least 80 percent of the total gross income of such entity is derived from the active conduct of such business,

''(3) substantially all of the use of the tangible property of such entity (whether owned or leased) is within a renewal community,

''(4) substantially all of the intangible property of such entity is used in, and exclusively related to, the active conduct of any such business,

''(5) substantially all of the services performed for such entity by its employees are performed in a renewal community,

''(6) at least 35 percent of its employees are residents of a renewal community,

''(7) less than 5 percent of the average of the aggregate unadjusted bases of the property of such entity is attributable to collectibles (as defined in section 408(m)(2)) other than collectibles that are held primarily for sale to customers in the ordinary course of such business, and

''(8) less than 5 percent of the average of the aggregate unadjusted bases of the property of such entity is attributable to nonqualified financial property.

''(c) QUALIFIED PROPRIETORSHIP.—For purposes of this section, the term 'qualified proprietorship' means, with respect to any taxable year, any qualified business carried on by an individual as a proprietorship if for such year—

''(1) at least 80 percent of the total gross income of such individual from such business is derived from the active conduct of such business in a renewal community,

''(2) substantially all of the use of the tangible property of such individual in such business (whether owned or leased) is within a renewal community,

''(3) substantially all of the intangible property of such business is used in, and exclusively related to, the active conduct of such business,

''(4) substantially all of the services performed for such individual in such business by employees of such business are performed in a renewal community,

''(5) at least 35 percent of such employees are residents of a renewal community,

''(6) less than 5 percent of the average of the aggregate unadjusted bases of the property of such individual which is used in such business is attributable to collectibles (as defined in section 408(m)(2)) other than collectibles that are held primarily for sale to customers in the ordinary course of such business, and

''(7) less than 5 percent of the average of the aggregate unadjusted bases of the property of such individual which is used in such business is attributable to nonqualified financial property.

For purposes of this subsection, the term 'employee' includes the proprietor.

''(d) QUALIFIED BUSINESS.—For purposes of this section—

''(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'qualified business' means any trade or business.

''(2) RENTAL OF REAL PROPERTY.—The rental to others of real property located in a renewal community shall be treated as a qualified business if and only if—

''(A) the property is not residential rental property (as defined in section 168(e)(2)), and

''(B) at least 50 percent of the gross rental income from the real property is from renewal community businesses.

''(3) RENTAL OF TANGIBLE PERSONAL PROPERTY.—The rental to others of tangible personal property shall be treated as a qualified business if and only if substantially all of the rental of such property is by renewal community businesses or by residents of a renewal community.

''(4) TREATMENT OF BUSINESS HOLDING INTANGIBLES.—The term 'qualified business' shall not include any trade or business consisting predominantly of the development or holding of intangibles for sale or license.

''(5) CERTAIN BUSINESSES EXCLUDED.—The term 'qualified business' shall not include—

''(A) any trade or business consisting of the operation of any facility described in section 144(c)(6)(B), and

''(B) any trade or business the principal activity of which is farming (within the meaning of subparagraph (A) or (B) of section 2032A(e)(5)), but only if, as of the close of the preceding taxable year, the sum of—

''(i) the aggregate unadjusted bases (or, if greater, the fair market value) of the assets owned by the taxpayer which are used in such a trade or business, and

''(ii) the aggregate value of assets leased by the taxpayer which are used in such a trade or business,

exceeds $500,000.

''(6) CONTROLLED GROUPS.—For purposes of paragraph (5)(B), all persons treated as a single employer under subsection (a) or (b) of section 52 shall be treated as a single taxpayer.

''(e) NONQUALIFIED FINANCIAL PROPERTY.—For purposes of this section, the term 'nonqualified financial property' means debt, stock, partnership interests, options, futures contracts, forward-contracts, warrants, notional principal contracts, annuities, and other similar property specified in regulations; except that such term shall not include—

''(1) reasonable amounts of working capital held in cash, cash equivalents, or debt instruments with a term of 18 months or less, or

''(2) debt instruments described in section 1221(4).

''PART III—FAMILY DEVELOPMENT ACCOUNTS

''Sec. 1400H. Family development accounts.
''Sec. 1400I. Demonstration program to provide matching contributions to family development accounts in certain renewal communities.
''Sec. 1400J. Designation of earned income tax credit payments for deposit to family development account.

''SEC. 1400H. FAMILY DEVELOPMENT ACCOUNTS FOR RENEWAL COMMUNITY EITC RECIPIENTS.

''(a) ALLOWANCE OF DEDUCTION.—

''(1) IN GENERAL.—There shall be allowed as a deduction—

''(A) in the case of a qualified individual, the amount paid in cash for the taxable year by such individual to any family development account for such individual's benefit, and

''(B) in the case of any person other than a qualified individual, the amount paid in cash for the taxable year by such person to any family development account for the benefit of a qualified individual.

No deduction shall be allowed under this paragraph for any amount deposited in a family development account under section 1400I (relating to demonstration program to provide matching amounts in renewal communities).

''(2) LIMITATION.—

''(A) IN GENERAL.—The amount allowable as a deduction to any individual for any taxable year by reason of paragraph (1)(A) shall not exceed the lesser of—

''(i) $2,000, or

''(ii) an amount equal to the compensation includible in the individual's gross income for such taxable year.

''(B) PERSONS DONATING TO FAMILY DEVELOPMENT ACCOUNTS OF OTHERS.—The amount allowable as a deduction to any person for any taxable year by reason of paragraph (1)(B) shall not exceed $1,000 with respect to any qualified individual.

''(3) SPECIAL RULES FOR CERTAIN MARRIED INDIVIDUALS.—

''(A) IN GENERAL.—In the case of an individual to whom this subparagraph applies for the taxable year, the limitation of subparagraph (A) of paragraph (2) shall be equal to the lesser of—

''(i) the dollar amount in effect under paragraph (2)(A)(i) for the taxable year, or

''(ii) the sum of—

''(I) the compensation includible in such individual's gross income for the taxable year, plus—

''(II) the compensation includible in the gross income of such individual's spouse for the taxable year reduced by the amount allowed as a deduction under paragraph (1) to such spouse for such taxable year.

''(B) INDIVIDUALS TO WHOM SUBPARAGRAPH (A) APPLIES.—Subparagraph (A) shall apply to any individual if—

''(i) such individual files a joint return for the taxable year, and

''(ii) the amount of compensation (if any) includible in such individual's gross income for the taxable year is less than the compensation includible in the gross income of such individual's spouse for the taxable year.

''(4) ROLLOVERS.—No deduction shall be allowed under this section with respect to any rollover contribution.

''(b) TAX TREATMENT OF DISTRIBUTIONS.—

''(1) INCLUSION OF AMOUNTS IN GROSS INCOME.—Except as otherwise provided in this

subsection, any amount paid or distributed out of a family development account shall be included in gross income by the payee or distributee, as the case may be.

''(2) EXCLUSION OF QUALIFIED FAMILY DEVELOPMENT DISTRIBUTIONS.—Paragraph (1) shall not apply to any qualified family development distribution.

''(3) SPECIAL RULES.—Rules similar to the rules of paragraphs (4) and (5) of section 408(d) shall apply for purposes of this section.

''(c) QUALIFIED FAMILY DEVELOPMENT DISTRIBUTION.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified family development distribution' means any amount paid or distributed out of a family development account which would otherwise be includible in gross income, to the extent that such payment or distribution is used exclusively to pay qualified family development expenses for the holder of the account or the spouse or dependent (as defined in section 152) of such holder.

''(2) QUALIFIED FAMILY DEVELOPMENT EXPENSES.—The term 'qualified family development expenses' means any of the following:

''(A) Qualified postsecondary educational expenses.

''(B) First-home purchase costs.

''(C) Qualified business capitalization costs.

''(D) Qualified medical expenses.

''(E) Qualified rollovers.

''(3) QUALIFIED POSTSECONDARY EDUCATIONAL EXPENSES.—

''(A) IN GENERAL.—The term 'qualified postsecondary educational expenses' means postsecondary educational expenses paid to an eligible educational institution.

''(B) POSTSECONDARY EDUCATIONAL EXPENSES.—The term 'postsecondary educational expenses' means tuition, fees, room, board, books, supplies, and equipment required for the enrollment or attendance of a student at an eligible educational institution.

''(C) ELIGIBLE EDUCATIONAL INSTITUTION.—The term 'eligible educational institution' means the following:

''(i) INSTITUTION OF HIGHER EDUCATION.—An institution described in section 481(a)(1) or 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1088(a)(1), 1141(a)), as such sections are in effect on the date of the enactment of this section.

''(ii) POSTSECONDARY VOCATIONAL EDUCATION SCHOOL.—An area vocational education school (as defined in subparagraph (C) or (D) of section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(4))) which is in any State (as defined in section 521(33) of such Act), as such sections are in effect on the date of the enactment of this section.

''(D) COORDINATION WITH SAVINGS BOND PROVISIONS.—The amount of qualified postsecondary educational expenses for any taxable year shall be reduced by any amount excludable from gross income under section 135.

''(4) FIRST-HOME PURCHASE COSTS.—

''(A) IN GENERAL.—The term 'first-home purchase costs' means qualified acquisition costs with respect to a qualified principal residence for a qualified first-time homebuyer.

''(B) QUALIFIED ACQUISITION COSTS.—The term 'qualified acquisition costs' means the costs of acquiring, constructing, or reconstructing a residence. Such term includes any usual or reasonable settlement, financing, or other closing costs.

''(C) QUALIFIED PRINCIPAL RESIDENCE.—The term 'qualified principal residence' means a principal residence (within the meaning of section 1034), the qualified acquisition costs of which do not exceed 100 percent of the average area purchase price applicable to such residence (determined in accordance with paragraphs (2) and (3) of section 143(e)).

''(D) QUALIFIED FIRST-TIME HOMEBUYER.—

''(i) IN GENERAL.—The term 'qualified first-time homebuyer' means an individual if such individual (and, in the case of a married individual, the individual's spouse) has no present ownership interest in a principal residence during the 3-year period ending on the date of acquisition of the principal residence to which this subsection applies.

''(ii) DATE OF ACQUISITION.—The term 'date of acquisition' means the date on which a binding contract to acquire, construct, or reconstruct the principal residence to which this subsection applies is entered into.

''(5) QUALIFIED BUSINESS CAPITALIZATION COSTS.—

''(A) IN GENERAL.—The term 'qualified business capitalization costs' means qualified expenditures for the capitalization of a qualified business pursuant to a qualified plan.

''(B) QUALIFIED EXPENDITURES.—The term 'qualified expenditures' means expenditures included in a qualified plan, including capital, plant, equipment, working capital, and inventory expenses.

''(C) QUALIFIED BUSINESS.—The term 'qualified business' means any business that does not contravene any law or public policy (as determined by the Secretary).

''(D) QUALIFIED PLAN.—The term 'qualified plan' means a business plan which—

''(i) is approved by a financial institution, or by a nonprofit loan fund having demonstrated fiduciary integrity,

''(ii) includes a description of services or goods to be sold, a marketing plan, and projected financial statements, and

''(iii) may require the eligible individual to obtain the assistance of an experienced entrepreneurial advisor.

''(6) QUALIFIED MEDICAL EXPENSES.—The term 'qualified medical expenses' means any amount paid during the taxable year, not compensated for by insurance or otherwise, for medical care (as defined in section 213(d)) of the taxpayer, his spouse, or his dependent (as defined in section 152).

''(7) QUALIFIED ROLLOVERS.—The term 'qualified rollover' means any amount paid from a family development account of a taxpayer into another such account established for the benefit of—

''(A) such taxpayer, or

''(B) any qualified individual who is—

''(i) the spouse of such taxpayer, or

''(ii) any dependent (as defined in section 152) of the taxpayer. Rules similar to the rules of section 408(d)(3) shall apply for purposes of this paragraph.

''(d) TAX TREATMENT OF ACCOUNTS.—

''(1) IN GENERAL.—Any family development account is exempt from taxation under this subtitle unless such account has ceased to be a family development account by reason of paragraph (2). Notwithstanding the preceding sentence, any such account is subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc., organizations).

''(2) LOSS OF EXEMPTION IN CASE OF PROHIBITED TRANSACTIONS.—For purposes of this section, rules similar to the rules of section 408(e) shall apply.

''(e) FAMILY DEVELOPMENT ACCOUNT.—For purposes of this title, the term 'family development account' means a trust created or organized in the United States for the exclusive benefit of a qualified individual or his beneficiaries, but only if the written governing instrument creating the trust meets the following requirements:

''(1) Except in the case of a qualified rollover (as defined in subsection (c)(7))—

''(A) no contribution will be accepted unless it is in cash, and

''(B) contributions will not be accepted for the taxable year in excess of $2,000 (determined without regard to any contribution made under section 1400I (relating to demonstration program to provide matching amounts in renewal communities)).

''(2) The trustee is a bank (as defined in section 408(n)) or such other person who demonstrates to the satisfaction of the Secretary that the manner in which such other person will administer the trust will be consistent with the requirements of this section.

''(3) No part of the trust funds will be invested in life insurance contracts.

''(4) The interest of an individual in the balance in his account is nonforfeitable.

''(5) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

''(6) Under regulations prescribed by the Secretary, rules similar to the rules of section 401(a)(9) and the incidental death benefit requirements of section 401(a) shall apply to the distribution of the entire interest of an individual for whose benefit the trust is maintained.

''(f) QUALIFIED INDIVIDUAL.—For purposes of this section, the term 'qualified individual' means, for any taxable year, an individual—

''(1) who is a bona fide resident of a renewal community throughout the taxable year, and

''(2) to whom a credit was allowed under section 32 for the preceding taxable year.

''(g) OTHER DEFINITIONS AND SPECIAL RULES.—

''(1) COMPENSATION.—The term 'compensation' has the meaning given such term by section 219(f)(1).

''(2) MARRIED INDIVIDUALS.—The maximum deduction under subsection (a) shall be computed separately for each individual, and this section shall be applied without regard to any community property laws.

''(3) TIME WHEN CONTRIBUTIONS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a contribution to a family development account on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).

''(4) EMPLOYER PAYMENTS.—For purposes of this title, any amount paid by an employer to a family development account shall be treated as payment of compensation to the employee (other than a self-employed individual who is an employee within the meaning of section 401(c)(1)) includible in his gross income in the taxable year for which the amount was contributed, whether or not a deduction for such payment is allowable under this section to the employee.

''(5) ZERO BASIS.—The basis of an individual in any family development account of such individual shall be zero.

''(6) CUSTODIAL ACCOUNTS.—For purposes of this section, a custodial account shall be treated as a trust if the assets of such account are held by a bank (as defined in section 408(n)) or another person who demonstrates, to the satisfaction of the Secretary, that the manner in which such person will administer the account will be consistent with the requirements of this section, and if the custodial account would, except for the fact that it is not a trust, constitute a family development account described in this section. For purposes of this title, in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

''(7) REPORTS.—The trustee of a family development account shall make such reports regarding such account to the Secretary and to the individual for whom the account is maintained with respect to contributions (and the years to which they relate), distributions, and such other matters as the Secretary may require under regulations. The reports required by this paragraph—

''(A) shall be filed at such time and in such manner as the Secretary prescribes in such regulations, and

''(B) shall be furnished to individuals—

''(i) not later than January 31 of the calendar year following the calendar year to which such reports relate, and

''(ii) in such manner as the Secretary prescribes in such regulations.

''(8) INVESTMENT IN COLLECTIBLES TREATED AS DISTRIBUTIONS.—Rules similar to the rules of section 408(m) shall apply for purposes of this section.

''(h) PENALTY FOR DISTRIBUTIONS NOT USED FOR QUALIFIED FAMILY DEVELOPMENT EXPENSES.—

''(1) IN GENERAL.—If any amount is distributed from a family development account and is not used exclusively to pay qualified family development expenses for the holder of the account or the spouse or dependent (as defined in section 152) of such holder, the tax imposed by this chapter for the taxable year of such distribution shall be increased by the sum of—

''(A) 100 percent of the portion of such amount which is includible in gross income and is attributable to amounts contributed under section 1400I (relating to demonstration program to provide matching amounts in renewal communities), and

''(B) 10 percent of the portion of such amount which is includible in gross income and is not described in paragraph (1).

For purposes of this subsection, the portion of a distributed amount which is attributable to amounts contributed under section 1400I is the amount which bears the same ratio to the distributed amount as the aggregate amount contributed under section 1400I to all family development accounts of the individual bears to the aggregate amount contributed to such accounts from all sources.

''(2) EXCEPTION FOR CERTAIN DISTRIBUTIONS.—Paragraph (1) shall not apply to distributions which are—

''(A) made on or after the date on which the account holder attains age 59½,

''(B) made pursuant to subsection (e)(6),

''(C) made to a beneficiary (or the estate of the account holder) on or after the death of the account holder, or

''(D) attributable to the account holder's being disabled within the meaning of section 72(m)(7).

''(i) TERMINATION.—No deduction shall be allowed under this section for any amount paid to a family development account for any taxable year beginning after December 31, 2006.

''SEC. 1400I. DEMONSTRATION PROGRAM TO PROVIDE MATCHING CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS IN CERTAIN RENEWAL COMMUNITIES.

''(a) DESIGNATION.—

''(1) DEFINITIONS.—For purposes of this section, the term 'FDA matching demonstration area' means any renewal community—

''(A) which is nominated under this section by each of the local governments and States which nominated such community for designation as a renewal community under section 1400E(a)(1)(A), and

''(B) which the Secretary of Housing and Urban Development, after consultation with—

''(i) the Secretaries of Agriculture, Commerce, Labor, and the Treasury, the Director of the Office of Management and Budget, and the Administrator of the Small Business Administration, and

''(ii) in the case of a community on an Indian reservation, the Secretary of the Interior,

designates as an FDA matching demonstration area.

''(2) NUMBER OF DESIGNATIONS.—

''(A) IN GENERAL.—The Secretary of Housing and Urban Development may designate not more than 25 percent of the renewal communities as FDA matching demonstration areas.

''(B) MINIMUM DESIGNATION IN RURAL AREAS.—Of the areas designated under paragraph (1), at least 2 must be areas described in section 1400E(a)(2)(B).

''(3) LIMITATIONS ON DESIGNATIONS.—

''(A) PUBLICATION OF REGULATIONS.—The Secretary of Housing and Urban Development shall prescribe by regulation no later than 4 months after the date of the enactment of this section, after consultation with the officials described in paragraph (1)(B)—

''(i) the procedures for nominating a renewal community under paragraph (1)(A) (including procedures for coordinating such nomination with the nomination of an area for designation as a renewal community under section 1400E), and

''(ii) the manner in which nominated renewal communities will be evaluated for purposes of this section.

''(B) TIME LIMITATIONS.—The Secretary of Housing and Urban Development may designate renewal communities as FDA matching demonstration areas only during the 24-month period beginning on the first day of the first month following the month in which the regulations described in subparagraph (A) are prescribed.

''(4) DESIGNATION BASED ON DEGREE OF POVERTY, ETC.—The rules of section 1400E(a)(3) shall apply for purposes of designations of FDA matching demonstration areas under this section.

''(b) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—Any designation of a renewal community as an FDA matching demonstration area shall remain in effect during the period beginning on the date of such designation and ending on the date on which such area ceases to be a renewal community.

''(c) MATCHING CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS.—

''(1) IN GENERAL.—Not less than once each taxable year, the Secretary shall deposit (to the extent provided in appropriation Acts) into a family development account of each qualified individual (as defined in section 1400H(f)) who is a resident throughout the taxable year of an FDA matching demonstration area an amount equal to the sum of the amounts deposited into all of the family development accounts of such individual during such taxable year (determined without regard to any amount contributed under this section).

''(2) LIMITATIONS.—

''(A) ANNUAL LIMIT.—The Secretary shall not deposit more than $1000 under paragraph (1) with respect to any individual for any taxable year.

''(B) AGGREGATE LIMIT.—The Secretary shall not deposit more than $2000 under paragraph (1) with respect to any individual.

''(3) EXCLUSION FROM INCOME.—Except as provided in section 1400H, gross income shall not include any amount deposited into a family development account under paragraph (1).

''(d) TERMINATION.—No amount may be deposited under this section for any taxable year beginning after December 31, 2006.

''SEC. 1400J. DESIGNATION OF EARNED INCOME TAX CREDIT PAYMENTS FOR DEPOSIT TO FAMILY DEVELOPMENT ACCOUNT.

''(a) IN GENERAL.—With respect to the return of any qualified individual (as defined in section 1400H(f)) for the taxable year of the tax imposed by this chapter, such individual may designate that a specified portion (not less than $1) of any overpayment of tax for such taxable year which is attributable to the earned income tax credit shall be deposited by the Secretary into a family development account of such individual. The Secretary shall so deposit such portion designated under this subsection.

''(b) MANNER AND TIME OF DESIGNATION.—A designation under subsection (a) may be made with respect to any taxable year—

''(1) at the time of filing the return of the tax imposed by this chapter for such taxable year, or

''(2) at any other time (after the time of filing the return of the tax imposed by this chapter for such taxable year) specified in regulations prescribed by the Secretary.

Such designation shall be made in such manner as the Secretary prescribes by regulations.

''(c) PORTION ATTRIBUTABLE TO EARNED INCOME TAX CREDIT.—For purposes of subsection (a), an overpayment for any taxable year shall be treated as attributable to the earned income tax credit to the extent that such overpayment does not exceed the credit allowed to the taxpayer under section 32 for such taxable year.

''(d) OVERPAYMENTS TREATED AS REFUNDED.—For purposes of this title, any portion of an overpayment of tax designated under subsection (a) shall be treated as being refunded to the taxpayer as of the last date prescribed for filing the return of tax imposed by this chapter (determined without regard to extensions) or, if later, the date the return is filed.

''(e) TERMINATION.—This section shall not apply to any taxable year beginning after December 31, 2006.

''PART IV—ADDITIONAL INCENTIVES

''Sec. 1400K. Commercial revitalization credit.

''Sec. 1400L. Increase in expensing under section 179.

''Sec. 1400M. Expensing of renewal community environmental remediation costs.

''SEC. 1400K. COMMERCIAL REVITALIZATION TAX CREDIT.

''(a) GENERAL RULE.—For purposes of section 46, except as provided in subsection (e), the commercial revitalization credit for any taxable year is an amount equal to the applicable percentage of the qualified revitalization expenditures with respect to any qualified revitalization building.

''(b) APPLICABLE PERCENTAGE.—For purposes of this section—

''(1) IN GENERAL.—The term 'applicable percentage' means—

''(A) 20 percent for the taxable year in which a qualified revitalization building is placed in service, or

''(B) at the election of the taxpayer, 5 percent for each taxable year in the credit period.

The election under subparagraph (B), once made, shall be irrevocable.

''(2) CREDIT PERIOD.—

''(A) IN GENERAL.—The term 'credit period' means, with respect to any building, the period of 10 taxable years beginning with the taxable year in which the building is placed in service.

''(B) APPLICABLE RULES.—Rules similar to the rules under paragraphs (2) and (4) of section 42(f) shall apply.

''(c) QUALIFIED REVITALIZATION BUILDINGS AND EXPENDITURES.—For purposes of this section—

''(1) QUALIFIED REVITALIZATION BUILDING.—The term 'qualified revitalization building' means any building (and its structural components) if—

''(A) such building is located in a renewal community and is placed in service after the designation of such renewal community under section 1400E,

''(B) a commercial revitalization credit amount is allocated to the building under subsection (e), and

''(C) depreciation (or amortization in lieu of depreciation) is allowable with respect to the building.

''(2) QUALIFIED REVITALIZATION EXPENDITURE.—

''(A) IN GENERAL.—The term 'qualified revitalization expenditure' means any amount properly chargeable to capital account—

''(i) for property for which depreciation is allowable under section 168 and which is—

''(I) nonresidential real property, or

''(II) an addition or improvement to property described in subclause (I),

''(ii) in connection with the construction or substantial rehabilitation or reconstruction of a qualified revitalization building, or

''(iii) for the acquisition of land in connection with the qualified revitalization building.

''(B) DOLLAR LIMITATION.—The aggregate amount which may be treated as qualified revitalization expenditures with respect to any qualified revitalization building for any taxable year shall not exceed the excess of—

''(i) $10,000,000, reduced by

''(ii) any such expenditures with respect to the building taken into account by the taxpayer or any predecessor in determining the amount of the credit under this section for all preceding taxable years.

''(C) CERTAIN EXPENDITURES NOT INCLUDED.—The term 'qualified revitalization expenditure' does not include—

''(i) STRAIGHT LINE DEPRECIATION MUST BE USED.—Any expenditure (other than with respect to land acquisitions) with respect to which the taxpayer does not use the straight line method over a recovery period determined under subsection (c) or (g) of section 168. The preceding sentence shall not apply to any expenditure to the extent the alternative depreciation system of section 168(g) applies to such expenditure by reason of subparagraph (B) or (C) of section 168(g)(1).

''(ii) ACQUISITION COSTS.—The costs of acquiring any building or interest therein and any land in connection with such building to the extent that such costs exceed 30 percent of the qualified revitalization expenditures determined without regard to this clause.

''(iii) OTHER CREDITS.—Any expenditure which the taxpayer may take into account in computing any other credit allowable under this title unless the taxpayer elects to take the expenditure into account only for purposes of this section.

''(5) SUBSTANTIAL REHABILITATION OR RECONSTRUCTION.—For purposes of this subsection, a rehabilitation or reconstruction shall be treated as a substantial rehabilitation or reconstruction only if the qualified revitalization expenditures in connection with the rehabilitation or reconstruction exceed 25 percent of the fair market value of the building (and its structural components) immediately before the rehabilitation or reconstruction.

''(d) WHEN EXPENDITURES TAKEN INTO ACCOUNT.—

''(1) IN GENERAL.—Qualified revitalization expenditures with respect to any qualified revitalization building shall be taken into account for the taxable year in which the qualified revitalization building is placed in service. For purposes of the preceding sentence, a substantial rehabilitation or reconstruction of a building shall be treated as a separate building.

''(2) PROGRESS EXPENDITURE PAYMENTS.—Rules similar to the rules of subsections (b)(2) and (d) of section 47 shall apply for purposes of this section.

''(e) LIMITATION ON AGGREGATE CREDITS ALLOWABLE WITH RESPECT TO BUILDINGS LOCATED IN A STATE.—

''(1) IN GENERAL.—The amount of the credit determined under this section for any taxable year with respect to any building shall not exceed the commercial revitalization credit amount (in the case of an amount determined under subsection (b)(1)(B), the present value of such amount as determined under the rules of section 42(b)(2)(C)) allocated to such building under this subsection by the commercial revitalization credit agency. Such allocation shall be made at the same time and in the same manner as under paragraphs (1) and (7) of section 42(h).

''(2) COMMERCIAL REVITALIZATION CREDIT AMOUNT FOR AGENCIES.—

''(A) IN GENERAL.—The aggregate commercial revitalization credit amount which a commercial revitalization credit agency may allocate for any calendar year is the amount of the State commercial revitalization credit ceiling determined under this paragraph for such calendar year for such agency.

''(B) STATE COMMERCIAL REVITALIZATION CREDIT CEILING.—

''(i) IN GENERAL.—The State commercial revitalization credit ceiling applicable to any State for any calendar year is $2,000,000 for each renewal community in the State.

''(ii) SPECIAL RULE WHERE COMMUNITY LOCATED IN MORE THAN 1 STATE.—If a renewal community is located in more than 1 State, a State's share of the amount specified in clause (i) with respect to such community shall be an amount that bears the same ratio to $2,000,000 as the population in the State bears to the population in all States in which such community is located.

''(iii) OTHER SPECIAL RULES.—Rules similar to the rules of subparagraphs (D), (E), (F), and (G) of section 42(h)(3) shall apply for purposes of this subsection.

''(C) COMMERCIAL REVITALIZATION CREDIT AGENCY.—For purposes of this section, the term 'commercial revitalization credit agency' means any agency authorized by a State to carry out this section.

''(f) RESPONSIBILITIES OF COMMERCIAL REVITALIZATION CREDIT AGENCIES.—

''(1) PLANS FOR ALLOCATION.—Notwithstanding any other provision of this section, the commercial revitalization credit amount with respect to any building shall be zero unless—

''(A) such amount was allocated pursuant to a qualified allocation plan of the commercial revitalization credit agency which is approved (in accordance with rules similar to the rules of section 147(f)(2) (other than subparagraph (B)(ii) thereof)) by the governmental unit of which such agency is a part, and

''(B) such agency notifies the chief executive officer (or its equivalent) of the local jurisdiction within which the building is located of such allocation and provides such individual a reasonable opportunity to comment on the allocation.

''(2) QUALIFIED ALLOCATION PLAN.—For purposes of this subsection, the term 'qualified allocation plan' means any plan—

''(A) which sets forth selection criteria to be used to determine priorities of the commercial revitalization credit agency which are appropriate to local conditions,

''(B) which considers—

''(i) the degree to which a project contributes to the implementation of a strategic plan that is devised for a renewal community through a citizen participation process,

''(ii) the amount of any increase in permanent, full-time employment by reason of any project, and

''(iii) the active involvement of residents and nonprofit groups within the renewal community, and

''(C) which provides a procedure that the agency (or its agent) will follow in monitoring compliance with this section.

''(g) TERMINATION.—This section shall not apply to any building placed in service after December 31, 2002.

''SEC. 1400L. INCREASE IN EXPENSING UNDER SECTION 179.

''(a) GENERAL RULE.—In the case of a renewal community business (as defined in section 1400G), for purposes of section 179—

''(1) the limitation under section 179(b)(1) shall be increased by the lesser of—

''(A) $35,000, or

''(B) the cost of section 179 property which is qualified renewal property placed in service during the taxable year, and

''(2) the amount taken into account under section 179(b)(2) with respect to any section 179 property which is qualified renewal property shall be 50 percent of the cost thereof.

''(b) RECAPTURE.—Rules similar to the rules under section 179(d)(10) shall apply with respect to any qualified renewal property which ceases to be used in a renewal community by a renewal community business.

''(c) QUALIFIED RENEWAL PROPERTY.—

''(1) GENERAL RULE.—For purposes of this section—

''(A) IN GENERAL.—The term 'qualified renewal property' means any property to which section 168 applies (or would apply but for section 179) if—

''(i) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after December 31, 1999, and before January 1, 2007,

''(ii) the original use of which in a renewal community commences with the taxpayer, and

''(iii) substantially all of the use of which is in a renewal community and is in the active conduct of a qualified business (as defined in section 1400G(d)) by the taxpayer in such renewal community.

''(B) SPECIAL RULE FOR SUBSTANTIAL RENOVATIONS.—In the case of any property which is substantially renovated by the taxpayer, the requirements of clauses (i) and (ii) of subparagraph (A) shall be treated as satisfied. For purposes of the preceding sentence, property shall be treated as substantially renovated by the taxpayer only if, during any 24-month period beginning after the date on which the designation of the renewal community took effect, additions to basis with respect to such property in the hands of the taxpayer exceed the greater of (i) an amount equal to the adjusted basis at the beginning of such 24-month period in the hands of the taxpayer, or (ii) $5,000.

''(2) SPECIAL RULES FOR SALE-LEASE-BACKS.—For purposes of paragraph (1)(A)(ii), if property is sold and leased back by the taxpayer within 3 months after the date such property was originally placed in service, such property shall be treated as originally placed in service not earlier than the date on which such property is used under the leaseback.

''SEC. 1400M. EXPENSING OF RENEWAL COMMUNITY ENVIRONMENTAL REMEDIATION COSTS.

''(a) TREATMENT AS EXPENSE.—A taxpayer may elect to treat any renewal community environmental remediation cost as an expense which is not chargeable to capital account. Any cost so treated shall be allowable as a deduction for the taxable year in which the cost is paid or incurred.

''(b) RENEWAL COMMUNITY ENVIRONMENTAL REMEDIATION COST.—For purposes of this section—

''(1) IN GENERAL.—The term 'renewal community environmental remediation cost' means any cost which—

''(A) is chargeable to capital account (determined without regard to this section),

''(B) is paid or incurred in connection with the abatement or control of environmental contaminants at a site located within a renewal community, and

''(C) is certified by the applicable Federal or State authority as being required by, and in compliance with, applicable Federal and State laws governing abatement and control of environmental contaminants.

''(2) EXCEPTIONS.—Such term shall not include any amount paid or incurred—

''(A) for equipment which is used in the environmental remediation and which is of a character subject to an allowance for depreciation or amortization, or

''(B) in connection with a site which is on the national priorities list under section 105(a)(8)(B) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9605(a)(8)(B)).

No deduction shall be allowed under this section for any amount which is allowed as a deduction under any other provision of this subtitle.

''(c) SPECIAL RULES.—For purposes of this section—

''(1) LIMITATION BASED ON INCOME FROM TRADE OR BUSINESS.—The amount allowed as a deduction under subsection (a) for any taxable year shall not exceed the aggregate amount of taxable income of the taxpayer for such taxable year which is derived from the active conduct by the taxpayer of any trade or business during such taxable year. For purposes of this paragraph, rules similar to the rules of subparagraphs (B) and (C) of section 179(b)(3) shall apply. In the case of a partnership, S corporation, trust or other pass thru entity, this paragraph shall be applied at both the entity and owner levels.

''(2) RECAPTURE RULES.—

''(A) PROPERTY NOT USED IN TRADE OR BUSINESS.—The Secretary shall, by regulations, provide for recapturing the benefit of any deduction allowable under subsection (a) with respect to any property not used predominantly in a trade or business at any time.

''(B) TREATMENT OF GAIN AS ORDINARY INCOME.—For purposes of section 1245—

''(i) the deduction allowable under subsection (a) shall be treated as a deduction allowable to the taxpayer for depreciation or amortization; and

''(ii) property (other than section 1245 property) to which the deduction would otherwise have been chargeable shall be treated as section 1245 property solely for purposes of applying section 1245 to such deduction.

''(d) TERMINATION.—This section shall not apply to any cost paid or incurred after December 31, 2006.''

SEC. 622. EXTENSION OF WORK OPPORTUNITY TAX CREDIT FOR RENEWAL COMMUNITIES

(a) EXTENSION.—Subsection (c) of section 51 (relating to termination) is amended by adding at the end the following new paragraph:

''(5) EXTENSION OF CREDIT FOR RENEWAL COMMUNITIES.—

''(A) IN GENERAL.—In the case of an individual who begins work for the employer after the date contained in paragraph (4)(B), for purposes of section 38—

''(i) in lieu of applying subsection (a), the amount of the work opportunity credit determined under this section for the taxable year shall be equal to—

''(I) 15 percent of the qualified first-year wages for such year, and

''(II) 30 percent of the qualified second-year wages for such year,

''(ii) subsection (b)(3) shall be applied by substituting '$10,000' for '$6,000',

''(iii) paragraph (4)(B) shall be applied by substituting for the date contained therein the last day for which the designation under section 1400E of the renewal community referred to in subparagraph (B)(i) is in effect, and

''(iv) rules similar to the rules of section 51A(b)(5)(C) shall apply.

''(B) QUALIFIED FIRST AND SECOND-YEAR WAGES.—For purposes of subparagraph (A)—

''(i) IN GENERAL.—The term 'qualified wages' means, with respect to each 1-year period referred to in clause (ii) or (iii), as the case may be, the wages paid or incurred by the employer during the taxable year to any individual but only if—

''(I) the employer is engaged in a trade or business in a renewal community throughout such 1-year period,

''(II) the individual is a resident of such renewal community throughout such 1-year period, and

''(III) substantially all of the services which such individual performs for the employer during such 1-year period are performed in such renewal community.

''(ii) QUALIFIED FIRST-YEAR WAGES.—The term 'qualified first-year wages' means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning with the day the individual begins work for the employer.

''(iii) QUALIFIED SECOND-YEAR WAGES.—The term 'qualified second-year wages' means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning on the day after the last day of the 1-year period with respect to such individual determined under clause (ii).''

(b) CONGRUENT TREATMENT OF RENEWAL COMMUNITIES AND ENTERPRISE ZONES FOR PURPOSES OF YOUTH RESIDENCE REQUIREMENTS.—

(1) HIGH-RISK YOUTH.—Subparagraphs (A)(ii) and (B) of section 51(d)(5) are each amended by striking ''empowerment zone or enterprise community'' and inserting ''empowerment zone, enterprise community, or renewal community''.

(2) QUALIFIED SUMMER YOUTH EMPLOYEE.—Clause (iv) of section 51(d)(7)(A) is amended by striking ''empowerment zone or enterprise community'' and inserting ''empowerment zone, enterprise community, or renewal community''.

(3) HEADINGS.—Paragraphs (5)(B) and (7)(C) of section 51(d) are each amended by inserting ''OR COMMUNITY'' in the heading after ''ZONE''.

SEC. 623. CONFORMING AND CLERICAL AMENDMENTS.

(a) DEDUCTION FOR CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS ALLOWABLE WHETHER OR NOT TAXPAYER ITEMIZES.—Subsection (a) of section 62 (relating to adjusted gross income defined) is amended by inserting after paragraph (17) the following new paragraph:

''(18) FAMILY DEVELOPMENT ACCOUNTS.—The deduction allowed by section 1400H(a)(1)(A).''

(b) TAX ON EXCESS CONTRIBUTIONS.—

(1) TAX IMPOSED.—Subsection (a) of section 4973 is amended by striking ''or'' at the end of paragraph (3), adding ''or'' at the end of paragraph (4), and inserting after paragraph (4) the following new paragraph:

''(5) a family development account (within the meaning of section 1400H(e)),''.

(2) EXCESS CONTRIBUTIONS.—Section 4973 is amended by adding at the end the following new subsection:

''(g) FAMILY DEVELOPMENT ACCOUNTS.—For purposes of this section, in the case of a family development account, the term 'excess contributions' means the sum of—

''(1) the excess (if any) of—

''(A) the amount contributed for the taxable year to the account (other than a qualified rollover, as defined in section 1400H(c)(7), or a contribution under section 1400I), over

''(B) the amount allowable as a deduction under section 1400H for such contributions, and

''(2) the amount determined under this subsection for the preceding taxable year reduced by the sum of—

''(A) the distributions out of the account for the taxable year which were included in the gross income of the payee under section 1400H(b)(1),

''(B) the distributions out of the account for the taxable year to which rules similar to the rules of section 408(d)(5) apply by reason of section 1400H(b)(3), and

''(C) the excess (if any) of the maximum amount allowable as a deduction under section 1400H for the taxable year over the amount contributed to the account for the taxable year (other than a contribution under section 1400I).

For purposes of this subsection, any contribution which is distributed from the family development account in a distribution to which rules similar to the rules of section 408(d)(4) apply by reason of section 1400H(b)(3) shall be treated as an amount not contributed.''

(c) TAX ON PROHIBITED TRANSACTIONS.—Section 4975 is amended—

(1) by adding at the end of subsection (c) the following new paragraph:

''(6) SPECIAL RULE FOR FAMILY DEVELOPMENT ACCOUNTS.—An individual for whose benefit a family development account is established and any contributor to such account shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be a family development account by reason of the application of section 1400H(d)(2) to such account.'', and

(2) in subsection (e)(1), by striking ''or'' at the end of subparagraph (E), by redesignating subparagraph (F) as subparagraph (G), and by inserting after subparagraph (E) the following new subparagraph:

''(F) a family development account described in section 1400H(e), or''.

(d) INFORMATION RELATING TO CERTAIN TRUSTS AND ANNUITY PLANS.—Subsection (c) of section 6047 is amended—

(1) by inserting ''or section 1400H'' after ''section 219'', and

(2) by inserting '', of any family development account described in section 1400H(e),'', after ''section 408(a)''.

(e) INSPECTION OF APPLICATIONS FOR TAX EXEMPTION.—Clause (i) of section 6104(a)(1)(B) is amended by inserting ''a family development account described in section 1400H(e),'' after ''section 408(a),''.

(f) FAILURE TO PROVIDE REPORTS ON FAMILY DEVELOPMENT ACCOUNTS.—Paragraph (2) of section 6693(a) is amended by striking ''and'' at the end of subparagraph (C), by striking the period and inserting '', and'' at the end of subparagraph (D), and by adding at the end the following new subparagraph:

''(E) section 1400H(g)(7) (relating to family development accounts).''

(g) CONFORMING AMENDMENTS REGARDING COMMERCIAL REVITALIZATION CREDIT.—

(1) Section 46 (relating to investment credit) is amended by striking ''and'' at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting '',

and'', and by adding at the end the following new paragraph:

''(4) the commercial revitalization credit provided under section 1400K.''

(2) Section 39(d) is amended by adding at the end the following new paragraph:

''(9) NO CARRYBACK OF SECTION 1400K CREDIT BEFORE DATE OF ENACTMENT.—No portion of the unused business credit for any taxable year which is attributable to any commercial revitalization credit determined under section 1400K may be carried back to a taxable year ending before the date of the enactment of section 1400K.''

(3) Subparagraph (B) of section 48(a)(2) is amended by inserting ''or commercial revitalization'' after ''rehabilitation'' each place it appears in the text and heading.

(4) Subparagraph (C) of section 49(a)(1) is amended by striking ''and'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting '', and'', and by adding at the end the following new clause:

''(iv) the portion of the basis of any qualified revitalization building attributable to qualified revitalization expenditures.''

(5) Paragraph (2) of section 50(a) is amended by inserting ''or 1400K(d)(2)'' after ''section 47(d)'' each place it appears.

(6) Subparagraph (A) of section 50(b)(2) is amended by inserting ''or qualified revitalization building (respectively)'' after ''qualified rehabilitated building''.

(7) Subparagraph (B) of section 50(a)(2) is amended by adding at the end the following new sentence: ''A similar rule shall apply for purposes of section 1400K.''

(8) Paragraph (2) of section 50(b) is amended by striking ''and'' at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting ''; and'', and by adding at the end the following new subparagraph:

''(E) a qualified revitalization building (as defined in section 1400K) to the extent of the portion of the basis which is attributable to qualified revitalization expenditures (as defined in section 1400K).''

(9) Subparagraph (C) of section 50(b)(4) is amended—

(A) by inserting ''or commercial revitalization'' after ''rehabilitated'' in the text and heading, and

(B) by inserting ''or commercial revitalization'' after ''rehabilitation''.

(10) Subparagraph (C) of section 469(i)(3) is amended—

(A) by inserting ''or section 1400K'' after ''section 42''; and

(B) by striking ''CREDIT'' in the heading and inserting ''AND COMMERCIAL REVITALIZATION CREDITS''.

(h) CLERICAL AMENDMENTS.—

(1) The table of subchapters for chapter 1 is amended by adding at the end the following new item:

''Subchapter X. Renewal Communities.''

(2) The table of parts for subchapter X of chapter 1 (as added by subtitle A) is amended by adding at the end the following new items:

''Part II. Renewal community capital gain and stock.

''Part III. Family development accounts.

''Part IV. Additional Incentives.''

The SPEAKER pro tempore. The amendment printed in the bill, modified by the amendment printed in House report 105–744, is adopted.

The text of H.R. 4579 as amended by the amendment printed in the bill and modified by the amendment printed in House Report 105–744 is as follows:

H.R. 4579

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

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the ''Taxpayer Relief Act of 1998''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—

Sec. 1. Short title, etc.

TITLE I—PROVISIONS PRIMARILY AFFECTING INDIVIDUALS AND FAMILIES

Subtitle A—General Provisions

Sec. 101. Elimination of marriage penalty in standard deduction.
Sec. 102. Exemption of certain interest and dividend income from tax.
Sec. 103. Nonrefundable personal credits allowed against alternative minimum tax.
Sec. 104. 100 percent deduction for health insurance costs of self-employed individuals.
Sec. 105. Special rule for members of uniformed services and Foreign Service in determining exclusion of gain from sale of principal residence.
Sec. 106. $1,000,000 exemption from estate and gift taxes.

Subtitle B—Provisions Relating to Education

Sec. 111. Eligible educational institutions permitted to maintain qualified tuition programs.
Sec. 112. Modification of arbitrage rebate rules applicable to public school construction bonds.

Subtitle C—Provisions Relating to Social Security

Sec. 121. Increases in the social security earnings limit for individuals who have attained retirement age.
Sec. 122. Recomputation of benefits after normal retirement age.

TITLE II—PROVISIONS PRIMARILY AFFECTING FARMING AND OTHER BUSINESSES

Subtitle A—Increase in Expense Treatment for Small Businesses

Sec. 201. Increase in expense treatment for small businesses.

Subtitle B—Provisions Relating to Farmers

Sec. 211. Income averaging for farmers made permanent.
Sec. 212. 5-year net operating loss carryback for farming losses.
Sec. 213. Production flexibility contract payments.

Subtitle C—Increase in Volume Cap on Private Activity Bonds

Sec. 221. Increase in volume cap on private activity bonds.

TITLE III—EXTENSION AND MODIFICATION OF CERTAIN EXPIRING PROVISIONS

Subtitle A—Tax Provisions

Sec. 301. Research credit.
Sec. 302. Work opportunity credit.
Sec. 303. Welfare-to-work credit.
Sec. 304. Contributions of stock to private foundations; expanded public inspection of private foundations' annual returns.
Sec. 305. Subpart F exemption for active financing income.

Subtitle B—Generalized System of Preferences

Sec. 311. Extension of Generalized System of Preferences.

TITLE IV—REVENUE OFFSET

Sec. 401. Treatment of certain deductible liquidating distributions of regulated investment companies and real estate investment trusts.

TITLE V—TECHNICAL CORRECTIONS

Sec. 501. Definitions; coordination with other titles.
Sec. 502. Amendments related to Internal Revenue Service Restructuring and Reform Act of 1998.
Sec. 503. Amendments related to Taxpayer Relief Act of 1997.
Sec. 504. Amendments related to Tax Reform Act of 1984.
Sec. 505. Other amendments.

TITLE VI—AMERICAN COMMUNITY RENEWAL ACT OF 1998

Sec. 601. Short title.
Sec. 602. Designation of and tax incentives for renewal communities.
Sec. 603. Extension of expensing of environmental remediation costs to renewal communities.
Sec. 604. Extension of work opportunity tax credit for renewal communities
Sec. 605. Conforming and clerical amendments.
Sec. 606. Evaluation and reporting requirements.

TITLE I—PROVISIONS PRIMARILY AFFECTING INDIVIDUALS AND FAMILIES

Subtitle A—General Provisions

SEC. 101. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) IN GENERAL.—Paragraph (2) of section 63(c) (relating to standard deduction) is amended—

(1) by striking ''$5,000'' in subparagraph (A) and inserting ''twice the dollar amount in effect under subparagraph (C) for the taxable year'',

(2) by adding ''or'' at the end of subparagraph (B),

(3) by striking ''in the case of'' and all that follows in subparagraph (C) and inserting ''in any other case.'', and

(4) by striking subparagraph (D).

(b) ADDITIONAL STANDARD DEDUCTION FOR AGED AND BLIND TO BE THE SAME FOR MARRIED AND UNMARRIED INDIVIDUALS.—

(1) Paragraphs (1) and (2) of section 63(f) are each amended by striking ''$600'' and inserting ''$750''.

(2) Subsection (f) of section 63 is amended by striking paragraph (3) and by redesignating paragraph (4) as paragraph (3).

(c) TECHNICAL AMENDMENTS.—

(1) Subparagraph (B) of section 1(f)(6) is amended by striking ''(other than with'' and all that follows through ''shall be applied'' and inserting ''(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied''.

(2) Paragraph (4) of section 63(c) is amended by adding at the end the following flush sentence:

''The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 102. EXEMPTION OF CERTAIN INTEREST AND DIVIDEND INCOME FROM TAX.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 (relating to amounts specifically excluded from gross income) is amended by inserting after section 115 the following new section:

''SEC. 116. PARTIAL EXCLUSION OF DIVIDENDS AND INTEREST RECEIVED BY INDIVIDUALS.

''(a) EXCLUSION FROM GROSS INCOME.—Gross income does not include dividends and interest received during the taxable year by an individual.

''(b) LIMITATIONS.—

''(1) MAXIMUM AMOUNT.—The aggregate amount excluded under subsection (a) for any taxable year shall not exceed $200 ($400 in the case of a joint return).

''(2) CERTAIN DIVIDENDS EXCLUDED.—Subsection (a) shall not apply to any dividend from a corporation which, for the taxable year of the corporation in which the distribution is made, or for the next preceding taxable year of the corporation, is a corporation exempt from tax under section 501 (relating to certain charitable, etc., organization) or section 521 (relating to farmers' cooperative associations).

''(c) SPECIAL RULES.—For purposes of this section—

''(1) EXCLUSION NOT TO APPLY TO CAPITAL GAIN DIVIDENDS FROM REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—

"For treatment of capital gain dividends, see sections 854(a) and 857(c).

''(2) CERTAIN NONRESIDENT ALIENS INELIGIBLE FOR EXCLUSION.—In the case of a nonresident alien individual, subsection (a) shall apply only—

''(A) in determining the tax imposed for the taxable year pursuant to section 871(b)(1) and only in respect of dividends and interest which are effectively connected with the conduct of a trade or business within the United States, or

''(B) in determining the tax imposed for the taxable year pursuant to section 877(b).

''(3) DIVIDENDS FROM EMPLOYEE STOCK OWNERSHIP PLANS.—Subsection (a) shall not apply to any dividend described in section 404(k).''

(b) CONFORMING AMENDMENTS.—

(1)(A) Subparagraph (A) of section 135(c)(4) is amended by inserting ''116,'' before ''137''.

(B) Subsection (d) of section 135 is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

''(4) COORDINATION WITH SECTION 116.—This section shall be applied before section 116.''

(2) Paragraph (2) of section 265(a) is amended by inserting before the period '', or to purchase or carry obligations or shares, or to make deposits, to the extent the interest thereon is excludable from gross income under section 116''.

(3) Subsection (c) of section 584 is amended by adding at the end thereof the following new flush sentence:

''The proportionate share of each participant in the amount of dividends or interest received by the common trust fund and to which section 116 applies shall be considered for purposes of such section as having been received by such participant.''

(4) Subsection (a) of section 643 is amended by redesignating paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following new paragraph:

''(7) DIVIDENDS OR INTEREST.—There shall be included the amount of any dividends or interest excluded from gross income pursuant to section 116.''

(5) Section 854(a) is amended by inserting ''section 116 (relating to partial exclusion of dividends and interest received by individuals) and'' after ''For purposes of''.

(6) Section 857(c) is amended to read as follows:

''(c) RESTRICTIONS APPLICABLE TO DIVIDENDS RECEIVED FROM REAL ESTATE INVESTMENT TRUSTS.—

''(1) TREATMENT FOR SECTION 116.—For purposes of section 116 (relating to partial exclusion of dividends and interest received by individuals), a capital gain dividend (as defined in subsection (b)(3)(C)) received from a real estate investment trust which meets the requirements of this part shall not be considered as a dividend.

''(2) TREATMENT FOR SECTION 243.—For purposes of section 243 (relating to deductions for dividends received by corporations), a dividend received from a real estate investment trust which meets the requirements of this part shall not be considered as a dividend.''

(7) The table of sections for part III of subchapter B of chapter 1 is amended by inserting after the item relating to section 115 the following new item:

''Sec. 116. Partial exclusion of dividends and interest received by individuals.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 103. NONREFUNDABLE PERSONAL CREDITS ALLOWED AGAINST ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Subsection (a) of section 26 is amended to read as follows:

''(a) LIMITATION BASED ON AMOUNT OF TAX.—The aggregate amount of credits allowed by this subpart for the taxable year shall not exceed the sum of—

''(1) the taxpayer's regular tax liability for the taxable year, and

''(2) the tax imposed for the taxable year by section 55(a).

For purposes of applying the preceding sentence, paragraph (2) shall be treated as being zero for any taxable year beginning during 1998.''.

(b) CONFORMING AMENDMENTS.—

(1) Subsection (d) of section 24 is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(2) Section 32 is amended by striking subsection (h).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1997.

SEC. 104. 100 PERCENT DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Paragraph (1) of section 162(l) (relating to special rules for health insurance costs of self-employed individuals) is amended to read as follows:

''(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to 100 percent of the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, his spouse, and dependents.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 105. SPECIAL RULE FOR MEMBERS OF UNIFORMED SERVICES AND FOREIGN SERVICE IN DETERMINING EXCLUSION OF GAIN FROM SALE OF PRINCIPAL RESIDENCE.

(a) IN GENERAL.—Subsection (d) of section 121 (relating to exclusion of gain from sale of principal residence) is amended by adding at the end the following new paragraph:

''(9) MEMBERS OF UNIFORMED SERVICES AND FOREIGN SERVICE.—

''(A) IN GENERAL.—The running of the 5-year period described in subsection (a) shall be suspended with respect to an individual during any time that such individual or such individual's spouse is serving on qualified official extended duty as a member of the uniformed services or of the Foreign Service.

''(B) QUALIFIED OFFICIAL EXTENDED DUTY.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'qualified official extended duty' means any period of extended duty as a member of the uniformed services or a member of the Foreign Service during which the member serves at a duty station which is at least 50 miles from such property or is under Government orders to reside in Government quarters.

''(ii) UNIFORMED SERVICES.—The term 'uniformed services' has the meaning given such term by section 101(a)(5) of title 10, United States Code, as in effect on the date of the enactment of the Taxpayer Relief Act of 1998.

''(iii) FOREIGN SERVICE OF THE UNITED STATES.—The term 'member of the Foreign Service' has the meaning given the term 'member of the Service' by paragraph (1), (2), (3), (4), or (5) of section 103 of the Foreign Service Act of 1980, as in effect on the date of the enactment of the Taxpayer Relief Act of 1998.

''(iv) EXTENDED DUTY.—The term 'extended duty' means any period of active duty pursuant to a call or order to such duty for a period in excess of 90 days or for an indefinite period.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to sales and exchanges after the date of the enactment of this Act.

SEC. 106. $1,000,000 EXEMPTION FROM ESTATE AND GIFT TAXES.

(a) IN GENERAL.—Subsection (c) of section 2010 (relating to applicable credit amount) is amended to read as follows:

''(c) APPLICABLE CREDIT AMOUNT.—

''(1) IN GENERAL.—For purposes of this section, the applicable credit amount is $345,800.

''(2) APPLICABLE EXCLUSION AMOUNT.—For purposes of the provisions of this title which refer to this subsection, the applicable exclusion amount is $1,000,000.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 1998.

Subtitle B—Provisions Relating to Education

SEC. 111. ELIGIBLE EDUCATIONAL INSTITUTIONS PERMITTED TO MAINTAIN QUALIFIED TUITION PROGRAMS.

(a) IN GENERAL.—Paragraph (1) of section 529(b) (defining qualified State tuition program) is amended by inserting ''or by 1 or more eligible educational institutions'' after ''maintained by a State or agency or instrumentality thereof''.

(b) TECHNICAL AMENDMENTS.—

(1) The texts of sections 72(e)(9), 135(c)(2)(C), 135(d)(1)(D), 529, 530, and 4973(e)(1)(B) are each amended by striking ''qualified State tuition program'' each place it appears and inserting ''qualified tuition program''.

(2) The paragraph heading for paragraph (9) of section 72(e) and the subparagraph heading for subparagraph (B) of section 530(b)(2) are each amended by striking ''STATE''.

(3) The subparagraph heading for subparagraph (C) of section 135(c)(2) is amended by striking ''QUALIFIED STATE TUITION PROGRAM'' and inserting ''QUALIFIED TUITION PROGRAMS''.

(4) Sections 529(c)(3)(D)(i) and 6693(a)(2)(C) are each amended by striking ''qualified State tuition programs'' and inserting ''qualified tuition programs''.

(5)(A) The section heading of section 529 is amended to read as follows:

"SEC. 529. QUALIFIED TUITION PROGRAMS.".

(B) The item relating to section 529 in the table of sections for part VIII of subchapter F of chapter 1 is amended by striking ''State''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1999.

SEC. 112. MODIFICATION OF ARBITRAGE REBATE RULES APPLICABLE TO PUBLIC SCHOOL CONSTRUCTION BONDS.

(a) IN GENERAL.—Subparagraph (C) of section 148(f)(4) is amended by adding at the end the following new clause:

''(xviii) 4-YEAR SPENDING REQUIREMENT FOR PUBLIC SCHOOL CONSTRUCTION ISSUE.—

''(I) IN GENERAL.—In the case of a public school construction issue, the spending requirements of clause (ii) shall be treated as met if at least 10 percent of the available construction proceeds of the construction issue are spent for the governmental purposes of the issue within the 1-year period beginning on the date the bonds are issued, 30 percent of such proceeds are spent for such purposes within the 2-year period beginning on such date, 50 percent of such proceeds are spent for such purposes within the 3-year period beginning on such date, and 100 percent of such proceeds are spent for such purposes within the 4-year period beginning on such date.

''(II) PUBLIC SCHOOL CONSTRUCTION ISSUE.—For purposes of this clause, the term 'public

school construction issue' means any construction issue if no bond which is part of such issue is a private activity bond and all of the available construction proceeds of such issue are to be used for the construction (as defined in clause (iv)) of public school facilities to provide education or training below the postsecondary level or for the acquisition of land that is functionally related and subordinate to such facilities.

''(III) OTHER RULES TO APPLY.—Rules similar to the rules of the preceding provisions of this subparagraph which apply to clause (ii) also apply to this clause.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to obligations issued after December 31, 1998.

Subtitle C—Provisions Relating to Social Security

SEC. 121. INCREASES IN THE SOCIAL SECURITY EARNINGS LIMIT FOR INDIVIDUALS WHO HAVE ATTAINED RETIREMENT AGE.

(a) IN GENERAL.—Section 203(f)(8)(D) of the Social Security Act (42 U.S.C. 403(f)(8)(D)) is amended by striking clauses (iv) through (vii) and inserting the following new clauses:

''(iv) for each month of any taxable year ending after 1998 and before 2000, $1,416.66⅔,

''(v) for each month of any taxable year ending after 1999 and before 2001, $1,541.66⅔,

''(vi) for each month of any taxable year ending after 2000 and before 2002, $2,166.66⅔,

''(vii) for each month of any taxable year ending after 2001 and before 2003, $2,500.00,

''(viii) for each month of any taxable year ending after 2002 and before 2004, $2,608.33⅓,

''(ix) for each month of any taxable year ending after 2003 and before 2005, $2,833.33⅓,

''(x) for each month of any taxable year ending after 2004 and before 2006, $2,950.00,

''(xi) for each month of any taxable year ending after 2005 and before 2007, $3,066.66⅔,

''(xii) for each month of any taxable year ending after 2006 and before 2008, $3,195.83⅓, and

''(xiii) for each month of any taxable year ending after 2007 and before 2009, $3,312.50.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 203(f)(8)(B)(ii) of such Act (42 U.S.C. 403(f)(8)(B)(ii)) is amended—

(A) by striking ''after 2001 and before 2003'' and inserting ''after 2007 and before 2009''; and

(B) in subclause (II), by striking ''2000'' and inserting ''2006''.

(2) The second sentence of section 223(d)(4)(A) of such Act (42 U.S.C. 423(d)(4)(A)) is amended by inserting ''and section 121 of the Taxpayer Relief Act of 1998'' after ''1996''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years ending after 1998.

SEC. 122. RECOMPUTATION OF BENEFITS AFTER NORMAL RETIREMENT AGE.

(a) IN GENERAL.—Section 215(f)(2)(D)(i) of the Social Security Act (42 U.S.C. 415(f)(2)(D)(i)) is amended to read as follows:

''(i) in the case of an individual who did not die in the year with respect to which the recomputation is made, for monthly benefits beginning with benefits for January of—

''(I) the second year following the year with respect to which the recomputation is made, in any such case in which the individual is entitled to old-age insurance benefits, the individual has attained retirement age (as defined in section 216(l)) as of the end of the year preceding the year with respect to which the recomputation is made, and the year with respect to which the recomputation is made would not be substituted in recomputation under this subsection for a benefit computation year in which no wages or self-employment income have been credited previously to such individual, or

''(II) the first year following the year with respect to which the recomputation is made, in any other such case; or''.

(b) CONFORMING AMENDMENTS.—

(1) Section 215(f)(7) of such Act (42 U.S.C. 415(f)(7)) is amended by inserting '', and as amended by section 122(b)(2) of the Taxpayer Relief Act of 1998,'' after ''This subsection as in effect in December 1978''.

(2) Subparagraph (A) of section 215(f)(2) of the Social Security Act as in effect in December 1978 and applied in certain cases under the provisions of such Act as in effect after December 1978 is amended—

(A) by striking ''in the case of an individual who did not die'' and all that follows and inserting ''in the case of an individual who did not die in the year with respect to which the recomputation is made, for monthly benefits beginning with benefits for January of—''; and

(B) by adding at the end the following:

''(i) the second year following the year with respect to which the recomputation is made, in any such case in which the individual is entitled to old-age insurance benefits, the individual has attained age 65 as of the end of the year preceding the year with respect to which the recomputation is made, and the year with respect to which the recomputation is made would not be substituted in recomputation under this subsection for a benefit computation year in which no wages or self-employment income have been credited previously to such individual, or

''(ii) the first year following the year with respect to which the recomputation is made, in any other such case; or''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to recomputations of primary insurance amounts based on wages paid and self employment income derived after 1997 and with respect to benefits payable after December 31, 1998.

TITLE II—PROVISIONS PRIMARILY AFFECTING FARMING AND OTHER BUSINESSES

Subtitle A—Increase in Expense Treatment for Small Businesses

SEC. 201. INCREASE IN EXPENSE TREATMENT FOR SMALL BUSINESSES.

(a) GENERAL RULE.—Paragraph (1) of section 179(b) (relating to dollar limitation) is amended to read as follows:

''(1) DOLLAR LIMITATION.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed $25,000.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1998.

Subtitle B—Provisions Relating to Farmers

SEC. 211. INCOME AVERAGING FOR FARMERS MADE PERMANENT.

Subsection (c) of section 933 of the Taxpayer Relief Act of 1997 is amended by striking '', and before January 1, 2001''.

SEC. 212. 5-YEAR NET OPERATING LOSS CARRYBACK FOR FARMING LOSSES.

(a) IN GENERAL.—Paragraph (1) of section 172(b) (relating to net operating loss deduction) is amended by adding at the end the following new subparagraph:

''(G) FARMING LOSSES.—In the case of a taxpayer which has a farming loss (as defined in subsection (i)) for a taxable year, such farming loss shall be a net operating loss carryback to each of the 5 taxable years preceding the taxable year of such loss.''

(b) FARMING LOSS.—Section 172 is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

''(i) RULES RELATING TO FARMING LOSSES.—For purposes of this section—

''(1) IN GENERAL.—The term 'farming loss' means the lesser of—

''(A) the amount which would be the net operating loss for the taxable year if only income and deductions attributable to farming businesses (as defined in section 263A(e)(4)) are taken into account, or

''(B) the amount of the net operating loss for such taxable year.

''(2) COORDINATION WITH SUBSECTION (b)(2).—For purposes of applying subsection (b)(2), a farming loss for any taxable year shall be treated in a manner similar to the manner in which a specified liability loss is treated.

''(3) ELECTION.—Any taxpayer entitled to a 5-year carryback under subsection (b)(1)(G) from any loss year may elect to have the carryback period with respect to such loss year determined without regard to subsection (b)(1)(G). Such election shall be made in such manner as may be prescribed by the Secretary and shall be made by the due date (including extensions of time) for filing the taxpayer's return for the taxable year of the net operating loss. Such election, once made for any taxable year, shall be irrevocable for such taxable year.''

(c) COORDINATION WITH FARM DISASTER LOSSES.—Clause (ii) of section 172(b)(1)(F) is amended by adding at the end the following flush sentence:

''Such term shall not include any farming loss (as defined in subsection (i)).''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to net operating losses for taxable years beginning after December 31, 1997.

SEC. 213. PRODUCTION FLEXIBILITY CONTRACT PAYMENTS.

The option under section 112(d)(3) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7212(d)(3)) shall be disregarded in determining the taxable year for which the payment for fiscal year 1999 under a production flexibility contract under subtitle B of title I of such Act is properly includible in gross income for purposes of the Internal Revenue Code of 1986.

Subtitle C—Increase in Volume Cap on Private Activity Bonds

SEC. 221. INCREASE IN VOLUME CAP ON PRIVATE ACTIVITY BONDS.

(a) IN GENERAL.—Subsection (d) of section 146 (relating to volume cap) is amended by striking paragraph (2), by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively, and by striking paragraph (1) and inserting the following new paragraph:

''(1) IN GENERAL.—The State ceiling applicable to any State for any calendar year shall be the greater of—

''(A) an amount equal to $75 multiplied by the State population, or

''(B) $225,000,000.

Subparagraph (B) shall not apply to any possession of the United States.''

(b) CONFORMING AMENDMENT.—Sections 25(f)(3) and 42(h)(3)(E)(iii) are each amended by striking ''section 146(d)(3)(C)'' and inserting ''section 146(d)(2)(C)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years after 1998.

TITLE III—EXTENSION AND MODIFICATION OF CERTAIN EXPIRING PROVISIONS

Subtitle A—Tax Provisions

SEC. 301. RESEARCH CREDIT.

(a) TEMPORARY EXTENSION.—

(1) IN GENERAL.—Paragraph (1) of section 41(h) (relating to termination) is amended—

(A) by striking ''June 30, 1998'' and inserting ''February 29, 2000'',

(B) by striking ''24-month'' and inserting ''44-month'', and

(C) by striking ''24 months'' and inserting ''44 months''.

(2) TECHNICAL AMENDMENT.—Subparagraph (D) of section 45C(b)(1) is amended by striking ''June 30, 1998'' and inserting ''February 29, 2000''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to amounts paid or incurred after June 30, 1998.

(b) INCREASE IN PERCENTAGES UNDER ALTERNATIVE INCREMENTAL CREDIT.—

(1) IN GENERAL.—Subparagraph (A) of section 41(c)(4) is amended—

(A) by striking ''1.65 percent'' and inserting ''2.65 percent'',

(B) by striking ''2.2 percent'' and inserting ''3.2 percent'', and

(C) by striking ''2.75 percent'' and inserting ''3.75 percent''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after June 30, 1998.

SEC. 302. WORK OPPORTUNITY CREDIT.

(a) TEMPORARY EXTENSION.—Subparagraph (B) of section 51(c)(4) (relating to termination) is amended by striking ''June 30, 1998'' and inserting ''February 29, 2000''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to individuals who begin work for the employer after June 30, 1998.

SEC. 303. WELFARE-TO-WORK CREDIT.

Subsection (f) of section 51A (relating to termination) is amended by striking ''April 30, 1999'' and inserting ''February 29, 2000''.

SEC. 304. CONTRIBUTIONS OF STOCK TO PRIVATE FOUNDATIONS; EXPANDED PUBLIC INSPECTION OF PRIVATE FOUNDATIONS' ANNUAL RETURNS.

(a) SPECIAL RULE FOR CONTRIBUTIONS OF STOCK MADE PERMANENT.—

(1) IN GENERAL.—Paragraph (5) of section 170(e) is amended by striking subparagraph (D) (relating to termination).

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to contributions made after June 30, 1998.

(b) EXPANDED PUBLIC INSPECTION OF PRIVATE FOUNDATIONS' ANNUAL RETURNS, ETC.—

(1) IN GENERAL.—Section 6104 (relating to publicity of information required from certain exempt organizations and certain trusts) is amended by striking subsections (d) and (e) and inserting after subsection (c) the following new subsection:

''(d) PUBLIC INSPECTION OF CERTAIN ANNUAL RETURNS AND APPLICATIONS FOR EXEMPTION.—

''(1) IN GENERAL.—In the case of an organization described in subsection (c) or (d) of section 501 and exempt from taxation under section 501(a)—

''(A) a copy of—

''(i) the annual return filed under section 6033 (relating to returns by exempt organizations) by such organization, and

''(ii) if the organization filed an application for recognition of exemption under section 501, the exempt status application materials of such organization,

shall be made available by such organization for inspection during regular business hours by any individual at the principal office of such organization and, if such organization regularly maintains 1 or more regional or district offices having 3 or more employees, at each such regional or district office, and

''(B) upon request of an individual made at such principal office or such a regional or district office, a copy of such annual return and exempt status application materials shall be provided to such individual without charge other than a reasonable fee for any reproduction and mailing costs.

The request described in subparagraph (B) must be made in person or in writing. If such request is made in person, such copy shall be provided immediately and, if made in writing, shall be provided within 30 days.

''(2) 3-YEAR LIMITATION ON INSPECTION OF RETURNS.—Paragraph (1) shall apply to an annual return filed under section 6033 only during the 3-year period beginning on the last day prescribed for filing such return (determined with regard to any extension of time for filing).

''(3) EXCEPTIONS FROM DISCLOSURE REQUIREMENT.—

''(A) NONDISCLOSURE OF CONTRIBUTORS, ETC.—Paragraph (1) shall not require the disclosure of the name or address of any contributor to the organization. In the case of an organization described in section 501(d), subparagraph (A) shall not require the disclosure of the copies referred to in section 6031(b) with respect to such organization.

''(B) NONDISCLOSURE OF CERTAIN OTHER INFORMATION.—Paragraph (1) shall not require the disclosure of any information if the Secretary withheld such information from public inspection under subsection (a)(1)(D).

''(4) LIMITATION ON PROVIDING COPIES.—Paragraph (1)(B) shall not apply to any request if, in accordance with regulations promulgated by the Secretary, the organization has made the requested documents widely available, or the Secretary determines, upon application by an organization, that such request is part of a harassment campaign and that compliance with such request is not in the public interest.

''(5) EXEMPT STATUS APPLICATION MATERIALS.—For purposes of paragraph (1), the term 'exempt status applicable materials' means the application for recognition of exemption under section 501 and any papers submitted in support of such application and any letter or other document issued by the Internal Revenue Service with respect to such application.''

(2) CONFORMING AMENDMENTS.—

(A) Subsection (c) of section 6033 is amended by adding ''and'' at the end of paragraph (1), by striking paragraph (2), and by redesignating paragraph (3) as paragraph (2).

(B) Subparagraph (C) of section 6652(c)(1) is amended by striking ''subsection (d) or (e)(1) of section 6104 (relating to public inspection of annual returns)'' and inserting ''section 6104(d) with respect to any annual return''.

(C) Subparagraph (D) of section 6652(c)(1) is amended by striking ''section 6104(e)(2) (relating to public inspection of applications for exemption)'' and inserting ''section 6104(d) with respect to any exempt status application materials (as defined in such section)''.

(D) Section 6685 is amended by striking ''or (e)''.

(E) Section 7207 is amended by striking ''or (e)''.

(3) EFFECTIVE DATE.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by this subsection shall apply to requests made after the later of December 31, 1998, or the 60th day after the Secretary of the Treasury first issues the regulations referred to such section 6104(d)(4) of the Internal Revenue Code of 1986, as amended by this section.

(B) PUBLICATION OF ANNUAL RETURNS.—Section 6104(d) of such Code, as in effect before the amendments made by this subsection, shall not apply to any return the due date for which is after the date such amendments take effect under subparagraph (A).

SEC. 305. SUBPART F EXEMPTION FOR ACTIVE FINANCING INCOME.

(a) INCOME DERIVED FROM BANKING, FINANCING OR SIMILAR BUSINESSES.—Section 954(h) (relating to income derived in the active conduct of banking, financing, or similar businesses) is amended to read as follows:

''(h) SPECIAL RULE FOR INCOME DERIVED IN THE ACTIVE CONDUCT OF BANKING, FINANCING, OR SIMILAR BUSINESSES.—

''(1) IN GENERAL.—For purposes of subsection (c)(1), foreign personal holding company income shall not include qualified banking or financing income of an eligible controlled foreign corporation.

''(2) ELIGIBLE CONTROLLED FOREIGN CORPORATION.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'eligible controlled foreign corporation' means a controlled foreign corporation which—

''(i) is predominantly engaged in the active conduct of a banking, financing, or similar business, and

''(ii) conducts substantial activity with respect to such business.

''(B) PREDOMINANTLY ENGAGED.—A controlled foreign corporation shall be treated as predominantly engaged in the active conduct of a banking, financing, or similar business if—

''(i) more than 70 percent of the gross income of the controlled foreign corporation is derived directly from the active and regular conduct of a lending or finance business from transactions with customers which are not related persons,

''(ii) it is engaged in the active conduct of a banking business and is an institution licensed to do business as a bank in the United States (or is any other corporation not so licensed which is specified by the Secretary in regulations), or

''(iii) it is engaged in the active conduct of a securities business and is registered as a securities broker or dealer under section 15(a) of the Securities Exchange Act of 1934 or is registered as a Government securities broker or dealer under section 15C(a) of such Act (or is any other corporation not so registered which is specified by the Secretary in regulations).

''(3) QUALIFIED BANKING OR FINANCING INCOME.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified banking or financing income' means income of an eligible controlled foreign corporation which—

''(i) is derived in the active conduct of a banking, financing, or similar business by—

''(I) such eligible controlled foreign corporation, or

''(II) a qualified business unit of such eligible controlled foreign corporation,

''(ii) is derived from 1 or more transactions—

''(I) with customers located in a country other than the United States, and

''(II) substantially all of the activities in connection with which are conducted directly by the corporation or unit in its home country, and

''(iii) is treated as earned by such corporation or unit in its home country for purposes of such country's tax laws.

''(B) LIMITATION ON NONBANKING AND NONSECURITIES BUSINESSES.—No income of an eligible controlled foreign corporation not described in clause (ii) or (iii) of paragraph (2)(B) (or of a qualified business unit of such corporation) shall be treated as qualified banking or financing income unless more than 30 percent of such corporation's or unit's gross income is derived directly from the active and regular conduct of a lending or finance business from transactions with customers which are not related persons and which are located within such corporation's or unit's home country.

''(C) SUBSTANTIAL ACTIVITY REQUIREMENT FOR CROSS BORDER INCOME.—The term 'qualified banking or financing income' shall not include income derived from 1 or more transactions with customers located in a country other than the home country of the eligible controlled foreign corporation or a qualified business unit of such corporation unless such corporation or unit conducts substantial activity with respect to a banking, financing, or similar business in its home country.

''(D) DETERMINATIONS MADE SEPARATELY.—For purposes of this paragraph, the qualified banking or financing income of an eligible controlled foreign corporation and each qualified business unit of such corporation shall be determined separately for such corporation and each such unit by taking into account—

''(i) in the case of the eligible controlled foreign corporation, only items of income, deduction, gain, or loss and activities of such corporation not properly allocable or attributable to any qualified business unit of such corporation, and

''(ii) in the case of a qualified business unit, only items of income, deduction, gain, or loss and activities properly allocable or attributable to such unit.

''(4) LENDING OR FINANCE BUSINESS.—For purposes of this subsection, the term 'lending or finance business' means the business of—

''(A) making loans,

''(B) purchasing or discounting accounts receivable, notes, or installment obligations,

''(C) engaging in leasing (including entering into leases and purchasing, servicing, and disposing of leases and leased assets),

''(D) issuing letters of credit or providing guarantees,

''(E) providing charge and credit card services, or

''(F) rendering services or making facilities available in connection with activities described in subparagraphs (A) through (E) carried on by—

''(i) the corporation (or qualified business unit) rendering services or making facilities available, or

''(ii) another corporation (or qualified business unit of a corporation) which is a member of the same affiliated group (as defined in section 1504, but determined without regard to section 1504(b)(3)).

''(5) OTHER DEFINITIONS.—For purposes of this subsection—

''(A) CUSTOMER.—The term 'customer' means, with respect to any controlled foreign corporation or qualified business unit, any person which has a customer relationship with such corporation or unit and which is acting in its capacity as such.

''(B) HOME COUNTRY.—Except as provided in regulations—

''(i) CONTROLLED FOREIGN CORPORATION.—The term 'home country' means, with respect to any controlled foreign corporation, the country under the laws of which the corporation was created or organized.

''(ii) QUALIFIED BUSINESS UNIT.—The term 'home country' means, with respect to any qualified business unit, the country in which such unit maintains its principal office.

''(C) LOCATED.—The determination of where a customer is located shall be made under rules prescribed by the Secretary.

''(D) QUALIFIED BUSINESS UNIT.—The term 'qualified business unit' has the meaning given such term by section 989(a).

''(E) RELATED PERSON.—The term 'related person' has the meaning given such term by subsection (d)(3).

''(6) COORDINATION WITH EXCEPTION FOR DEALERS.—Paragraph (1) shall not apply to income described in subsection (c)(2)(C)(ii) of a dealer in securities (within the meaning of section 475) which is an eligible controlled foreign corporation described in paragraph (2)(B)(iii).

''(7) ANTI-ABUSE RULES.—For purposes of applying this subsection and subsection (c)(2)(C)(ii)—

''(A) there shall be disregarded any item of income, gain, loss, or deduction with respect to any transaction or series of transactions one of the principal purposes of which is qualifying income or gain for the exclusion under this section, including any transaction or series of transactions a principal purpose of which is the acceleration or deferral of any item in order to claim the benefits of such exclusion through the application of this subsection,

''(B) there shall be disregarded any item of income, gain, loss, or deduction of an entity which is not engaged in regular and continuous transactions with customers which are not related persons,

''(C) there shall be disregarded any item of income, gain, loss, or deduction with respect to any transaction or series of transactions utilizing, or doing business with—

''(i) one or more entities in order to satisfy any home country requirement under this subsection, or

''(ii) a special purpose entity or arrangement, including a securitization, financing, or similar entity or arrangement,

if one of the principal purposes of such transaction or series of transactions is qualifying income or gain for the exclusion under this subsection, and

''(D) a related person, an officer, a director, or an employee with respect to any controlled foreign corporation (or qualified business unit) which would otherwise be treated as a customer of such corporation or unit with respect to any transaction shall not be so treated if a principal purpose of such transaction is to satisfy any requirement of this subsection.

''(8) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection, subsection (c)(1)(B)(i), subsection (c)(2)(C)(ii), and the last sentence of subsection (e)(2).

''(9) APPLICATION.—This subsection, subsection (c)(2)(C)(ii), and the last sentence of subsection (e)(2) shall apply only to the first taxable year of a foreign corporation beginning after December 31, 1998, and before January 1, 2000, and to taxable years of United States shareholders with or within which such taxable year of such foreign corporation ends.''

(b) INCOME DERIVED FROM INSURANCE BUSINESS.—

(1) INCOME ATTRIBUTABLE TO ISSUANCE OR REINSURANCE.—

(A) IN GENERAL.—Section 953(a) (defining insurance income) is amended to read as follows:

''(a) INSURANCE INCOME.—

''(1) IN GENERAL.—For purposes of section 952(a)(1), the term 'insurance income' means any income which—

''(A) is attributable to the issuing (or reinsuring) of an insurance or annuity contract, and

''(B) would (subject to the modifications provided by subsection (b)) be taxed under subchapter L of this chapter if such income were the income of a domestic insurance company.

''(2) EXCEPTION.—Such term shall not include any exempt insurance income (as defined in subsection (e)).''

(B) EXEMPT INSURANCE INCOME.—Section 953 (relating to insurance income) is amended by adding at the end the following new subsection:

''(e) EXEMPT INSURANCE INCOME.—For purposes of this section—

''(1) EXEMPT INSURANCE INCOME DEFINED.—

''(A) IN GENERAL.—The term 'exempt insurance income' means income derived by a qualifying insurance company which—

''(i) is attributable to the issuing (or reinsuring) of an exempt contract by such company or a qualifying insurance company branch of such company, and

''(ii) is treated as earned by such company or branch in its home country for purposes of such country's tax laws.

''(B) EXCEPTION FOR CERTAIN ARRANGEMENTS.—Such term shall not include income attributable to the issuing (or reinsuring) of an exempt contract as the result of any arrangement whereby another corporation receives a substantially equal amount of premiums or other consideration in respect of issuing (or reinsuring) a contract which is not an exempt contract.

''(C) DETERMINATIONS MADE SEPARATELY.—For purposes of this subsection and section 954(i), the exempt insurance income and exempt contracts of a qualifying insurance company or any qualifying insurance company branch of such company shall be determined separately for such company and each such branch by taking into account—

''(i) in the case of the qualifying insurance company, only items of income, deduction, gain, or loss, and activities of such company not properly allocable or attributable to any qualifying insurance company branch of such company, and

''(ii) in the case of a qualifying insurance company branch, only items of income, deduction, gain, or loss and activities properly allocable or attributable to such unit.

''(2) EXEMPT CONTRACT.—

''(A) IN GENERAL.—The term 'exempt contract' means an insurance or annuity contract issued or reinsured by a qualifying insurance company or qualifying insurance company branch in connection with property in, liability arising out of activity in, or the lives or health of residents of, a country other than the United States.

''(B) MINIMUM HOME COUNTRY INCOME REQUIRED.—

''(i) IN GENERAL.—No contract of a qualifying insurance company or of a qualifying insurance company branch shall be treated as an exempt contract unless such company or branch derives more than 30 percent of its net written premiums from exempt contracts (determined without regard to this subparagraph)—

''(I) which cover applicable home country risks, and

''(II) with respect to which no policyholder, insured, annuitant, or beneficiary is a related person (as defined in section 954(d)(3)).

''(ii) APPLICABLE HOME COUNTRY RISKS.—The term 'applicable home country risks' means risks in connection with property in, liability arising out of activity in, or the lives or health of residents of, the home country of the qualifying insurance company or qualifying insurance company branch, as the case may be, issuing or reinsuring the contract covering the risks.

''(C) SUBSTANTIAL ACTIVITY REQUIREMENTS FOR CROSS BORDER RISKS.—A contract issued by a qualifying insurance company or qualifying insurance company branch which covers risks other than applicable home country risks (as defined in subparagraph (B)(ii)) shall not be treated as an exempt contract unless such company or branch, as the case may be—

''(i) conducts substantial activity with respect to an insurance business in its home country, and

''(ii) performs in its home country substantially all of the activities necessary to give rise to the income generated by such contract.

''(3) QUALIFYING INSURANCE COMPANY.—The term 'qualifying insurance company' means any controlled foreign corporation which—

''(A) is subject to regulation as an insurance (or reinsurance) company by its home country, and is licensed, authorized, or regulated by the applicable insurance regulatory body for its home country to sell insurance, reinsurance, or annuity contracts to persons other than related persons (within the meaning of section 954(d)(3)) in such home country,

''(B) derives more than 50 percent of its aggregate net written premiums from the issuance or reinsurance by such controlled foreign corporation and each of its qualifying insurance company branches of contracts—

''(i) covering applicable home country risks (as defined in paragraph (2)) of such corporation or branch, as the case may be, and

''(ii) with respect to which no policyholder, insured, annuitant, or beneficiary is a related person (as defined in section 954(d)(3)),

except that in the case of a branch, such premiums shall only be taken into account to the extent such premiums are treated as earned by such branch in its home country for purposes of such country's tax laws, and

''(C) is engaged in the insurance business and would be subject to tax under subchapter L if it were a domestic corporation.

''(4) QUALIFYING INSURANCE COMPANY BRANCH.—The term 'qualifying insurance company branch' means a qualified business unit (within the meaning of section 989(a)) of a controlled foreign corporation if—

''(A) such unit is licensed, authorized, or regulated by the applicable insurance regulatory body for its home country to sell insurance, reinsurance, or annuity contracts to persons other than related persons (within the meaning of section 954(d)(3)) in such home country, and

''(B) such controlled foreign corporation is a qualifying insurance company, determined under paragraph (3) as if such unit were a qualifying insurance company branch.

''(5) LIFE INSURANCE OR ANNUITY CONTRACT.—For purposes of this section and section 954, the determination of whether a contract issued by a controlled foreign corporation or a qualified business unit (within the meaning of section 989(a)) is a life insurance contract or an annuity contract shall be made without regard to sections 72(s), 101(f), 817(h), and 7702 if—

''(A) such contract is regulated as a life insurance or annuity contract by the corporation's or unit's home country, and

''(B) no policyholder, insured, annuitant, or beneficiary with respect to the contract is a United States person.

''(6) HOME COUNTRY.—For purposes of this subsection, except as provided in regulations—

''(A) CONTROLLED FOREIGN CORPORATION.—The term 'home country' means, with respect to a controlled foreign corporation, the country in which such corporation is created or organized.

''(B) QUALIFIED BUSINESS UNIT.—The term 'home country' means, with respect to a qualified business unit (as defined in section 989(a)), the country in which the principal office of such unit is located and in which such unit is licensed, authorized, or regulated by the applicable insurance regulatory body to sell insurance, reinsurance, or annuity contracts to persons other than related persons (as defined in section 954(d)(3)) in such country.

''(7) ANTI-ABUSE RULES.—For purposes of applying this subsection and section 954(i)—

''(A) the rules of section 954(h)(7) (other than subparagraph (B) thereof) shall apply,

''(B) there shall be disregarded any item of income, gain, loss, or deduction of, or derived from, an entity which is not engaged in regular and continuous transactions with persons which are not related persons,

''(C) there shall be disregarded any change in the method of computing reserves a principal purpose of which is the acceleration or deferral of any item in order to claim the benefits of this subsection or section 954(i),

''(D) a contract of insurance or reinsurance shall not be treated as an exempt contract (and premiums from such contract shall not be taken into account for purposes of paragraph (2)(B) or (3)) if—

''(i) any policyholder, insured, annuitant, or beneficiary is a resident of the United States and such contract was marketed to such resident and was written to cover a risk outside the United States, or

''(ii) the contract covers risks located within and without the United States and the qualifying insurance company or qualifying insurance company branch does not maintain such contemporaneous records, and file such reports, with respect to such contract as the Secretary may require,

''(E) the Secretary may prescribe rules for the allocation of contracts (and income from contracts) among 2 or more qualifying insurance company branches of a qualifying insurance company in order to clearly reflect the income of such branches, and

''(F) premiums from a contract shall not be taken into account for purposes of paragraph (2)(B) or (3) if such contract reinsures a contract issued or reinsured by a related person (as defined in section 954(d)(3)).

For purposes of subparagraph (D), the determination of where risks are located shall be made under the principles of section 953.

''(8) COORDINATION WITH SUBSECTION (c).—In determining insurance income for purposes of subsection (c), exempt insurance income shall not include income derived from exempt contracts which cover risks other than applicable home country risks.

''(9) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection and section 954(i).

''(10) APPLICATION.—This subsection and section 954(i) shall apply only to the first taxable year of a foreign corporation beginning after December 31, 1998, and before January 1, 2000, and to taxable years of United States shareholders with or within which such taxable year of such foreign corporation ends.

''(11) CROSS REFERENCE.—

''For income exempt from foreign personal holding company income, see section 954(i).''

(2) EXEMPTION FROM FOREIGN PERSONAL HOLDING COMPANY INCOME.—Section 954 (defining foreign base company income) is amended by adding at the end the following new subsection:

''(i) SPECIAL RULE FOR INCOME DERIVED IN THE ACTIVE CONDUCT OF INSURANCE BUSINESS.—

''(1) IN GENERAL.—For purposes of subsection (c)(1), foreign personal holding company income shall not include qualified insurance income of a qualifying insurance company.

''(2) QUALIFIED INSURANCE INCOME.—The term 'qualified insurance income' means income of a qualifying insurance company which is—

''(A) received from a person other than a related person (within the meaning of subsection (d)(3)) and derived from the investments made by a qualifying insurance company or a qualifying insurance company branch of its reserves allocable to exempt contracts or of 80 percent of its unearned premiums from exempt contracts (as both are determined in the manner prescribed under paragraph (4)), or

''(B) received from a person other than a related person (within the meaning of subsection (d)(3)) and derived from investments made by a qualifying insurance company or a qualifying insurance company branch of an amount of its assets allocable to exempt contracts equal to—

''(i) in the case of property, casualty, or health insurance contracts, one-third of its premiums earned on such insurance contracts during the taxable year (as defined in section 832(b)(4)), and

''(ii) in the case of life insurance or annuity contracts, 10 percent of the reserves described in subparagraph (A) for such contracts.

''(3) PRINCIPLES FOR DETERMINING INSURANCE INCOME.—Except as provided by the Secretary, for purposes of subparagraphs (A) and (B) of paragraph (2)—

''(A) in the case of any contract which is a separate account-type contract (including any variable contract not meeting the requirements of section 817), income credited under such contract shall be allocable only to such contract, and

''(B) income not allocable under subparagraph (A) shall be allocated ratably among contracts not described in subparagraph (A).

''(4) METHODS FOR DETERMINING UNEARNED PREMIUMS AND RESERVES.—For purposes of paragraph (2)(A)—

''(A) PROPERTY AND CASUALTY CONTRACTS.—The unearned premiums and reserves of a qualifying insurance company or a qualifying insurance company branch with respect to property, casualty, or health insurance contracts shall be determined using the same methods and interest rates which would be used if such company or branch were subject to tax under subchapter L, except that—

''(i) the interest rate determined for the functional currency of the company or branch, and which, except as provided by the Secretary, is calculated in the same manner as the Federal mid-term rate under section 1274(d), shall be substituted for the applicable Federal interest rate, and

''(ii) such company or branch shall use the appropriate foreign loss payment pattern.

''(B) LIFE INSURANCE AND ANNUITY CONTRACTS.—The amount of the reserve of a qualifying insurance company or qualifying insurance company branch for any life insurance or annuity contract shall be equal to the greater of—

''(i) the net surrender value of such contract (as defined in section 807(e)(1)(A)), or

''(ii) the reserve determined under paragraph (5).

''(C) LIMITATION ON RESERVES.—In no event shall the reserve determined under this paragraph for any contract as of any time exceed the amount which would be taken into account with respect to such contract as of such time in determining foreign statement reserves (less any catastrophe, deficiency, equalization, or similar reserves).

''(5) AMOUNT OF RESERVE.—The amount of the reserve determined under this paragraph with respect to any contract shall be determined in the same manner as it would be determined if the qualifying insurance company or qualifying insurance company branch were subject to tax under subchapter L, except that in applying such subchapter—

''(A) the interest rate determined for the functional currency of the company or branch, and which, except as provided by the Secretary, is calculated in the same manner as the Federal mid-term rate under section 1274(d), shall be substituted for the applicable Federal interest rate,

''(B) the highest assumed interest rate permitted to be used in determining foreign statement reserves shall be substituted for the prevailing State assumed interest rate, and

''(C) tables for mortality and morbidity which reasonably reflect the current mortality and morbidity risks in the company's or branch's home country shall be substituted for the mortality and morbidity tables otherwise used for such subchapter.

The Secretary may provide that the interest rate and mortality and morbidity tables of a qualifying insurance company may be used for 1 or more of its qualifying insurance company branches when appropriate.

''(6) DEFINITIONS.—For purposes of this subsection, any term used in this subsection which is also used in section 953(e) shall have the meaning given such term by section 953.''

(3) RESERVES.—Section 953(b) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

''(3) Reserves for any insurance or annuity contract shall be determined in the same manner as under section 954(i).''

(c) SPECIAL RULES FOR DEALERS.—Section 954(c)(2)(C) is amended to read as follows:

''(C) EXCEPTION FOR DEALERS.—Except as provided by regulations, in the case of a regular dealer in property which is property described in paragraph (1)(B), forward contracts, option contracts, or similar financial instruments (including notional principal contracts and all instruments referenced to commodities), there shall not be taken into account in computing foreign personal holding company income—

''(i) any item of income, gain, deduction, or loss (other than any item described in subparagraph (A), (E), or (G) of paragraph (1)) from any transaction (including hedging transactions) entered into in the ordinary course of such dealer's trade or business as such a dealer, and

''(ii) if such dealer is a dealer in securities (within the meaning of section 475), any interest or dividend or equivalent amount described in subparagraph (E) or (G) of paragraph (1) from any transaction (including any hedging transaction or transaction described in section 956(c)(2)(J)) entered into in the ordinary course of such dealer's trade or business as such a dealer in securities, but only if the income from the transaction is attributable to activities of the dealer in the country under the laws of which the dealer is created or organized (or in the case of a qualified business unit described in section 989(a), is attributable to activities of the unit in the country in which the unit both maintains its principal office and conducts substantial business activity).''

(d) EXEMPTION FROM FOREIGN BASE COMPANY SERVICES INCOME.—Paragraph (2) of section 954(e) is amended by inserting ''or'' at the end of subparagraph (A), by striking '', or'' at the end of subparagraph (B) and inserting a period, by striking subparagraph (C), and by adding at the end the following new flush sentence:

''Paragraph (1) shall also not apply to income which is exempt insurance income (as defined in section 953(e)) or which is not treated as foreign personal holding income by reason of subsection (c)(2)(C)(ii), (h), or (i).''

(e) EXEMPTION FOR GAIN.—Section 954(c)(1)(B)(i) (relating to net gains from certain property transactions) is amended by inserting ''other than property which gives rise to income not treated as foreign personal holding company income by reason of subsection (h) or (i) for the taxable year'' before the comma at the end.

Subtitle B—Generalized System of Preferences

SEC. 311. EXTENSION OF GENERALIZED SYSTEM OF PREFERENCES.

(a) EXTENSION OF DUTY-FREE TREATMENT UNDER SYSTEM.—Section 505 of the Trade Act of 1974 (29 U.S.C. 2465) is amended by striking ''June 30, 1998'' and inserting ''February 29, 2000''.

(b) RETROACTIVE APPLICATION FOR CERTAIN LIQUIDATIONS AND RELIQUIDATIONS.—

(1) IN GENERAL.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, and subject to paragraph (2), any entry—

(A) of an article to which duty-free treatment under title V of the Trade Act of 1974 would have applied if such title had been in effect during the period beginning on July 1, 1998, and ending on the day before the date of the enactment of this Act, and

(B) that was made after June 30, 1998, and before the date of the enactment of this Act,

shall be liquidated or reliquidated as free of duty, and the Secretary of the Treasury shall refund any duty paid with respect to such entry. As used in this subsection, the term ''entry'' includes a withdrawal from warehouse for consumption.

(2) REQUESTS.—Liquidation or reliquidation may be made under paragraph (1) with respect to an entry only if a request therefor is filed with the Customs Service, within 180 days after the date of the enactment of this Act, that contains sufficient information to enable the Customs Service—

(A) to locate the entry; or

(B) to reconstruct the entry if it cannot be located.

TITLE IV—REVENUE OFFSET

SEC. 401. TREATMENT OF CERTAIN DEDUCTIBLE LIQUIDATING DISTRIBUTIONS OF REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.

(a) IN GENERAL.—Section 332 (relating to complete liquidations of subsidiaries) is amended by adding at the end the following new subsection:

''(c) DEDUCTIBLE LIQUIDATING DISTRIBUTIONS OF REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—If a corporation receives a distribution from a regulated investment company or a real estate investment trust which is considered under subsection (b) as being in complete liquidation of such company or trust, then, notwithstanding any other provision of this chapter, such corporation shall recognize and treat as a dividend from such company or trust an amount equal to the deduction for dividends paid allowable to such company or trust by reason of such distribution.''.

(b) CONFORMING AMENDMENTS.—

(1) The material preceding paragraph (1) of section 332(b) is amended by striking ''subsection (a)'' and inserting ''this section''.

(2) Paragraph (1) of section 334(b) is amended by striking ''section 332(a)'' and inserting ''section 332''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after May 21, 1998.

TITLE V—TECHNICAL CORRECTIONS

SEC. 501. DEFINITIONS; COORDINATION WITH OTHER TITLES.

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

(1) 1986 CODE.—The term ''1986 Code'' means the Internal Revenue Code of 1986.

(2) 1998 ACT.—The term ''1998 Act'' means the Internal Revenue Service Restructuring and Reform Act of 1998 (Public Law 105–206).

(3) 1997 ACT.—The term ''1997 Act'' means the Taxpayer Relief Act of 1997 (Public Law 105–34).

(b) COORDINATION WITH OTHER TITLES.—For purposes of applying the amendments made by any title of this Act other than this title, the provisions of this title shall be treated as having been enacted immediately before the provisions of such other titles.

SEC. 502. AMENDMENTS RELATED TO INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1998.

(a) AMENDMENT RELATED TO SECTION 1101 OF 1998 ACT.—Paragraph (5) of section 6103(h) of the 1986 Code, as added by section 1101(b) of the 1998 Act, is redesignated as paragraph (6).

(b) AMENDMENT RELATED TO SECTION 3001 OF 1998 ACT.—Paragraph (2) of section 7491(a) of the 1986 Code is amended by adding at the end the following flush sentence:

''Subparagraph (C) shall not apply to any qualified revocable trust (as defined in section 645(b)(1)) with respect to liability for tax for any taxable year ending after the date of the decedent's death and before the applicable date (as defined in section 645(b)(2)).''.

(c) AMENDMENTS RELATED TO SECTION 3201 OF 1998 ACT.—

(1) Section 7421(a) of the 1986 Code is amended by striking ''6015(d)'' and inserting ''6015(e)''.

(2) Subparagraph (A) of section 6015(e)(3) is amended by striking ''of this section'' and inserting ''of subsection (b) or (f)''.

(d) AMENDMENT RELATED TO SECTION 3301 OF 1998 ACT.—Paragraph (2) of section 3301(c) of the 1998 Act is amended by striking ''The amendments'' and inserting ''Subject to any applicable statute of limitation not having expired with regard to either a tax underpayment or a tax overpayment, the amendments''.

(e) AMENDMENT RELATED TO SECTION 3401 OF 1998 ACT.—Section 3401(c) of the 1998 Act is amended—

(1) in paragraph (1), by striking ''7443(b)'' and inserting ''7443A(b)''; and

(2) in paragraph (2), by striking ''7443(c)'' and inserting ''7443A(c)''.

(f) AMENDMENT RELATED TO SECTION 3433 OF 1998 ACT.—Section 7421(a) of the 1986 Code is amended by inserting ''6331(i),'' after ''6246(b),''.

(g) AMENDMENT RELATED TO SECTION 3708 OF 1998 ACT.—Subparagraph (A) of section 6103(p)(3) of the 1986 Code is amended by inserting ''(f)(5),'' after ''(c), (e),''.

(h) AMENDMENT RELATED TO SECTION 5001 OF 1998 ACT.—

(1) Subparagraph (B) of section 1(h)(13) of the 1986 Code is amended by striking ''paragraph (7)(A)'' and inserting ''paragraph (7)(A)(i)''.

(2)(A) Subparagraphs (A)(i)(II), (A)(ii)(II), and (B)(ii) of section 1(h)(13) of the 1986 Code shall not apply to any distribution after December 31, 1997, by a regulated investment company or a real estate investment trust with respect to—

(i) gains and losses recognized directly by such company or trust, and

(ii) amounts properly taken into account by such company or trust by reason of holding (directly or indirectly) an interest in another such company or trust to the extent that such subparagraphs did not apply to such other company or trust with respect to such amounts.

(B) Subparagraph (A) shall not apply to any distribution which is treated under section 852(b)(7) or 857(b)(8) of the 1986 Code as received on December 31, 1997.

(C) For purposes of subparagraph (A), any amount which is includible in gross income of its shareholders under section 852(b)(3)(D) or 857(b)(3)(D) of the 1986 Code after December 31, 1997, shall be treated as distributed after such date.

(D)(i) For purposes of subparagraph (A), in the case of a qualified partnership with respect to which a regulated investment company meets the holding requirement of clause (iii)—

(I) the subparagraphs referred to in subparagraph (A) shall not apply to gains and losses recognized directly by such partnership for purposes of determining such company's distributive share of such gains and losses, and

(II) such company's distributive share of such gains and losses (as so determined) shall be treated as recognized directly by such company. The preceding sentence shall apply only if the qualified partnership provides the company with written documentation of such distributive share as so determined.

(ii) For purposes of clause (i), the term ''qualified partnership'' means, with respect to a regulated investment company, any partnership if—

(I) the partnership is an investment company registered under the Investment Company Act of 1940,

(II) the regulated investment company is permitted to invest in such partnership by reason of section 12(d)(1)(E) of such Act or an exemptive order of the Securities and Exchange Commission under such section, and

(III) the regulated investment company and the partnership have the same taxable year.

(iii) A regulated investment company meets the holding requirement of this clause with respect to a qualified partnership if (as of January 1, 1998)—

(I) the value of the interests of the regulated investment company in such partnership is 35 percent or more of the value of such company's total assets, or

(II) the value of the interests of the regulated investment company in such partnership and all other qualified partnerships is 90 percent or more of the value of such company's total assets.

(i) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the 1998 Act to which they relate.

SEC. 503. AMENDMENTS RELATED TO TAXPAYER RELIEF ACT OF 1997.

(a) AMENDMENT RELATED TO SECTION 202 OF 1997 ACT.—Paragraph (2) of section 163(h) of the 1986 Code is amended by striking ''and'' at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting '', and'', and by adding at the end the following new subparagraph:

''(F) any interest allowable as a deduction under section 221 (relating to interest on educational loans).''

(b) PROVISION RELATED TO SECTION 311 OF 1997 ACT.—In the case of any capital gain distribution made after 1997 by a trust to which section 664 of the 1986 Code applies with respect to amounts properly taken into account by such trust during 1997, paragraphs (5)(A)(i)(I), (5)(A)(ii)(I), and (13)(A) of section 1(h) of the 1986 Code (as in effect for taxable years ending on December 31, 1997) shall not apply.

(c) AMENDMENT RELATED TO SECTION 506 OF 1997 ACT.—

(1) Section 2001(f)(2) of the 1986 Code is amended by adding at the end the following:

''For purposes of subparagraph (A), the value of an item shall be treated as shown on a return if the item is disclosed in the return, or in a statement attached to the return, in a manner adequate to apprise the Secretary of the nature of such item.''.

(2) Paragraph (9) of section 6501(c) of the 1986 Code is amended by striking the last sentence.

(d) AMENDMENTS RELATED TO SECTION 904 OF 1997 ACT.—

(1) Paragraph (1) of section 9510(c) of the 1986 Code is amended to read as follows:

''(1) IN GENERAL.—Amounts in the Vaccine Injury Compensation Trust Fund shall be available, as provided in appropriation Acts, only for—

''(A) the payment of compensation under subtitle 2 of title XXI of the Public Health Service Act (as in effect on August 5, 1997) for vaccine-related injury or death with respect to any vaccine—

''(i) which is administered after September 30, 1988, and

''(ii) which is a taxable vaccine (as defined in section 4132(a)(1)) at the time compensation is paid under such subtitle 2, or

''(B) the payment of all expenses of administration (but not in excess of $9,500,000 for any fiscal year) incurred by the Federal Government in administering such subtitle.''.

(2) Section 9510(b) of the 1986 Code is amended by adding at the end the following new paragraph:

''(3) LIMITATION ON TRANSFERS TO VACCINE INJURY COMPENSATION TRUST FUND.—No amount may be appropriated to the Vaccine Injury Compensation Trust Fund on and after the date of any expenditure from the Trust Fund which is not permitted by this section. The determination of whether an expenditure is so permitted shall be made without regard to—

''(A) any provision of law which is not contained or referenced in this title or in a revenue Act, and

''(B) whether such provision of law is a subsequently enacted provision or directly or indirectly seeks to waive the application of this paragraph.''.

(e) AMENDMENTS RELATED TO SECTION 915 OF 1997 ACT.—

(1) Section 915 of the Taxpayer Relief Act of 1997 is amended—

(A) in subsection (b), by inserting ''or 1998'' after ''1997'', and

(B) by amending subsection (d) to read as follows:

''(d) EFFECTIVE DATE.—This section shall apply to taxable years ending with or within calendar year 1997.''.

(2) Paragraph (2) of section 6404(h) of the 1986 Code is amended by inserting ''Robert T. Stafford'' before ''Disaster''.

(f) AMENDMENTS RELATED TO SECTION 1012 OF 1997 ACT.—

(1) Paragraph (2) of section 351(c) of the 1986 Code, as amended by section 6010(c) of the 1998 Act, is amended by inserting '', or the fact that the corporation whose stock was distributed issues additional stock,'' after ''dispose of part or all of the distributed stock''.

(2) Clause (ii) of section 368(a)(2)(H) of the 1986 Code, as amended by section 6010(c) of the 1998 Act, is amended by inserting '', or the fact that the corporation whose stock was distributed issues additional stock,'' after ''dispose of part or all of the distributed stock''.

(g) AMENDMENT RELATED TO SECTION 1082 OF 1997 ACT.—Subparagraph (F) of section 172(b)(1) of the 1986 Code is amended by adding at the end the following new clause:

''(iv) COORDINATION WITH PARAGRAPH (2).—For purposes of applying paragraph (2), an eligible loss for any taxable year shall be treated in a manner similar to the manner in which a specified liability loss is treated.''

(h) AMENDMENT RELATED TO SECTION 1084 OF 1997 ACT.—Paragraph (3) of section 264(f) of the 1986 Code is amended by adding at the end the following flush sentence:

''If the amount described in subparagraph (A) with respect to any policy or contract does not reasonably approximate its actual value, the amount taken into account under subparagraph (A) shall be the greater of the amount of the insurance company liability or the insurance company reserve with respect to such policy or contract (as determined for purposes of the annual statement approved by the National Association of Insurance Commissioners) or shall be such other amount as is determined by the Secretary.''

(i) AMENDMENT RELATED TO SECTION 1205 OF 1997 ACT.—Paragraph (2) of section 6311(d) of the 1986 Code is amended by striking ''under such contracts'' in the last sentence and inserting ''under any such contract for the use of credit or debit cards for the payment of taxes imposed by subtitle A''.

(j) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the Taxpayer Relief Act of 1997 to which they relate.

SEC. 504. AMENDMENTS RELATED TO TAX REFORM ACT OF 1984.

(a) IN GENERAL.—Subparagraph (C) of section 172(d)(4) of the 1986 Code is amended to read as follows:

''(C) any deduction for casualty or theft losses allowable under paragraph (2) or (3) of section 165(c) shall be treated as attributable to the trade or business; and''.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (3) of section 67(b) of the 1986 Code is amended by striking ''for losses described in subsection (c)(3) or (d) of section 165'' and inserting ''for casualty or theft losses described in paragraph (2) or (3) of section 165(c) or for losses described in section 165(d)''.

(2) Paragraph (3) of section 68(c) of the 1986 Code is amended by striking ''for losses described in subsection (c)(3) or (d) of section 165'' and inserting ''for casualty or theft losses described in paragraph (2) or (3) of section 165(c) or for losses described in section 165(d)''.

(3) Paragraph (1) of section 873(b) is amended to read as follows:

''(1) LOSSES.—The deduction allowed by section 165 for casualty or theft losses described in paragraph (2) or (3) of section 165(c), but only if the loss is of property located within the United States.''

(c) EFFECTIVE DATES.—

(1) The amendments made by subsections (a) and (b)(3) shall apply to taxable years beginning after December 31, 1983.

(2) The amendment made by subsection (b)(1) shall apply to taxable years beginning after December 31, 1986.

(3) The amendment made by subsection (b)(2) shall apply to taxable years beginning after December 31, 1990.

SEC. 505. OTHER AMENDMENTS.

(a) AMENDMENTS RELATED TO SECTION 6103 OF 1986 CODE.—

(1) Subsection (j) of section 6103 of the 1986 Code is amended by adding at the end the following new paragraph:

''(5) DEPARTMENT OF AGRICULTURE.—Upon request in writing by the Secretary of Agriculture, the Secretary shall furnish such returns, or return information reflected thereon, as the Secretary may prescribe by regulation to officers and employees of the Department of Agriculture whose official duties require access to such returns or information for the purpose of, but only to the extent necessary in, structuring, preparing, and conducting the census of agriculture pursuant to the Census of Agriculture Act of 1997 (Public Law 105–113).''.

(2) Paragraph (4) of section 6103(p) of the 1986 Code is amended by striking ''(j)(1) or (2)'' in the material preceding subparagraph (A) and in subparagraph (F) and inserting ''(j)(1), (2), or (5)''.

(3) The amendments made by this subsection shall apply to requests made on or after the date of the enactment of this Act.

(b) AMENDMENT RELATED TO SECTION 9004 OF TRANSPORTATION EQUITY ACT FOR THE 21ST CENTURY.—

(1) Paragraph (2) of section 9503(f) of the 1986 Code is amended to read as follows:

''(2) notwithstanding section 9602(b), obligations held by such Fund after September 30, 1998, shall be obligations of the United States which are not interest-bearing.''

(2) The amendment made by paragraph (1) shall take effect on October 1, 1998.

(c) CLERICAL AMENDMENTS.—

(1) Clause (i) of section 51(d)(6)(B) of the 1986 Code is amended by striking ''rehabilitation plan'' and inserting ''plan for employment''. The reference to plan for employment in such clause shall be treated as including a reference to the rehabilitation plans referred to in such clause as in effect before the amendment made by the preceding sentence.

(2) Subparagraphs (C) and (D) of section 6693(a)(2) of the 1986 Code are each amended by striking ''Section'' and inserting ''section''.

TITLE VI—AMERICAN COMMUNITY RENEWAL ACT OF 1998

SEC. 601. SHORT TITLE.

This title may be cited as the ''American Community Renewal Act of 1998''.

SEC. 602. DESIGNATION OF AND TAX INCENTIVES FOR RENEWAL COMMUNITIES.

(a) IN GENERAL.—Chapter 1 is amended by adding at the end the following new subchapter:

''Subchapter X—Renewal Communities

''Part I. Designation.

''Part II. Renewal community capital gain; renewal community business.

''Part III. Family development accounts.

''Part IV. Additional incentives.

''PART I—DESIGNATION

''Sec. 1400E. Designation of renewal communities.

''SEC. 1400E. DESIGNATION OF RENEWAL COMMUNITIES.

''(a) DESIGNATION.—

''(1) DEFINITIONS.—For purposes of this title, the term 'renewal community' means any area—

''(A) which is nominated by one or more local governments and the State or States in which it is located for designation as a renewal community (hereinafter in this section referred to as a 'nominated area'), and

''(B) which the Secretary of Housing and Urban Development designates as a renewal community, after consultation with—

''(i) the Secretaries of Agriculture, Commerce, Labor, and the Treasury; the Director of the Office of Management and Budget; and the Administrator of the Small Business Administration, and

''(ii) in the case of an area on an Indian reservation, the Secretary of the Interior.

''(2) NUMBER OF DESIGNATIONS.—

''(A) IN GENERAL.—The Secretary of Housing and Urban Development may designate not more than 20 nominated areas as renewal communities.

''(B) MINIMUM DESIGNATION IN RURAL AREAS.—Of the areas designated under paragraph (1), at least 4 must be areas—

''(i) which are within a local government jurisdiction or jurisdictions with a population of less than 50,000,

''(ii) which are outside of a metropolitan statistical area (within the meaning of section 143(k)(2)(B)), or

''(iii) which are determined by the Secretary of Housing and Urban Development, after consultation with the Secretary of Commerce, to be rural areas.

''(3) AREAS DESIGNATED BASED ON DEGREE OF POVERTY, ETC.—

''(A) IN GENERAL.—Except as otherwise provided in this section, the nominated areas designated as renewal communities under this subsection shall be those nominated areas with the highest average ranking with respect to the criteria described in subparagraphs (B), (C), and (D) of subsection (c)(3). For purposes of the preceding sentence, an area shall be ranked within each such criterion on the basis of the amount by which the area exceeds such criterion, with the area which exceeds such criterion by the greatest amount given the highest ranking.

''(B) EXCEPTION WHERE INADEQUATE COURSE OF ACTION, ETC.—An area shall not be designated under subparagraph (A) if the Secretary of Housing and Urban Development determines that the course of action described in subsection (d)(2) with respect to such area is inadequate.

''(C) PRIORITY FOR EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES WITH RESPECT TO FIRST HALF OF DESIGNATIONS.—With respect to the first 10 designations made under this section—

''(i) 10 shall be chosen from nominated areas which are empowerment zones or enterprise communities (and are otherwise eligible for designation under this section), and

''(ii) of such 10, 2 shall be areas described in paragraph (2)(B).

''(4) LIMITATION ON DESIGNATIONS.—

''(A) PUBLICATION OF REGULATIONS.—The Secretary of Housing and Urban Development shall prescribe by regulation no later than 4 months after the date of the enactment of this section, after consultation with the officials described in paragraph (1)(B)—

''(i) the procedures for nominating an area under paragraph (1)(A),

''(ii) the parameters relating to the size and population characteristics of a renewal community, and

''(iii) the manner in which nominated areas will be evaluated based on the criteria specified in subsection (d).

''(B) TIME LIMITATIONS.—The Secretary of Housing and Urban Development may designate nominated areas as renewal communities only during the 24-month period beginning on the first day of the first month following the month in which the regulations described in subparagraph (A) are prescribed.

''(C) PROCEDURAL RULES.—The Secretary of Housing and Urban Development shall not make any designation of a nominated area as a renewal community under paragraph (2) unless—

''(i) the local governments and the States in which the nominated area is located have the authority—

''(I) to nominate such area for designation as a renewal community,

''(II) to make the State and local commitments described in subsection (d), and

''(III) to provide assurances satisfactory to the Secretary of Housing and Urban Development that such commitments will be fulfilled,

''(ii) a nomination regarding such area is submitted in such a manner and in such form, and contains such information, as the Secretary of Housing and Urban Development shall by regulation prescribe, and

''(iii) the Secretary of Housing and Urban Development determines that any information furnished is reasonably accurate.

''(5) NOMINATION PROCESS FOR INDIAN RESERVATIONS.—For purposes of this subchapter, in the case of a nominated area on an Indian reservation, the reservation governing body (as determined by the Secretary of the Interior) shall be treated as being both the State and local governments with respect to such area.

''(b) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—

''(1) IN GENERAL.—Any designation of an area as a renewal community shall remain in effect during the period beginning on the date of the designation and ending on the earliest of—

''(A) December 31, 2006,

''(B) the termination date designated by the State and local governments in their nomination, or

''(C) the date the Secretary of Housing and Urban Development revokes such designation.

''(2) REVOCATION OF DESIGNATION.—The Secretary of Housing and Urban Development may revoke the designation under this section of an area if such Secretary determines that the local government or the State in which the area is located—

''(A) has modified the boundaries of the area, or

''(B) is not complying substantially with, or fails to make progress in achieving, the State or local commitments, respectively, described in subsection (d).

''(c) AREA AND ELIGIBILITY REQUIREMENTS.—

''(1) IN GENERAL.—The Secretary of Housing and Urban Development may designate a nominated area as a renewal community under subsection (a) only if the area meets the requirements of paragraphs (2) and (3) of this subsection.

''(2) AREA REQUIREMENTS.—A nominated area meets the requirements of this paragraph if—

''(A) the area is within the jurisdiction of one or more local governments,

''(B) the boundary of the area is continuous, and

''(C) the area—

''(i) has a population, of at least—

''(I) 4,000 if any portion of such area (other than a rural area described in subsection (a)(2)(B)(i)) is located within a metropolitan statistical area (within the meaning of section 143(k)(2)(B)) which has a population of 50,000 or greater, or

''(II) 1,000 in any other case, or

''(ii) is entirely within an Indian reservation (as determined by the Secretary of the Interior).

''(3) ELIGIBILITY REQUIREMENTS.—A nominated area meets the requirements of this paragraph if the State and the local governments in which it is located certify (and the Secretary of Housing and Urban Development, after such review of supporting data as he deems appropriate, accepts such certification) that—

''(A) the area is one of pervasive poverty, unemployment, and general distress,

''(B) the unemployment rate in the area, as determined by the most recent available data, was at least 1½ times the national unemployment rate for the period to which such data relate,

''(C) the poverty rate for each population census tract within the nominated area is at least 20 percent, and

''(D) in the case of an urban area, at least 70 percent of the households living in the area have incomes below 80 percent of the median income of households within the jurisdiction of the local government (determined in the same manner as under section 119(b)(2) of the Housing and Community Development Act of 1974).

''(4) CONSIDERATION OF HIGH INCIDENCE OF CRIME.—The Secretary of Housing and Urban Development shall take into account, in selecting nominated areas for designation as renewal communities under this section, the extent to which such areas have a high incidence of crime.

''(5) CONSIDERATION OF COMMUNITIES IDENTIFIED IN GAO STUDY.—The Secretary of Housing and Urban Development shall take into account, in selecting nominated areas for designation as renewal communities under this section, if the area has census tracts identified in the May 12, 1998, report of the Government Accounting Office regarding the identification of economically distressed areas.

''(d) REQUIRED STATE AND LOCAL COMMITMENTS.—

''(1) IN GENERAL.—The Secretary of Housing and Urban Development may designate any nominated area as a renewal community under subsection (a) only if—

''(A) the local government and the State in which the area is located agree in writing that, during any period during which the area is a renewal community, such governments will follow a specified course of action which meets the requirements of paragraph (2) and is designed to reduce the various burdens borne by employers or employees in such area, and

''(B) the economic growth promotion requirements of paragraph (3) are met.

''(2) COURSE OF ACTION.—

''(A) IN GENERAL.—A course of action meets the requirements of this paragraph if such course of action is a written document, signed by a State (or local government) and neighborhood organizations, which evidences a partnership between such State or government and community-based organizations and which commits each signatory to specific and measurable goals, actions, and timetables. Such course of action shall include at least five of the following:

''(i) A reduction of tax rates or fees applying within the renewal community.

''(ii) An increase in the level of efficiency of local services within the renewal community.

''(iii) Crime reduction strategies, such as crime prevention (including the provision of such services by nongovernmental entities).

''(iv) Actions to reduce, remove, simplify, or streamline governmental requirements applying within the renewal community.

''(v) Involvement in the program by private entities, organizations, neighborhood organizations, and community groups, particularly those in the renewal community, including a commitment from such private entities to provide jobs and job training for, and technical, financial, or other assistance to, employers, employees, and residents from the renewal community.

''(vi) State or local income tax benefits for fees paid for services performed by a nongovernmental entity which were formerly performed by a governmental entity.

''(vii) The gift (or sale at below fair market value) of surplus real property (such as land, homes, and commercial or industrial structures) in the renewal community to neighborhood organizations, community development corporations, or private companies.

''(B) RECOGNITION OF PAST EFFORTS.—For purposes of this section, in evaluating the course of action agreed to by any State or local government, the Secretary of Housing and Urban Development shall take into account the past efforts of such State or local government in reducing the various burdens borne by employers and employees in the area involved.

''(3) ECONOMIC GROWTH PROMOTION REQUIREMENTS.—The economic growth promotion requirements of this paragraph are met with respect to a nominated area if the local government and the State in which such area is located certify in writing that such government and State, respectively, have repealed or otherwise will not enforce within the area, if such area is designated as a renewal community—

''(A) licensing requirements for occupations that do not ordinarily require a professional degree,

''(B) zoning restrictions on home-based businesses which do not create a public nuisance,

''(C) permit requirements for street vendors who do not create a public nuisance,

''(D) zoning or other restrictions that impede the formation of schools or child care centers, and

''(E) franchises or other restrictions on competition for businesses providing public services, including but not limited to taxicabs, jitneys, cable television, or trash hauling,

except to the extent that such regulation of businesses and occupations is necessary for and well-tailored to the protection of health and safety.

''(e) COORDINATION WITH TREATMENT OF EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES.—For purposes of this title, if there are in effect with respect to the same area both—

''(1) a designation as a renewal community, and

''(2) a designation as an empowerment zone or enterprise community,

both of such designations shall be given full effect with respect to such area.

''(f) DEFINITIONS AND SPECIAL RULES.—For purposes of this subchapter—

''(1) GOVERNMENTS.—If more than one government seeks to nominate an area as a renewal community, any reference to, or requirement of, this section shall apply to all such governments.

''(2) STATE.—The term 'State' includes Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Northern Mariana Islands, and any other possession of the United States.

''(3) LOCAL GOVERNMENT.—The term 'local government' means—

''(A) any county, city, town, township, parish, village, or other general purpose political subdivision of a State,

''(B) any combination of political subdivisions described in subparagraph (A) recognized by the Secretary of Housing and Urban Development, and

''(C) the District of Columbia.

''(4) APPLICATION OF RULES RELATING TO CENSUS TRACTS AND CENSUS DATA.—The rules of sections 1392(b)(4) and 1393(a)(9) shall apply.

"PART II—RENEWAL COMMUNITY CAPITAL GAIN; RENEWAL COMMUNITY BUSINESS

''Sec. 1400F. Renewal community capital gain.

''Sec. 1400G. Renewal community business defined.

"SEC. 1400F. RENEWAL COMMUNITY CAPITAL GAIN.

''(a) GENERAL RULE.—Gross income does not include any qualified capital gain recognized on the sale or exchange of a qualified community asset held for more than 5 years.

''(b) QUALIFIED COMMUNITY ASSET.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified community asset' means—

''(A) any qualified community stock,

''(B) any qualified community partnership interest, and

''(C) any qualified community business property.

''(2) QUALIFIED COMMUNITY STOCK.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'qualified community stock' means any stock in a domestic corporation if—

''(i) such stock is acquired by the taxpayer after December 31, 1999, and before January 1, 2007, at its original issue (directly or through an underwriter) from the corporation solely in exchange for cash,

''(ii) as of the time such stock was issued, such corporation was a renewal community business (or, in the case of a new corporation, such corporation was being organized for purposes of being a renewal community business), and

''(iii) during substantially all of the taxpayer's holding period for such stock, such corporation qualified as a renewal community business.

''(B) REDEMPTIONS.—A rule similar to the rule of section 1202(c)(3) shall apply for purposes of this paragraph.

''(3) QUALIFIED COMMUNITY PARTNERSHIP INTEREST.—The term 'qualified community partnership interest' means any interest in a partnership if—

''(A) such interest is acquired by the taxpayer after December 31, 1999, and before January 1, 2007,

''(B) as of the time such interest was acquired, such partnership was a renewal community business (or, in the case of a new partnership, such partnership was being organized for purposes of being a renewal community business), and

''(C) during substantially all of the taxpayer's holding period for such interest, such partnership qualified as a renewal community business. A rule similar to the rule of paragraph (2)(B) shall apply for purposes of this paragraph.

''(4) QUALIFIED COMMUNITY BUSINESS PROPERTY.—

''(A) IN GENERAL.—The term 'qualified community business property' means tangible property if—

''(i) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after December 31, 1999, and before January 1, 2007,

''(ii) the original use of such property in the renewal community commences with the taxpayer, and

''(iii) during substantially all of the taxpayer's holding period for such property, substantially all of the use of such property was in a renewal community business of the taxpayer.

''(B) SPECIAL RULE FOR SUBSTANTIAL IMPROVEMENTS.—The requirements of clauses (i) and (ii) of subparagraph (A) shall be treated as satisfied with respect to—

''(i) property which is substantially improved (within the meaning of section 1400B(b)(4)(B)(ii)) by the taxpayer before January 1, 2007, and

''(ii) any land on which such property is located.

''(c) CERTAIN RULES TO APPLY.—Rules similar to the rules of paragraphs (5), (6), and (7) of subsection (b), and subsections (e), (f), and (g), of section 1400B shall apply for purposes of this section.

"SEC. 1400G. RENEWAL COMMUNITY BUSINESS DEFINED.

''For purposes of this part, the term 'renewal community business' means any entity or proprietorship which would be a qualified business entity or qualified proprietorship under section 1397B if—

''(1) references to renewal communities were substituted for references to empowerment zones in such section; and

''(2) '80 percent' were substituted for '50 percent' in subsections (b)(2) and (c)(1) of such section.

"PART III—FAMILY DEVELOPMENT ACCOUNTS

''Sec. 1400H. Family development accounts for renewal community EITC recipients.

''Sec. 1400I. Demonstration program to provide matching contributions to family development accounts in certain renewal communities.

''Sec. 1400J. Designation of earned income tax credit payments for deposit to family development account.

"SEC. 1400H. FAMILY DEVELOPMENT ACCOUNTS FOR RENEWAL COMMUNITY EITC RECIPIENTS.

''(a) ALLOWANCE OF DEDUCTION.—

''(1) IN GENERAL.—There shall be allowed as a deduction—

''(A) in the case of a qualified individual, the amount paid in cash for the taxable year by such individual to any family development account for such individual's benefit, and

''(B) in the case of any person other than a qualified individual, the amount paid in cash for the taxable year by such person to any family development account for the benefit of a qualified individual but only if the amount so paid is designated for purposes of this section by such individual.

No deduction shall be allowed under this paragraph for any amount deposited in a family development account under section 1400I (relating to demonstration program to provide matching amounts in renewal communities).

''(2) LIMITATION.—

''(A) IN GENERAL.—The amount allowable as a deduction to any individual for any taxable year by reason of paragraph (1)(A) shall not exceed the lesser of—

''(i) $2,000, or

''(ii) an amount equal to the compensation includible in the individual's gross income for such taxable year.

''(B) PERSONS DONATING TO FAMILY DEVELOPMENT ACCOUNTS OF OTHERS.—The amount which may be designated under paragraph (1)(B) by any qualified individual for any taxable year of such individual shall not exceed $1,000.

''(3) SPECIAL RULES FOR CERTAIN MARRIED INDIVIDUALS.—Rules similar to rules of section 219(c) shall apply to the limitation in paragraph (2)(A).

''(4) COORDINATION WITH IRA'S.—No deduction shall be allowed under this section to any person by reason of a payment to an account for the benefit of a qualified individual if any amount is paid into an individual retirement account (including a Roth IRA) for the benefit of such individual.

''(5) ROLLOVERS.—No deduction shall be allowed under this section with respect to any rollover contribution.

''(b) TAX TREATMENT OF DISTRIBUTIONS.—

''(1) INCLUSION OF AMOUNTS IN GROSS INCOME.—Except as otherwise provided in this subsection, any amount paid or distributed out of a family development account shall be included in gross income by the payee or distributee, as the case may be.

''(2) EXCLUSION OF QUALIFIED FAMILY DEVELOPMENT DISTRIBUTIONS.—Paragraph (1) shall not apply to any qualified family development distribution.

''(c) QUALIFIED FAMILY DEVELOPMENT DISTRIBUTION.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified family development distribution' means any amount paid or distributed out of a family development account which would otherwise be includible in gross income, to the extent that such payment or distribution is used exclusively to pay qualified family development expenses for the holder of the account or the spouse or dependent (as defined in section 152) of such holder.

''(2) QUALIFIED FAMILY DEVELOPMENT EXPENSES.—The term 'qualified family development expenses' means any of the following:

''(A) Qualified higher education expenses.

''(B) Qualified first-time homebuyer costs.

''(C) Qualified business capitalization costs.

''(D) Qualified medical expenses.

''(E) Qualified rollovers.

''(3) QUALIFIED HIGHER EDUCATION EXPENSES.—

''(A) IN GENERAL.—The term 'qualified higher education expenses' has the meaning given such term by section 72(t)(7), determined by treating postsecondary vocational educational schools as eligible educational institutions.

''(B) POSTSECONDARY VOCATIONAL EDUCATION SCHOOL.—The term 'postsecondary vocational educational school' means an area vocational education school (as defined in subparagraph (C) or (D) of section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(4))) which is in any State (as defined in section 521(33) of such Act), as such sections are in effect on the date of the enactment of this section.

''(C) COORDINATION WITH OTHER BENEFITS.—The amount of qualified higher education expenses for any taxable year shall be reduced as provided in section 25A(g)(2).

''(4) QUALIFIED FIRST-TIME HOMEBUYER COSTS.—The term 'qualified first-time homebuyer costs' means qualified acquisition costs (as defined in section 72(t)(8) without regard to subparagraph (B) thereof) with respect to a principal residence (within the meaning of section 121) for a qualified first-time homebuyer (as defined in such section).

''(5) QUALIFIED BUSINESS CAPITALIZATION COSTS.—

''(A) IN GENERAL.—The term 'qualified business capitalization costs' means qualified expenditures for the capitalization of a qualified business pursuant to a qualified plan.

''(B) QUALIFIED EXPENDITURES.—The term 'qualified expenditures' means expenditures included in a qualified plan, including capital, plant, equipment, working capital, and inventory expenses.

''(C) QUALIFIED BUSINESS.—The term 'qualified business' means any business that does not contravene any law.

''(D) QUALIFIED PLAN.—The term 'qualified plan' means a business plan which meets such requirements as the Secretary may specify.

''(6) QUALIFIED MEDICAL EXPENSES.—The term 'qualified medical expenses' means any amount paid during the taxable year, not compensated for by insurance or otherwise, for medical care (as defined in section 213(d)) of the taxpayer, his spouse, or his dependent (as defined in section 152).

''(7) QUALIFIED ROLLOVERS.—The term 'qualified rollover' means any amount paid from a family development account of a taxpayer into another such account established for the benefit of—

''(A) such taxpayer, or

''(B) any qualified individual who is—

''(i) the spouse of such taxpayer, or

''(ii) any dependent (as defined in section 152) of the taxpayer.

Rules similar to the rules of section 408(d)(3) shall apply for purposes of this paragraph.

''(d) TAX TREATMENT OF ACCOUNTS.—

''(1) IN GENERAL.—Any family development account is exempt from taxation under this subtitle unless such account has ceased to be a family development account by reason of paragraph (2). Notwithstanding the preceding sentence, any such account is subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc., organizations). Notwithstanding any other provision of this title (including chapters 11 and 12), the basis of any person in such an account is zero.

''(2) LOSS OF EXEMPTION IN CASE OF PROHIBITED TRANSACTIONS.—For purposes of this section, rules similar to the rules of section 408(e) shall apply.

''(3) OTHER RULES TO APPLY.—Rules similar to the rules of paragraphs (4), (5), and (6) of section 408(d) shall apply for purposes of this section.

''(e) FAMILY DEVELOPMENT ACCOUNT.—For purposes of this title, the term 'family development account' means a trust created or organized in the United States for the exclusive benefit of a qualified individual or his beneficiaries, but only if the written governing instrument creating the trust meets the following requirements:

''(1) Except in the case of a qualified rollover (as defined in subsection (c)(7))—

''(A) no contribution will be accepted unless it is in cash, and

''(B) contributions will not be accepted for the taxable year in excess of $3,000 (determined without regard to any contribution made under section 1400I (relating to demonstration program to provide matching amounts in renewal communities)).

''(2) The requirements of paragraphs (2) through (6) of section 408(a) are met.

''(f) QUALIFIED INDIVIDUAL.—For purposes of this section, the term 'qualified individual' means, for any taxable year, an individual—

''(1) who is a bona fide resident of a renewal community throughout the taxable year, and

''(2) to whom a credit was allowed under section 32 for the preceding taxable year.

''(g) OTHER DEFINITIONS AND SPECIAL RULES.—

''(1) COMPENSATION.—The term 'compensation' has the meaning given such term by section 219(f)(1).

''(2) MARRIED INDIVIDUALS.—The maximum deduction under subsection (a) shall be computed separately for each individual, and this section shall be applied without regard to any community property laws.

''(3) TIME WHEN CONTRIBUTIONS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a contribution to a family development account on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).

''(4) EMPLOYER PAYMENTS; CUSTODIAL ACCOUNTS.—Rules similar to the rules of sections 219(f)(5) and 408(h) shall apply for purposes of this section.

''(5) REPORTS.—The trustee of a family development account shall make such reports regarding such account to the Secretary and to the individual for whom the account is maintained with respect to contributions (and the years to which they relate), distributions, and such other matters as the Secretary may require under regulations. The reports required by this paragraph—

''(A) shall be filed at such time and in such manner as the Secretary prescribes in such regulations, and

''(B) shall be furnished to individuals—

''(i) not later than January 31 of the calendar year following the calendar year to which such reports relate, and

''(ii) in such manner as the Secretary prescribes in such regulations.

''(6) INVESTMENT IN COLLECTIBLES TREATED AS DISTRIBUTIONS.—Rules similar to the rules of section 408(m) shall apply for purposes of this section.

''(h) PENALTY FOR DISTRIBUTIONS NOT USED FOR QUALIFIED FAMILY DEVELOPMENT EXPENSES.—

''(1) IN GENERAL.—If any amount is distributed from a family development account and is not used exclusively to pay qualified family development expenses for the holder of the account or the spouse or dependent (as defined in section 152) of such holder, the tax imposed by this chapter for the taxable year of such distribution shall be increased by the sum of—

''(A) 100 percent of the portion of such amount which is includible in gross income and is attributable to amounts contributed under section 1400I (relating to demonstration program to provide matching amounts in renewal communities), and

''(B) 10 percent of the portion of such amount which is includible in gross income and is not described in subparagraph (A).

For purposes of this subsection, distributions which are includable in gross income shall be treated as attributable to amounts contributed under section 1400I to the extent thereof. For purposes of the preceding sentence, all family development accounts of an individual shall be treated as one account.

''(2) EXCEPTION FOR CERTAIN DISTRIBUTIONS.—Paragraph (1) shall not apply to distributions which are—

''(A) made on or after the date on which the account holder attains age 59½,

''(B) made to a beneficiary (or the estate of the account holder) on or after the death of the account holder, or

''(C) attributable to the account holder's being disabled within the meaning of section 72(m)(7).

''(i) TERMINATION.—No deduction shall be allowed under this section for any amount paid to a family development account for any taxable year beginning after December 31, 2006.

''SEC. 1400I. DEMONSTRATION PROGRAM TO PROVIDE MATCHING CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS IN CERTAIN RENEWAL COMMUNITIES.

''(a) DESIGNATION.—

''(1) DEFINITIONS.—For purposes of this section, the term 'FDA matching demonstration area' means any renewal community—

''(A) which is nominated under this section by each of the local governments and States which nominated such community for designation as a renewal community under section 1400E(a)(1)(A), and

''(B) which the Secretary of Housing and Urban Development designates as an FDA matching demonstration area after consultation with—

''(i) the Secretaries of Agriculture, Commerce, Labor, and the Treasury, the Director of the Office of Management and Budget, and the Administrator of the Small Business Administration, and

''(ii) in the case of a community on an Indian reservation, the Secretary of the Interior.

''(2) NUMBER OF DESIGNATIONS.—

''(A) IN GENERAL.—The Secretary of Housing and Urban Development may designate not more than 5 communities as FDA matching demonstration areas.

''(B) MINIMUM DESIGNATION IN RURAL AREAS.—Of the areas designated under subparagraph (A), at least 2 must be areas described in section 1400E(a)(2)(B).

''(3) LIMITATIONS ON DESIGNATIONS.—

''(A) PUBLICATION OF REGULATIONS.—The Secretary of Housing and Urban Development shall prescribe by regulation no later than 4 months after the date of the enactment of this section, after consultation with the officials described in paragraph (1)(B)—

''(i) the procedures for nominating a renewal community under paragraph (1)(A) (including procedures for coordinating such nomination with the nomination of an area for designation as a renewal community under section 1400E), and

''(ii) the manner in which nominated renewal communities will be evaluated for purposes of this section.

''(B) TIME LIMITATIONS.—The Secretary of Housing and Urban Development may designate renewal communities as FDA matching demonstration areas only during the 24-month period beginning on the first day of the first month following the month in which the regulations described in subparagraph (A) are prescribed.

''(4) DESIGNATION BASED ON DEGREE OF POVERTY, ETC.—The rules of section 1400E(a)(3) shall apply for purposes of designations of FDA matching demonstration areas under this section.

''(b) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—Any designation of a renewal community as an FDA matching demonstration area shall remain in effect during the period beginning on the date of such designation and ending on the date on which such area ceases to be a renewal community.

''(c) MATCHING CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS.—

''(1) IN GENERAL.—Not less than once each taxable year, the Secretary shall deposit (to the extent provided in appropriation Acts) into a family development account of each qualified individual (as defined in section 1400H(f))—

''(A) who is a resident throughout the taxable year of an FDA matching demonstration area, and

''(B) who requests (in such form and manner as the Secretary prescribes) such deposit for the taxable year,

an amount equal to the sum of the amounts deposited into all of the family development accounts of such individual during such taxable year (determined without regard to any amount contributed under this section).

''(2) LIMITATIONS.—

''(A) ANNUAL LIMIT.—The Secretary shall not deposit more than $1000 under paragraph (1) with respect to any individual for any taxable year.

''(B) AGGREGATE LIMIT.—The Secretary shall not deposit more than $2000 under paragraph (1) with respect to any individual for all taxable years.

''(3) EXCLUSION FROM INCOME.—Except as provided in section 1400H, gross income shall not include any amount deposited into a family development account under paragraph (1).

''(d) NOTICE OF PROGRAM.—The Secretary shall provide appropriate notice to residents of FDA matching demonstration areas of the availability of the benefits under this section.

''(e) TERMINATION.—No amount may be deposited under this section for any taxable year beginning after December 31, 2006.

''SEC. 1400J. DESIGNATION OF EARNED INCOME TAX CREDIT PAYMENTS FOR DEPOSIT TO FAMILY DEVELOPMENT ACCOUNT.

''(a) IN GENERAL.—With respect to the return of any qualified individual (as defined in section 1400H(f)) for the taxable year of the tax imposed by this chapter, such individual may designate that a specified portion (not less than $1) of any overpayment of tax for such taxable year which is attributable to the earned income tax credit shall be deposited by the Secretary into a family development account of such individual. The Secretary shall so deposit such portion designated under this subsection.

''(b) MANNER AND TIME OF DESIGNATION.—A designation under subsection (a) may be made with respect to any taxable year—

''(1) at the time of filing the return of the tax imposed by this chapter for such taxable year, or

''(2) at any other time (after the time of filing the return of the tax imposed by this chapter for

such taxable year) specified in regulations prescribed by the Secretary.

Such designation shall be made in such manner as the Secretary prescribes by regulations.

''(c) PORTION ATTRIBUTABLE TO EARNED INCOME TAX CREDIT.—For purposes of subsection (a), an overpayment for any taxable year shall be treated as attributable to the earned income tax credit to the extent that such overpayment does not exceed the credit allowed to the taxpayer under section 32 for such taxable year.

''(d) OVERPAYMENTS TREATED AS REFUNDED.—For purposes of this title, any portion of an overpayment of tax designated under subsection (a) shall be treated as being refunded to the taxpayer as of the last date prescribed for filing the return of tax imposed by this chapter (determined without regard to extensions) or, if later, the date the return is filed.

''(e) TERMINATION.—This section shall not apply to any taxable year beginning after December 31, 2006.

''PART IV—ADDITIONAL INCENTIVES

''Sec. 1400K. Commercial revitalization credit.

''Sec. 1400L. Increase in expensing under section 179.

''SEC. 1400K. COMMERCIAL REVITALIZATION CREDIT.

''(a) GENERAL RULE.—For purposes of section 46, except as provided in subsection (e), the commercial revitalization credit for any taxable year is an amount equal to the applicable percentage of the qualified revitalization expenditures with respect to any qualified revitalization building.

''(b) APPLICABLE PERCENTAGE.—For purposes of this section—

''(1) IN GENERAL.—The term 'applicable percentage' means—

''(A) 20 percent for the taxable year in which a qualified revitalization building is placed in service, or

''(B) at the election of the taxpayer, 5 percent for each taxable year in the credit period.

The election under subparagraph (B), once made, shall be irrevocable.

''(2) CREDIT PERIOD.—

''(A) IN GENERAL.—The term 'credit period' means, with respect to any building, the period of 10 taxable years beginning with the taxable year in which the building is placed in service.

''(B) APPLICABLE RULES.—Rules similar to the rules under paragraphs (2) and (4) of section 42(f) shall apply.

''(c) QUALIFIED REVITALIZATION BUILDINGS AND EXPENDITURES.—For purposes of this section—

''(1) QUALIFIED REVITALIZATION BUILDING.—The term 'qualified revitalization building' means any building (and its structural components) if—

''(A) such building is located in a renewal community and is placed in service after December 31, 1999,

''(B) a commercial revitalization credit amount is allocated to the building under subsection (e), and

''(C) depreciation (or amortization in lieu of depreciation) is allowable with respect to the building.

''(2) QUALIFIED REVITALIZATION EXPENDITURE.—

''(A) IN GENERAL.—The term 'qualified revitalization expenditure' means any amount properly chargeable to capital account—

''(i) for property for which depreciation is allowable under section 168 and which is—

''(I) nonresidential real property, or

''(II) an addition or improvement to property described in subclause (I), and

''(ii) in connection with the construction of any qualified revitalization building which was not previously placed in service or in connection with the substantial rehabilitation (within the meaning of section 47(c)(1)(C)) of a building which was placed in service before the beginning of such rehabilitation.

''(B) DOLLAR LIMITATION.—The aggregate amount which may be treated as qualified revitalization expenditures with respect to any qualified revitalization building for any taxable year shall not exceed the excess of—

''(i) $10,000,000, reduced by

''(ii) any such expenditures with respect to the building taken into account by the taxpayer or any predecessor in determining the amount of the credit under this section for all preceding taxable years.

''(C) CERTAIN EXPENDITURES NOT INCLUDED.—The term 'qualified revitalization expenditure' does not include—

''(i) STRAIGHT LINE DEPRECIATION MUST BE USED.—Any expenditure (other than with respect to land acquisitions) with respect to which the taxpayer does not use the straight line method over a recovery period determined under subsection (c) or (g) of section 168. The preceding sentence shall not apply to any expenditure to the extent the alternative depreciation system of section 168(g) applies to such expenditure by reason of subparagraph (B) or (C) of section 168(g)(1).

''(ii) ACQUISITION COSTS.—The costs of acquiring any building or interest therein and any land in connection with such building to the extent that such costs exceed 30 percent of the qualified revitalization expenditures determined without regard to this clause.

''(iii) OTHER CREDITS.—Any expenditure which the taxpayer may take into account in computing any other credit allowable under this title unless the taxpayer elects to take the expenditure into account only for purposes of this section.

''(d) WHEN EXPENDITURES TAKEN INTO ACCOUNT.—

''(1) IN GENERAL.—Qualified revitalization expenditures with respect to any qualified revitalization building shall be taken into account for the taxable year in which the qualified revitalization building is placed in service. For purposes of the preceding sentence, a substantial rehabilitation of a building shall be treated as a separate building.

''(2) PROGRESS EXPENDITURE PAYMENTS.—Rules similar to the rules of subsections (b)(2) and (d) of section 47 shall apply for purposes of this section.

''(e) LIMITATION ON AGGREGATE CREDITS ALLOWABLE WITH RESPECT TO BUILDINGS LOCATED IN A STATE.—

''(1) IN GENERAL.—The amount of the credit determined under this section for any taxable year with respect to any building shall not exceed the commercial revitalization credit amount (in the case of an amount determined under subsection (b)(1)(B), the present value of such amount as determined under the rules of section 42(b)(2)(C)) allocated to such building under this subsection by the commercial revitalization credit agency. Such allocation shall be made at the same time and in the same manner as under paragraphs (1) and (7) of section 42(h).

''(2) COMMERCIAL REVITALIZATION CREDIT AMOUNT FOR AGENCIES.—

''(A) IN GENERAL.—The aggregate commercial revitalization credit amount which a commercial revitalization credit agency may allocate for any calendar year is the amount of the State commercial revitalization credit ceiling determined under this paragraph for such calendar year for such agency.

''(B) STATE COMMERCIAL REVITALIZATION CREDIT CEILING.—The State commercial revitalization credit ceiling applicable to any State—

''(i) for each calendar year after 1999 and before 2007 is $2,000,000 for each renewal community in the State, and

''(ii) zero for each calendar year thereafter.

''(C) COMMERCIAL REVITALIZATION CREDIT AGENCY.—For purposes of this section, the term 'commercial revitalization credit agency' means any agency authorized by a State to carry out this section.

''(f) RESPONSIBILITIES OF COMMERCIAL REVITALIZATION CREDIT AGENCIES.—

''(1) PLANS FOR ALLOCATION.—Notwithstanding any other provision of this section, the commercial revitalization credit amount with respect to any building shall be zero unless—

''(A) such amount was allocated pursuant to a qualified allocation plan of the commercial revitalization credit agency which is approved (in accordance with rules similar to the rules of section 147(f)(2) (other than subparagraph (B)(ii) thereof)) by the governmental unit of which such agency is a part, and

''(B) such agency notifies the chief executive officer (or its equivalent) of the local jurisdiction within which the building is located of such allocation and provides such individual a reasonable opportunity to comment on the allocation.

''(2) QUALIFIED ALLOCATION PLAN.—For purposes of this subsection, the term 'qualified allocation plan' means any plan—

''(A) which sets forth selection criteria to be used to determine priorities of the commercial revitalization credit agency which are appropriate to local conditions,

''(B) which considers—

''(i) the degree to which a project contributes to the implementation of a strategic plan that is devised for a renewal community through a citizen participation process,

''(ii) the amount of any increase in permanent, full-time employment by reason of any project, and

''(iii) the active involvement of residents and nonprofit groups within the renewal community, and

''(C) which provides a procedure that the agency (or its agent) will follow in monitoring compliance with this section.

''(g) TERMINATION.—This section shall not apply to any building placed in service after December 31, 2006.

''SEC. 1400L. INCREASE IN EXPENSING UNDER SECTION 179.

''(a) GENERAL RULE.—In the case of a renewal community business (as defined in section 1400G), for purposes of section 179—

''(1) the limitation under section 179(b)(1) shall be increased by the lesser of—

''(A) $35,000, or

''(B) the cost of section 179 property which is qualified renewal property placed in service during the taxable year, and

''(2) the amount taken into account under section 179(b)(2) with respect to any section 179 property which is qualified renewal property shall be 50 percent of the cost thereof.

''(b) RECAPTURE.—Rules similar to the rules under section 179(d)(10) shall apply with respect to any qualified renewal property which ceases to be used in a renewal community by a renewal community business.

''(c) QUALIFIED RENEWAL PROPERTY.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified renewal property' means any property to which section 168 applies (or would apply but for section 179) if—

''(A) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after December 31, 1999, and before January 1, 2007, and

''(B) such property would be qualified zone property (as defined in section 1397C) if references to renewal communities were substituted for references to empowerment zones in section 1397C.

''(2) CERTAIN RULES TO APPLY.—The rules of subsections (a)(2) and (b) of section 1397C shall apply for purposes of this section.''

SEC. 603. EXTENSION OF EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS TO RENEWAL COMMUNITIES.

(a) EXTENSION.—Paragraph (2) of section 198(c) (defining targeted area) is amended by redesignating subparagraph (C) as subparagraph (D) and by inserting after subparagraph (B) the following new subparagraph:

''(C) RENEWAL COMMUNITIES INCLUDED.—Except as provided in subparagraph (B), such term shall include a renewal community (as defined in section 1400E).''

(b) EXTENSION OF TERMINATION DATE FOR RENEWAL COMMUNITIES.—Subsection (h) of section 198 is amended by inserting before the period ''(December 31, 2006, in the case of a renewal community, as defined in section 1400E).''

SEC. 604. EXTENSION OF WORK OPPORTUNITY TAX CREDIT FOR RENEWAL COMMUNITIES

(a) EXTENSION.—Subsection (c) of section 51 (relating to termination) is amended by adding at the end the following new paragraph:

''(5) EXTENSION OF CREDIT FOR RENEWAL COMMUNITIES.—

''(A) IN GENERAL.—In the case of an individual who begins work for the employer after the date contained in paragraph (4)(B), for purposes of section 38—

''(i) in lieu of applying subsection (a), the amount of the work opportunity credit determined under this section for the taxable year shall be equal to—

''(I) 15 percent of the qualified first-year wages for such year, and

''(II) 30 percent of the qualified second-year wages for such year,

''(ii) subsection (b)(3) shall be applied by substituting '$10,000' for '$6,000',

''(iii) paragraph (4)(B) shall be applied by substituting for the date contained therein the last day for which the designation under section 1400E of the renewal community referred to in subparagraph (B)(i) is in effect, and

''(iv) rules similar to the rules of section 51A(b)(5)(C) shall apply.

''(B) QUALIFIED FIRST- AND SECOND-YEAR WAGES.—For purposes of subparagraph (A)—

''(i) IN GENERAL.—The term 'qualified wages' means, with respect to each 1-year period referred to in clause (ii) or (iii), as the case may be, the wages paid or incurred by the employer during the taxable year to any individual but only if—

''(I) the employer is engaged in a trade or business in a renewal community throughout such 1-year period,

''(II) the principal place of abode of such individual is in such renewal community throughout such 1-year period, and

''(III) substantially all of the services which such individual performs for the employer during such 1-year period are performed in such renewal community.

''(ii) QUALIFIED FIRST-YEAR WAGES.—The term 'qualified first-year wages' means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning with the day the individual begins work for the employer.

''(iii) QUALIFIED SECOND-YEAR WAGES.—The term 'qualified second-year wages' means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning on the day after the last day of the 1-year period with respect to such individual determined under clause (ii).''

(b) CONGRUENT TREATMENT OF RENEWAL COMMUNITIES AND ENTERPRISE ZONES FOR PURPOSES OF YOUTH RESIDENCE REQUIREMENTS.—

(1) HIGH-RISK YOUTH.—Subparagraphs (A)(ii) and (B) of section 51(d)(5) are each amended by striking ''empowerment zone or enterprise community'' and inserting ''empowerment zone, enterprise community, or renewal community''.

(2) QUALIFIED SUMMER YOUTH EMPLOYEE.—Clause (iv) of section 51(d)(7)(A) is amended by striking ''empowerment zone or enterprise community'' and inserting ''empowerment zone, enterprise community, or renewal community''.

(3) HEADINGS.—Paragraphs (5)(B) and (7)(C) of section 51(d) are each amended by inserting ''OR COMMUNITY'' in the heading after ''ZONE''.

SEC. 605. CONFORMING AND CLERICAL AMENDMENTS.

(a) DEDUCTION FOR CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS ALLOWABLE WHETHER OR NOT TAXPAYER ITEMIZES.—Subsection (a) of section 62 (relating to adjusted gross income defined) is amended by inserting after paragraph (17) the following new paragraph:

''(18) FAMILY DEVELOPMENT ACCOUNTS.—The deduction allowed by section 1400H(a)(1)(A).''

(b) TAX ON EXCESS CONTRIBUTIONS.—

(1) TAX IMPOSED.—Subsection (a) of section 4973 is amended by striking ''or'' at the end of paragraph (3), adding ''or'' at the end of paragraph (4), and inserting after paragraph (4) the following new paragraph:

''(5) a family development account (within the meaning of section 1400H(e)),''.

(2) EXCESS CONTRIBUTIONS.—Section 4973 is amended by adding at the end the following new subsection:

''(g) FAMILY DEVELOPMENT ACCOUNTS.—For purposes of this section, in the case of a family development account, the term 'excess contributions' means the sum of—

''(1) the excess (if any) of—

''(A) the amount contributed for the taxable year to the account (other than a qualified rollover, as defined in section 1400H(c)(7), or a contribution under section 1400I), over

''(B) the amount allowable as a deduction under section 1400H for such contributions, and

''(2) the amount determined under this subsection for the preceding taxable year reduced by the sum of—

''(A) the distributions out of the account for the taxable year which were included in the gross income of the payee under section 1400H(b)(1),

''(B) the distributions out of the account for the taxable year to which rules similar to the rules of section 408(d)(5) apply by reason of section 1400H(d)(3), and

''(C) the excess (if any) of the maximum amount allowable as a deduction under section 1400H for the taxable year over the amount contributed to the account for the taxable year (other than a contribution under section 1400I). For purposes of this subsection, any contribution which is distributed from the family development account in a distribution to which rules similar to the rules of section 408(d)(4) apply by reason of section 1400H(d)(3) shall be treated as an amount not contributed.''

(c) TAX ON PROHIBITED TRANSACTIONS.—Section 4975 is amended—

(1) by adding at the end of subsection (c) the following new paragraph:

''(6) SPECIAL RULE FOR FAMILY DEVELOPMENT ACCOUNTS.—An individual for whose benefit a family development account is established and any contributor to such account shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be a family development account by reason of the application of section 1400H(d)(2) to such account.'', and

(2) in subsection (e)(1), by striking ''or'' at the end of subparagraph (E), by redesignating subparagraph (F) as subparagraph (G), and by inserting after subparagraph (E) the following new subparagraph:

''(F) a family development account described in section 1400H(e), or''.

(d) INFORMATION RELATING TO CERTAIN TRUSTS AND ANNUITY PLANS.—Subsection (c) of section 6047 is amended—

(1) by inserting ''or section 1400H'' after ''section 219'', and

(2) by inserting '', of any family development account described in section 1400H(e),'', after ''section 408(a)''.

(e) INSPECTION OF APPLICATIONS FOR TAX EXEMPTION.—Clause (i) of section 6104(a)(1)(B) is amended by inserting ''a family development account described in section 1400H(e),'' after ''section 408(a),''.

(f) FAILURE TO PROVIDE REPORTS ON FAMILY DEVELOPMENT ACCOUNTS.—Paragraph (2) of section 6693(a) is amended by striking ''and'' at the end of subparagraph (C), by striking the period and inserting '', and'' at the end of subparagraph (D), and by adding at the end the following new subparagraph:

''(E) section 1400H(g)(6) (relating to family development accounts).''

(g) CONFORMING AMENDMENTS REGARDING COMMERCIAL REVITALIZATION CREDIT.—

(1) Section 46 (relating to investment credit) is amended by striking ''and'' at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting '', and'', and by adding at the end the following new paragraph:

''(4) the commercial revitalization credit provided under section 1400K.''

(2) Section 39(d) is amended by adding at the end the following new paragraph:

''(9) NO CARRYBACK OF SECTION 1400K CREDIT BEFORE DATE OF ENACTMENT.—No portion of the unused business credit for any taxable year which is attributable to any commercial revitalization credit determined under section 1400K may be carried back to a taxable year ending before the date of the enactment of section 1400K.''

(3) Subparagraph (B) of section 48(a)(2) is amended by inserting ''or commercial revitalization'' after ''rehabilitation'' each place it appears in the text and heading.

(4) Subparagraph (C) of section 49(a)(1) is amended by striking ''and'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting '', and'', and by adding at the end the following new clause:

''(iv) the portion of the basis of any qualified revitalization building attributable to qualified revitalization expenditures.''

(5) Paragraph (2) of section 50(a) is amended by inserting ''or 1400K(d)(2)'' after ''section 47(d)'' each place it appears.

(6) Subparagraph (A) of section 50(a)(2) is amended by inserting ''or qualified revitalization building (respectively)'' after ''qualified rehabilitated building''.

(7) Subparagraph (B) of section 50(a)(2) is amended by adding at the end the following new sentence: ''A similar rule shall apply for purposes of section 1400K.''

(8) Paragraph (2) of section 50(b) is amended by striking ''and'' at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting ''; and'', and by adding at the end the following new subparagraph:

''(E) a qualified revitalization building (as defined in section 1400K) to the extent of the portion of the basis which is attributable to qualified revitalization expenditures (as defined in section 1400K).''

(9) The last sentence of section 50(b)(3) is amended to read as follows: ''If any qualified rehabilitated building or qualified revitalization building is used by the tax-exempt organization pursuant to a lease, this paragraph shall not apply for purposes of determining the amount of the rehabilitation credit or the commercial revitalization credit.''

(10) Subparagraph (C) of section 50(b)(4) is amended—

(A) by inserting ''or commercial revitalization'' after ''rehabilitated'' in the text and heading, and

(B) by inserting ''or commercial revitalization'' after ''rehabilitation''.

(11) Subparagraph (C) of section 469(i)(3) is amended—

(A) by inserting ''or section 1400K'' after ''section 42''; and

(B) by striking ''CREDIT'' in the heading and inserting ''AND COMMERCIAL REVITALIZATION CREDITS''.

(h) CLERICAL AMENDMENTS.—The table of subchapters for chapter 1 is amended by adding at the end the following new item:

''Subchapter X. Renewal Communities.''

SEC. 606. EVALUATION AND REPORTING REQUIREMENTS.

Not later than the close of the fourth calendar year after the year in which the Secretary of

Housing and Urban Development first designates an area as a renewal community under section 1400E of the Internal Revenue Code of 1986, and at the close of each fourth calendar year thereafter, such Secretary shall prepare and submit to the Congress a report on the effects of such designations in stimulating the creation of new jobs, particularly for disadvantaged workers and long-term unemployed individuals, and promoting the revitalization of economically distressed areas.

SEC. . EXCLUSION OF EFFECTS OF THIS ACT FROM PAYGO SCORECARD.

Upon the enactment of this Act, the Director of the Office of Management and Budget shall not make any estimates of changes in receipts under section 252(d) of the Balanced Budget and Emergency Deficit Control Act of 1985 resulting from the enactment of this Act.

The SPEAKER pro tempore. After 1 hour of debate on the bill, as amended, it shall be in order to consider the further amendment printed in the CONGRESSIONAL RECORD numbered 1, which shall be considered as read and debatable for 1 hour, equally divided and controlled by the proponent and an opponent.

Pursuant to the order of the House today, the gentleman from Texas (Mr. ARCHER) and the gentleman from New York (Mr. RANGEL) each will control 15 minutes of debate on the bill.

The Chair recognizes the gentleman from Texas (Mr. ARCHER).

GENERAL LEAVE

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 4579 and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Federal Government is clearly too big, it spends too much, and taxes are too high; in fact, the highest in peacetime history.

Today we can do something about it. With this bill, we let the American people keep more of their hard-earned money, and when they do, there will be less money in Washington for the politicians to spend, downsizing Washington in power and upsiding the power of people.

Earlier today we set aside 90 percent of the surplus until social security can be saved. Today we can help overtaxed husbands and wives, farmers and ranchers, small businesses, and senior citizens. Our tax plan reduces the marriage penalty, makes health care more affordable for small business owners, reduces death taxes, and it fixes an unfair work penalty for senior citizens who decide that they would like to continue to work. Five hundred thousand senior citizens will be benefited by this provision.

It also eliminates all taxation on interest and dividends for 32 million people. Importantly, it provides badly needed help for farmers and ranchers, who have been hit particularly hard this year.

Finally, the plan simplifies the tax code for millions of Americans. Fewer forms will need to be filled out, making April 15 less of a burden on millions of taxpayers.

This plan protects social security and it cuts taxes, but Mr. Speaker, it also stops the politicians in Washington from wasting taxpayer money by taking it away from them before they have a chance to create new spending ideas.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am not prepared to debate the distinguished chairman of the Committee on Ways and Means. I have been hearing for the last 3½ years that the Republicans had a tax plan that was going to pull up the IRS by the roots, so I have been studying that. I have been studying the value-added tax, the VAT. I have been studying the sales tax. Now they come up with a Democratic bill. It is really unfair to do this at election time. It catches us at a complete disadvantage.

The only problem we have, of course, is that we had thought that we had adopted rules in the budget which says that we do not spend what we have not got. Now they are changing the rules on that and they are saying, that is different if it is a tax cut, and it is especially different if it is just before the election.

What are we going to believe? Are we going to pull up the tax code by the roots and get rid of it with a simplified code that we can put on a postal card, or are we going to single out special people and give them tax cuts that we would want to give to them after we fix social security first?

I suspect that we will do all of these things maybe next year with a different Congress, but it surprises me how fluid we can be in terms of tax policy. So much for deep-sixing the tax code. So much for another attempt to raid the social security trust fund.

Mr. Speaker, I yield 2 minutes to my friend, the gentleman from Tennessee (Mr. CLEMENT).

Mr. CLEMENT. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I have serious reservations, just like the gentleman from New York (Mr. RANGEL) and many others concerning the timing of this particular bill, as well as the justification for it, because the fact is, we had a significant tax cut last year in 1997.

□ 1915

And it was so significant, it was very, very helpful to our society and we needed it. But why do we want to come back at this particular time? And the fact is, we are raiding the Social Security system. We are raiding it because that is a contract between the government and the people.

Like most Members, I support tax cuts. But the timing of this, even though the provisions are good, and how could we be against it? And I like what has been proposed, but there is no surplus unless we count the Social Security surplus. The projected surplus may never materialize. We need to reserve all the budget surplus for Social Security reform and abandoning fiscal discipline is the wrong message to send to financial markets.

Over the next 5 years, the total budget surplus is $520 billion, but if one excludes the part of the surplus that belongs to Social Security, there is, in fact, a deficit in the budget of $137 billion. There is no significant budget surplus until 2006, 8 years from now.

Mr. Speaker, we did go through the numbers, and we know that this tax plan sounds good, but it also is not going to solve our problems when it comes to a solvent Social Security system.

We need the President working in concert with the U.S. House of Representatives and the United States Senate to come up with something that is workable and fair and to keep our contract with our senior citizens.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is like a broken record on the other side. Perhaps the same speech writer writes the same speeches for every one of them, and if they say ''raiding the Social Security trust fund'' over and over again, perhaps people who do not know differently will believe it. But it is unsupportable. It is false. And they know it is false.

So, every time that that phrase is used, it has been preprogrammed to create an impression that is false. The administration representative from Social Security, appointed by President Clinton, testified in our committee that it was false.

I expect they will keep using it because they think they can convince people as to something that is insupportable. I expect it will not be last time, but hopefully this will be the last time that I have to speak to this, and that those who listen to these speeches will understand when the term ''raiding the Social Security trust fund'' is used that it is insupportable, it cannot be documented, and they know it.

Mr. Speaker, I yield 2½ minutes to the respected gentleman from Louisiana (Mr. MCCRERY) a member of the Committee on Ways and Means.

(Mr. MCCRERY asked and was given permission to revise and extend his remarks.)

Mr. MCCRERY. Mr. Speaker, I commend the gentleman from Texas (Chairman ARCHER) for the inclusion in this bill of the provision to modify and extend the present law treatment of active financial services income under subpart F of the Internal Revenue Code.

The provision permits United States-based insurance companies, banks, financial institutions, and securities dealers to be treated like other United States companies doing business abroad. It is critical to the global competitiveness of the United States financial services industry. And I might say,

in light of the just completed vote on fast track, perhaps a vital necessity.

In particular, I commend Chairman ARCHER and the staff for the resolution of the question relating to the interaction of this provision with the use of so-called hybrid arrangements. In January of this year, the Treasury Department issued Notice 98–11 attacking the use of hybrid arrangements by United States-owned foreign companies. Chairman ARCHER, along with a bipartisan majority of the Committee on Ways and Means, strongly and rightly opposed Treasury's actions.

In response to the overwhelming concern expressed by the committee, the Treasury Department issued Notice 98–35, which provided specific rules with respect to the use of hybrid arrangements and allowed Congress time to review the important policy issues involved.

Mr. Speaker, the United States financial services industry is a critical component to United States productiveness both here and abroad. We should not create or endorse policies that hamstring their ability to compete in the global marketplace. This provision is intended to improve the capability of the United States financial services industry to compete with their foreign counterparts, and because of the importance of this issue, I am very pleased that it was included in this legislation.

At this time I would like to enter into a colloquy with the gentleman from Texas (Mr. ARCHER), chairman of the Committee on Ways and Means.

Mr. Speaker, earlier this year, in response to concerns raised by the gentleman from Texas and a bipartisan majority of our committee, the Treasury Department announced its intentions to withdraw Notice 98–11 and the related temporary regulations on so-called hybrid entities. Treasury agreed not to finalize future regulations in this area any earlier than January 1, 2000, in order to allow Congress the opportunity to fully consider the tax policy issues involved.

Mr. Speaker, I would ask the gentleman, am I correct that nothing in the proposal before us would alter the Treasury Department's agreement to allow Congress the opportunity to fully consider the tax policy issues involved before finalizing any regulations in this area?

Mr. ARCHER. Mr. Speaker, will the gentleman yield?

Mr. MCCRERY. I yield to the gentleman from Texas.

Mr. ARCHER. Mr. Speaker, the gentleman is correct. There is nothing in the proposal that would alter the agreement with the Treasury Department.

Mr. MCCRERY. Mr. Speaker, reclaiming my time, I thank the gentleman for that, and I would like to add that contrary to what we will probably hear over and over here, not one penny of the money for this tax cut will be taken from the Social Security trust fund. Please, let us get off that and talk about the merits of this tax bill.

Mr. RANGEL. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, we were able to go to C-SPAN and pick up the rest of Ms. Chesser's remarks where she indicated that this tax cut would have a negative impact in the future in bringing about the solvency of the Social Security system.

Since there is such a widespread belief that our senior citizens have no idea what we are doing, perhaps we can print up some educational material for the Members tomorrow so that they would know that we only are saying it over and over so that they will see that it is true.

Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. KLINK).

Mr. KLINK. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL), our ranking member, for yielding me this time.

Mr. Speaker, I think that we all know, or should all know, that if it was not for excess Social Security taxes from the hard-earned paychecks of Americans, there would be no surplus. We can play semantical games with the term ''trust fund,'' but if it was not for those Social Security taxes that are coming into the Federal Government, there would be no surplus.

Let us not talk about the speeches that are emanating from this side of the aisle. Let us talk about some other speeches, like that from William Niskanen, the Chairman of the Cato Institute, who said though House Republicans portray the tax cuts as an economic booster, economists seem unimpressed with the package and not persuaded that it was needed. ''It's entirely political. It's responsive to the narrow constituencies of the Republican party. It makes no sense either on a tax basis or a macro[economic] basis.''

Let us talk about Allen Sinai, the chief global economist for Primark Decision Economics, who said that whatever small economic stimulus this tax cut might provide, it could be costly in other ways. ''The economy does not need domestic macroeconomic stimulus at this time. The economy needs interest rate cuts that will help stabilize the world economy and world markets [which are] the biggest threat to this economy.''

This is Republican hocus-pocus: We will give an election year tax cut with one hand, but hand voters higher interest rates, so all their payments, their house payments, their car payments, their credit card payments are all a lot higher.

Let us talk about what the Concord Coalition said. ''Without dipping into funds earmarked for Social Security, there is no budget surplus to spend.''

Let us talk about Ohio Republican Governor George Voinovich who called for segregating Social Security money from the rest of the budget and said he agreed with President Clinton, and his Democrat opponent, Mary Boyle, that any tax cuts must wait until the retirement needs of baby boomers are guaranteed.

Let us talk about PETE DOMENICI, a Republican Senator in the other body, and PHIL GRAMM, who agree with us. Social Security must be saved first.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut (Mrs. JOHNSON), the chairman of the Subcommittee on Oversight of the Committee on Ways and Means.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I say to the gentleman from Pennsylvania (Mr. KLINK) I will take it. If this bill directs benefits to the ''narrow base of the Republican party,'' absolutely. You bet it does, because it directs itself to the interests of all the working people of America. The great middle-class that has made this economic boom possible.

Mr. Speaker, I rise in strong support of this important tax cut. I thank the gentleman from Texas (Mr. ARCHER) for his determined leadership to bring this bill to the floor that does provide middle-class tax relief and strengthens our economy.

Last year, remember, we balanced the budget, cut taxes, invested money in important programs such as children's health and health research. With the surplus predicted to be over $1.6 trillion over the next 10 years, we can both protect Social Security and cut taxes for working class Americans.

Simplistic slogans like ''every dollar of the surplus should go to Social Security'' sound politically correct, but ring hollow in the face of facts. The President himself has supported spending billions of surplus dollars on other items, including maintaining a military presence to help the people of Bosnia. If we can use the surplus to help the people of Bosnia, then we can certainly help the American people by returning a small portion of the surplus to their pocketbooks.

This legislation is about fairness for hard-working middle-class families and protecting their economic future. It is sound, balanced and needed tax policy which will have a sweeping impact on taxpayers across the country.

It helps families by beginning the process of eliminating the marriage penalty. Small businesses will get help to buy equipment and create jobs. Communities that need to build new schools or repair existing ones will receive a boost. And people needing affordable housing will get help. Seniors too will be benefited by this strong bill. Members' support is recommended.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding me some time today.

Mr. Speaker, I rise in strong opposition to the Republican tax cut bill. Taxes really are like powerful medicine, and yet we take our medicine as

we pay our taxes because we know it is key to survival.

I want tax cuts like everyone else. But when it comes to taxes, we are the doctors. The patient is a vital and viable Social Security system. And like any institution with longevity, the Social Security system needs constant checkups and tuning. We are in the process of tuning, of making adjustments so that Social Security can remain the rock that this Nation created.

The Republican tax bill threatens the health and the life of Social Security. The Republican tax cut is not only irresponsible, but the cut really is a killer. The Republicans plan to pay for these cuts with a budget surplus that really does not exist. The Congressional Budget Office says 98 percent of this surplus is from the Social Security trust fund. The tax cuts come from robbing Social Security.

Our social and physical health is really fundamental in this country and our parents and our grandparents work, our children and our grandchildren will work, and for those who have not had the opportunity to work we must support job training and job creation as a national commitment.

Most Americans believe in the work ethic, but 64 percent of Americans also believe in avoiding cuts in Medicare and education, and they believe that that is more important than cutting taxes.

Only 12 percent of Americans choose a tax cut before reforming the Social Security and Medicare systems and reducing the national debt. Americans care deeply about being leaders in inventiveness, in creativity, in commercial acumen, in productivity. We must also become leaders in caring for our seniors, our children, our families, and being responsible.

We must stabilize Social Security before we start spending money we do not have. Vote ''no'' on the Republican tax bill.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. WELLER) a respected member of the Committee on Ways and Means.

Mr. WELLER. Mr. Speaker, this is an exciting week, because this week we are actually doing the people's business, something the folks back home have asked us to do for a long time.

Today we have a great opportunity because not only have we passed legislation which sets aside $1.4 trillion for the effort to save Social Security, twice what the President originally asked for, but we also address an issue which I have often raised. That is the issue of answering the question: Is it right, is it fair that millions of married working couples pay higher taxes just because they are married? That married working couples with two incomes are forced under our Tax Code to pay more just because they are married?

We have answered that issue by making an extra piece of the tax cut included in this package the elimination of the marriage penalty for a majority of those who suffer it. In fact, by doubling the standard deduction, 28 million married working couples will see an extra $243 during a year because we eliminate the marriage penalty for majority of those who suffer from it. Mr. Speaker, that is a car payment.

□ 1930

Our opponents on the other side of the aisle keep raising a funny statement. They keep saying somehow that we are eliminating the marriage tax penalty for a majority of those who have suffered somehow by taking money out of the Social Security trust fund. As Judith Chesser, deputy commissioner of the Social Security Administration said a week ago, this tax legislation has no impact on the Social Security trust fund at all. She gave a definitive simple answer, no, when asked that question.

The people of Illinois are big winners today because not only do we set aside $1.4 trillion to save Social Security but we help married working couples in Illinois. We help family farmers in Illinois. We help small business in Illinois. We help schools in Illinois. We also help parents who want to send their kids to college in Illinois.

This is a big winner for the taxpayer. Let us do the right thing. Let us give bipartisan support to this effort to save Social Security, to eliminate the marriage tax penalty, to help families, to help small business, to help agriculture.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, I rise in opposition to the Social Security raid. I believe in tax cuts but not at the expense of Social Security.

The tax bill before us would drain $80 billion from the Social Security trust fund. This is money which Americans have invested for their retirement. It is money which Social Security needs for its long-term solvency when the baby boomers retire. But do not take my word for it. Take the word of economists and experts.

Henry Aaron, senior fellow at the Brookings Institution, believes that it would be imprudent to use the surplus for tax cuts. Chairman Alan Greenspan, when asked if he supports spending the Social Security surplus tax for cuts replied, I have always emphasized that we should be aiming for budgetary surpluses and using the proceeds to retire outstanding Federal debt.

Listen to our Republican colleagues, the gentleman from Wisconsin (Mr. NEUMANN) said it well when he stated on the floor of the House, there is no business in America that would go to their pension fund, take money out of the pension fund, and use it for pay raises. So why does Congress think it can use Social Security surpluses for tax cuts? This is a totally unreasonable proposal.

Unless, however, the Republican leadership does not truly believe in Social Security.

I believe that they do not. Listen to their words. In 1984, Majority Leader ARMEY said that Social Security was a bad retirement, a rotten trick on the American people. I think we are going to have to bite the bullet on Social Security and phase it out over a period of time.

Speaker of the House NEWT GINGRICH, on November 10, called for the program to be replaced over time by mandatory individual retirement accounts. This is in 1986.

Under his proposal the program's payroll tax, which he calls anti-savings and anti-jobs, would be abolished and replaced with a value-added tax. They do not believe in it.

However, the American public believes in it. And when questioned, 90 percent said that they did not want to spend Social Security surpluses for tax cuts. Social Security is too important, too important a part of our lives to be jeopardized for a short-term gain.

I urge my colleagues, oppose this tax bill which raids the Social Security trust fund.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. ENGLISH), who does great work on the Committee on Ways and Means.

Mr. ENGLISH. Mr. Speaker, I rise in strong support of the Taxpayer Protection Act, which provides needed tax relief for working families and middle class taxpayers or, as my fellow member from Pennsylvania described it, the narrow base of the Republican Party.

H.R. 4579 contains a key provision that will enable students and their parents to save for college in tax exempt accounts. Recently a Republican Congress provided tax exempt status to state prepaid tuition programs. This legislation awards the same preferential tax treatment to private prepaid programs as well. These programs will allow families to buy college credits at today's prices and bank them for the future, avoiding tuition inflation and making a college education affordable for many students.

Both the contributions and earnings on distributions from qualified State and private tuition programs will now be tax free. By extending the same tax exempt status to private colleges and universities, we level the playing field and provide students additional choices and opportunities to save for a college education without harming the Social Security trust fund.

Mr. Speaker, I urge bipartisan support for this tax relief package to help more Americans achieve the American dream.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentlewoman from Florida (Mrs. MEEK).

Mrs. MEEK of Florida. Mr. Speaker, this tax cut sounds so very attractive, but it is really not as attractive as it seems in that what it is doing is taking

from Peter to pay Paul. And what I am concerned about, Paul is made up of seniors and people who will be seniors, those people who are young now will soon be old. They have been paying into this system. It is unfair to take some of their money and leave the rest of it for a tax break.

Despite the fact that what you want to do is good, but you just do not have the way to do it, so you are taking it out of Social Security trust fund.

Now, this bill sets aside 90 percent of the total Federal budget surplus for Social Security and permits the remaining 10 percent to be used for a tax cut. But I want to look at how this formula would work if it were the law today.

In the first 10 months of the current fiscal year, the total Federal budget surplus is $43 billion. Under the Republican formula, only 90 percent or 39 billion would be saved for Social Security and the remaining 4 billion would pay for a tax cut. But this year Social Security is running a surplus of 167 billion. And the rest of the Federal Government is running on a deficit of 124 billion. So under this bill, I want Members to listen to me, we would be taking 4 billion of this year's Social Security surplus and using it for a tax cut. Just take that as an example to show my colleagues that we are using the wrong pot of money. We are using money that is going to undermine the Social Security surplus.

I want Members who think the people in this country are blind, they are not here, but they are not blind. They hear this. They know what you are doing, and they know who you are.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from South Dakota (Mr. THUNE).

Mr. THUNE. Mr. Speaker, let me just repeat one thing that I think the American people need to hear over and over and over again. The other side is going to continue to try and perpetuate this fraud that somehow we are raiding Social Security for this tax relief plan. The fact of the matter is that not one penny of this tax relief plan comes out of the Social Security taxes. It is coming from people, income taxes that people in this country, hard-working Americans have overpaid.

It is coming out of the income tax surplus that we have generated from the hard work of the American people, not from Social Security. The American people need to hear it over and over again because the other side continues to perpetuate this fraud.

I just wanted to thank the chairman, distinguished chairman of the House Committee on Ways and Means, the gentleman from Texas (Mr. ARCHER), for structuring a tax package that is so beneficial to the farmers and ranchers of South Dakota and across this country. There are so many good things in this tax bill that are going to help the economic crisis that we are facing in rural America, from death tax relief to deductibility for self-employed people of health insurance premiums to a loss carry-back provision that allows you to offset this year's losses against profits in past years and gets tax money back from the IRS, to the income averaging provisions that are made permanent under this bill. This is a very positive tax relief package for agriculture. It will do a great deal to assist our farmers and ranchers who are trying to make a living out there right now.

I want to reiterate one point, because you are going to hear it over and over again, that they are raiding Social Security. I just want to ask the American people to think about who do you believe is going to save Social Security. The people who are committing 90 percent of this surplus or $1.4 trillion, or those who for years have not put a dime into the Social Security trust fund?

We have a commitment to save Social Security. We have a commitment to bring tax relief to the hard-working people, the families of this country and to the farmers and ranchers in South Dakota and across America. I want to ask that Members on both sides of the aisle support this important tax relief bill.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, it would certainly give me a greater sense of collaboration if I could come to the floor of the House and find some opportunity to support legislation that deals with the question of taxes.

I have supported tax cuts in the past. I do believe there is merit to providing relief in certain areas, particularly the marriage penalty. But I do think that although there are some who will refute our arguments, that you cannot get away from the truth. Social Security claims the hearts and minds of many Americans. In fact, Social Security is one that most Americans understand as a trust between them and this government.

In fact, let me share with the Speaker an excerpt from a letter sent out in 1936 as a mass mailing to people throughout the country. They were referring to the Social Security law.

Under this law the United States Government will send checks every month to retired workers, both men and women, after they have passed their 65th birthday. This means that if you work in some factory, shop, mine, mill, store, office or almost any other kind of business or factory, notice we are talking about working men and women, you will be earning benefits that will come to you later on. From the time you are 65 years old or more and stop working, you will get a government check every month of the year.

I would just simply say that the tax bill does not answer the question of the trust the American people have put in us. We need to vote against this tax bill because we must save Social Security.

Mr. ARCHER. Mr. Speaker, I yield the balance of my time for this evening to the gentleman from Michigan (Mr. SMITH).

The SPEAKER pro tempore (Mr. SNOWBARGER). The gentleman from Michigan (Mr. SMITH) is recognized for 2 minutes.

Mr. SMITH of Michigan. Mr. Speaker, I just want to express my emotions that it is so disconcerting to have Members stand up and say, gosh, let us save Social Security. Why do they not do something to save Social Security instead of just talking about it?

We have several bills introduced. The only Member on that side of the aisle, the only Democrat that has come up with a plan to save Social Security is the gentleman from Texas (Mr. STENHOLM). On this side of the aisle we have got several others. We have got the gentleman from Arizona (Mr. KOLBE), the gentleman from South Carolina (Mr. SANFORD), the gentleman from Illinois (Mr. PORTER).

If you do not like any of those bills, why in the world do you not bring over a bill from the Senate? Over in the Senate we have Senator MOYNIHAN, Senator KERREY, Senator GREGG, Senator BREAUX, Senator GRAMM, Senator DOMENICI. Have you looked at any of those bills that would save Social Security? Or do you just want to talk about it? Do you just want to say, hey, let us not have any tax cuts, let us save Social Security.

I just urge my colleagues in this House to look at some of this legislation. I introduced my first Social Security bill when I came here in 1993. Then I introduced another bill last session, and H.R. 3082, the last year of this session.

□ 1945

Social Security is a huge problem. It is an important program. And you say this, I hear everybody say it, but I see so few do anything about it.

If I would have one suggestion, it would be that everybody take this very seriously, that you start looking at the bills that are now proposed and you come up with improvements to that legislation so we can really do it and quit talking about it, because it is an important program that so many people depend on.

We developed a program in 1934 that was a pay-as-you-go program, that as you run out of people working, paying their taxes in to provide the benefits for existing retirees, it has developed a huge demographic problem, it needs to be dealt with. The longer we put off the solution, the more drastic that solution is going to have to be.

Mr. RANGEL. Mr. Speaker, I yield the balance of my time to the gentleman from Mississippi (Mr. TAYLOR).

The SPEAKER pro tempore (Mr. SNOWBARGER). The gentleman from Mississippi is recognized for 1½ minutes.

Mr. TAYLOR of Mississippi. Mr. Speaker, I want to thank the gentleman for yielding time. I also want to

thank the gentleman from Mobile, AL (Mr. Callahan). We have agreed to pair on this. Hurricane Georges will undoubtedly hit either his congressional district or mine. We have reached the decision that the best place for us to be tomorrow with is with our families and with our constituents. The gentleman from Alabama is going to vote for it. I am going to vote against it.

Our Nation is $5.5 trillion in debt. We owe the Social Security trust fund $800 million. As a Nation we squander $365 billion a year, that is $1 billion a day, on interest on the national debt. Yet because for the first time in 30 years we are not borrowing money to make ends meet, we are deciding to find all sorts of new ways to give it away. That is wrong. It totally ignores national defense.

This year's Republican Congress will spend $30 billion less in real dollars, in 1998 dollars, than they did in 1995 on defense. We are sending kids out in 30-year-old warships, 30-year-old helicopters, 30-year-old warplanes. The consequences of that can be dead young Americans in some future war. If we have any money left over, we need to take care of that.

We owe the Social Security trust fund $800 million. That is a pledge that has to be fulfilled. Above all, if you have seen Private Ryan, there is an entire generation of Americans who served this country in the military who were promised free health care for life if they fulfilled their end of the obligation and now when they are too old to do anything about it, we are not fulfilling it. The defense health care is underfunded by $600 million next year. Yet we can find time to give big contributors a tax break but not keep the promises we have already made.

For those reasons, I want to be recorded as voting ''no.''

PARLIAMENTARY INQUIRY

Mr. TAYLOR of Mississippi. Parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. TAYLOR of Mississippi. Mr. Speaker, the gentleman from Alabama (Mr. CALLAHAN) and myself have agreed to pair tomorrow on the vote on the tax package. I would like for my statement to be included in the RECORD at that time, but I will not be here tomorrow to do so. Therefore, I am asking if it would be in order to ask at this time that that statement be included in the RECORD.

The SPEAKER pro tempore. The gentleman may ask unanimous consent to do so.

Mr. TAYLOR of Mississippi. Mr. Speaker, I ask unanimous consent that my statement be included in the RECORD at the appropriate place tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER pro tempore. Pursuant to the order of the House, the Chair postpones further consideration of H.R. 4579 until tomorrow.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

(Mr. CONYERS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PAPPAS) is recognized for 5 minutes.

(Mr. PAPPAS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

SAVE SOCIAL SECURITY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida (Ms. BROWN) is recognized for 5 minutes.

Ms. BROWN of Florida. Mr. Speaker, I rise today to speak out against another case of reverse Robin Hood. But this time it is stealing from our seniors to give out tax breaks in an election year. When we talk about Social Security, we are talking about one of the most important programs in the history of the United States. This program ensures that our seniors and our disabled will be taken care of. The Social Security program is the result of hard work by working families across this Nation. By dipping into the Social Security cookie jar, we jeopardize the security of seniors who count on these monthly checks during their retirement.

Let me close with a tribute today to the late Claude Pepper, one of the most important advocates for the elderly and for Social Security expansion in the United States Congress. Claude Pepper cared about seniors across this Nation and he fought to protect them so that they could enjoy their elderly years in life without being afraid of where their next check was coming from. As a Member of Congress from the State of Florida, Claude Pepper's legacy for fighting for the rights of seniors and the poor speaks for itself. He would not stand for election-year gimmicks that punished the working families who have contributed to the Social Security trust fund. In the name of decency and in the name of Claude Pepper, the leadership of this House should vote to save Social Security first. This is a mean-spirited attack on the needy. We have a responsibility to today's seniors and to tomorrow's seniors to protect this valuable program.

ENDING MARRIAGE TAX PENALTY

The SPEAKER pro tempore (Mr. BOEHLERT). Under a previous order of the House, the gentleman from Illinois (Mr. WELLER) is recognized for 5 minutes.

Mr. WELLER. Mr. Speaker, I appreciate the opportunity to air a few moments of thoughts regarding some issues important to this Congress and not just to the politicians that were elected to this House but to the folks back home in Illinois. I represent a very diverse district. I represent the south suburbs of Chicago and the south side of the city of Chicago, a lot of rural and bedroom communities. They often ask important questions. One of the most important questions we have this year is they know that Social Security long-term has financial problems and they know there is unfairness in the tax code. They say there is a question out there, can we save Social Security and can we eliminate the marriage tax penalty, for example, in the same effort?

We Republicans believe that you can, that you can save Social Security and you can bring greater fairness to our tax code by working to eliminate the marriage tax penalty, and we have a plan. When I think of Social Security, just like everyone, you always think of your own family and how issues affect your family. When I think of Social Security, I think of my mom and dad, Marilyn and LaVern Weller, a couple of farmers back home in Illinois who are retired and on Social Security. I also think of my Aunt Mary and my Aunt Eileen, my Uncle Jack and Uncle Bob who are also on Social Security. When I think of the marriage tax penalty, I think of my sister Pat and her husband Rich, a teacher and a farmer back in rural Sheldon, Illinois, and they like 28 million other married working couples with two incomes suffer the marriage tax penalty.

We have had a big victory today in the passage of legislation which will help save Social Security by setting aside $1.4 trillion, twice what President Clinton suggested back in January we set aside, more than two times the $600 billion, in fact $1.4 trillion we are setting aside for the future efforts over the next couple of years to save Social Security. This is a big victory for people like my mom and dad and the senior citizens in Illinois.

I am often asked as well as we work to bring fairness to the tax code a pretty simple question, and, that is, is it fair, is it right that under our current tax code that almost 28 million married working couples, people like my sister Pat and her husband Rich who because they have two incomes under our tax code pay more in taxes just because they are married under our tax code? A lot of us think that is wrong. That is why addressing the marriage

tax penalty is such a priority. We have answered the call for bringing fairness to the tax code by making the centerpiece of the legislation this House is going to vote on tomorrow legislation which will eliminate for a majority of those 28 million married working couples paying the marriage tax penalty, will eliminate the marriage tax penalty.

In fact, I have an example here of a machinist and a school teacher in Joliet, Illinois. They live in the south suburbs. They have a combined income of $50,000. Currently under our tax code, because the standard deduction for joint filers, for married couples, is now twice what it is for a single, if you figure in their personal exemptions and then give them the standard deduction when they file jointly, that standard deduction currently is only $6,900. If we want to be fair about it, the standard deduction for a joint filer should always be twice what it is for single filers. We do that in the tax package we are going to vote on tomorrow. The result is for this machinist and this school teacher in Joliet, Illinois, with a standard deduction now of $8,500, twice what it is for a single person, they will see a net benefit of $240 in higher take-home pay as a result of our efforts to eliminate the marriage tax penalty.

Now, we eliminate the marriage tax penalty for a majority of those married couples who suffer it by doubling the standard deduction. Not only is that an issue of bringing fairness to the tax code but because we double the standard deduction for married working couples, we also simplify the tax code. The reason we simplify the tax code, now as a result of doubling the standard deduction which 28 million married working couples will enjoy and benefit from, seeing an extra $240 in higher take-home pay, that is an extra car payment, 6 million of those couples will no longer need to itemize. We are simplifying their taxes. In fact they will no longer need to use the Schedule A. All they will need now is just to use the 1040–EZ. That is simplification.

Now, the opponents, some of whom we have heard from this evening and who oppose our efforts to eliminate the marriage tax penalty for a majority of those who suffer it, they claim that somehow our effort to eliminate the marriage tax penalty somehow will hurt and take money out of the Social Security trust fund. Now, there is an important question that was asked in the House Committee on Ways and Means this past week when we acted and produced our effort to save Social Security and eliminate the marriage tax penalty. We asked the representative, the Deputy Commissioner of the Social Security Administration, are those charges true? Is as a result of the tax cut being considered by the committee and of course voted on tomorrow, on Saturday, will there be any impact on the moneys in the Social Security trust fund? Judy Chesser, who is the Deputy Commissioner of the Social Security Administration, had a very simple answer. Frankly for someone in the bureaucracy, it was very short, sweet and to the point. She said, ''No.'' By saying ''no,'' that means the Social Security trust fund is not impacted.

Ladies and gentlemen, we are going to vote on a tax package tomorrow that the centerpiece eliminates the marriage tax penalty for millions, in fact the majority of those who suffer it. This package is good because it helps married couples in Illinois, helps family farmers, helps small businesspeople, helps schools in Illinois and helps parents who want to send their kids off to college.

We can save Social Security. We can eliminate the marriage tax penalty. We have a good opportunity to do that tomorrow. It deserves bipartisan support. I urge bipartisan support for the Save Social Security Act which passed today as well as the 1998 Taxpayer Relief Act. Let us save Social Security. Let us eliminate the marriage tax penalty.

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CUT TAXES ONLY AFTER TRULY BALANCING THE BUDGET

The SPEAKER pro tempore (Mr. SNOWBARGER). Under a previous order of the House, the gentleman from Minnesota (Mr. MINGE) is recognized for 5 minutes.

Mr. MINGE. Mr. Speaker, I share with the previous Member the commitment to finding a way to reduce taxes. Really the question is, however, not do we have a commitment to reduce taxes and believe that the bill that has been brought up or will be brought up tomorrow is a fair bill in that respect. The question is the timing.

The previous speaker I think laid out quite clearly the issue, and that is to what extent are we selling a phony package to the American people by saying to them we have a surplus and we can balance the budget and go through a tax cut, without somehow compromising our commitment to stay the course and not add to our Nation's debt and not make it more difficult to solve the Social Security problems in the future?

The simple answer is, we do not have a balanced budget. We are borrowing this year approximately $104 billion from the Social Security trust fund. This money is going into the general fund and supporting Federal programs.

We are going to have a deficit of approximately $70 billion this year, an on-budget deficit of $70 billion.

What does this mean? It means that we have not adequately planned for the future. We have not adequately planned for 1998, and we are proposing a tax cut when we have not balanced the budget. I think this is tragic.

It also points up the fact that we do not yet even have a budget for the next fiscal year, and this too is tragic. Here we are, we are five months and 24 days past the deadline for having a budget agreement in Congress, and we do not yet have one. The House and the Senate have not agreed. No budget resolution.

We do not have guidance for the Committee on Appropriations, we do not have guidance for the Committee on Ways and Means. The committees are free-lancing it. The Committee on Ways and Means has come out with a tax cut package. They do not know how it fits into a budget, because we do not have a budget. And here we are in this chamber saying to state and local government, act responsibly. Act fiscally responsibly, so when we grant you money, we know and you know that you are properly budgeting for your operations.

We say to the United Nations, act fiscally responsibly; prepare a budget. We do not have a budget.

We say to nonprofit entities and others that apply for Federal grants, have a budget. Show us your budget. We do not have a budget.

This is a very, very unfortunate situation. The leadership in this body and on the other end of the building have not even appointed conferees to agree on what a budget resolution should look like and bring it back to each chamber for a vote. We have a failure of leadership. We need to address the question of what is the Federal budget to be for 1999, and we are only six days away from the beginning of the next fiscal year. No budget.

I submit that the tax cut package, as attractive as it is and as much as we all would like to vote on it and go back home and beat our chest and say what wonderful Members of Congress we are, the tax cut package ought to be deferred in terms of its implementation until the leadership in this body has developed a budget for the next fiscal year and until we know that we have eliminated the scourge of the deficit spending that has haunted this government.

We cannot afford to add to the deficit. We cannot afford to add to the debt. I know from talking to my friends and neighbors at home that they are all for tax cuts, but they also recognize that we have to act responsibly, and they want us to make sure we balance the budget first, and they want us to make sure we stop borrowing from Social Security.

We are continuing to do that, and this is going to handicap our ability to fix the Social Security program, because all of that borrowing goes right into the U.S. Treasury and we are postponing the day of reckoning.

SHORTFALLS IN FUNDING FOR NATIONAL SECURITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. HUNTER) is recognized for 5 minutes.

Mr. HUNTER. Mr. Speaker, I talked yesterday about the problems with national security that are now becoming

acknowledged, not only by Members of the Congress, but also, for the first time in four years, by the President himself.

Now that the President has admitted that there is a shortfall in funding for national security, the services themselves are coming forward and testifying, as they did today, and telling us what the problem is. They now feel that they are not circumventing their commander-in-chief if they lay their cards on the table before Congress. And let me tell you, Mr. Speaker, I was pretty shocked by the numbers and the situations that were described today by the Army, the Navy, the Marine Corps and the Air Force, and I want to share those numbers and those shortfalls with you.

First I want to point your attention to what is known as mission capable rates. Mission capable rates mean when we have an aircraft carrier off the shores of the Middle East and we have planes on that carrier. We make an analysis as to whether or not its planes can fly out, hit their targets and return safely to the carrier. That is a pretty important part of our power projection with the U.S. Navy.

Our mission capable rate, that means the ability of the airplane to fly off the carrier, wheels up, move that two or three or four hundred miles to its target, drop its ordnance and come back, that rate has gone down from 69 percent in 1993 to 61 percent today.

With the Air Force, the mission capable rate of their aircraft has gone down from 83.4 percent in 1991 to 74 percent today. That means 25 percent of their aircraft are not mission capable. They cannot do their job.

With the Marines, we have gone down from 77 percent in 1995 to only 61 percent mission capable rate today.

Mr. Speaker, the Navy and the Marine Corps and the Army also talked about other aspects of their equipment that are now in shortfall. You know we had a 600 ship Navy a few years ago under president Ronald Reagan. With the dissolution of the Soviet Union, we decided we could bring that Navy down some. But this president, President Clinton, is building ships at such a slow rate that we are building to a 200 ship Navy. We are going from a 600 ship Navy to a 200 ship Navy, and we cannot accomplish our responsibilities around the world with a fleet that small.

With respect to ammunition, the service chiefs told us that our ammunition shortfall now is 1.7 billion for the Army and 193 million for the United States Marine Corps. Ammunition is pretty basic, and we do not have what we need.

With respect to equipment, this CH–46 helicopter is right now the mainstay for the United States Marine Corps until they get the V–22. That aircraft, which has had a number of crashes in the last several years, is over 40 years old. Their attack vehicle, their amphibious vehicle that they ride out of the ships on and go right up on the beaches when they have to make a front-on assault, that vehicle is an average of 26 years old.

With respect to personnel, the United States Air Force is going to be 700 pilots short this year and the United States Navy is going to be 18,000 sailors short this year. The U.S. Marine Corps aviators are having a separation rate, that means the rate where they come in and tell their unit I am leaving; I could reenlist, but I am leaving; I am going to go into private enterprise. I may be a pilot for an airline, I am leaving. Only 42 percent of them separated in 1995. Most of them stayed on with the Marine Corps. Today, 92 percent of our pilots are leaving. They are getting out of Dodge. They are going into the private sector. That leaves us short.

So, Mr. Speaker, I will continue over the next several weeks to talk a little bit more about the shortages we have in defense, and lastly I will talk a little bit about what we are going to have to do in terms of putting resources into defense to rebuild our military.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Dakota (Mr. POMEROY) is recognized for 5 minutes.

Mr. POMEROY addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

SECURING SOCIAL SECURITY BEFORE CUTTING TAXES

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I think it is important that we did several things today, and I do want to comment on one of the earlier speaker's assessment of the pending tax bill, for, as I was saying earlier in debate, we all understand the value of giving relief to working men and women.

Interestingly enough, the substitute tax relief bill that the Democrats are proposing does that very thing. But it has one singular common sense provision: It recognizes that Social Security is a Contract with America. It is a trust. It is a fund that we are committed to securing. You cannot secure a trust fund if you raid it.

So the one difference I have with my colleagues is I am prepared to vote for tax relief, after we have secured Social Security, after we have been told by the Social Security trustees, ''You have fixed Social Security for those who are receiving it now, for those who receive it 10 years from now, and those who may receive it way into the next century.''

So I hope my colleagues will consider the reasonableness of legislation that does not spend dollars we do not have, and waits in fact a year from now when we can truly confirm that we have fixed Social Security.

Today we did something else, Mr. Speaker, and I would like to just comment briefly on the fast-track legislation, because most of us agree that trade, which creates jobs, has to be a bipartisan approach or has to have a bipartisan approach.

The one thing that is attractive to Americans when you speak of trade is jobs. It is opportunities for small businesses. It is the ability to sell one's wares and ideas internationally and be assured to get a good dollar and fair compensation for that.

I have been on record supporting the African Growth and Opportunity Act which passed the House this past summer, giving opportunity to small businesses, providing dollars for infrastructure support, opening up Africa to the many opportunities or many business opportunities for both Americans and Africans to work together.

I have supported the Caribbean Basin Initiative, which works with our Caribbean friends, again establishing opportunities for our business opportunity, to work free of barriers.

At the same time, this legislation was brought to the floor of the House in a bad manner and at a bad time. For example, we are facing financial crises around the world, but the Republicans have not seen fit to fund the International Monetary Fund. Why? Because that is not popular.

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That sounds off negative connotations. I would simply argue that seeing governments collapse or financial systems collapse, when we have the opportunity to work with the IMF, is irresponsible.

Yet, we bring a trade bill that is not collaborative, does not work with Members on both sides of the aisle, does not work with business and working Americans to discuss issues dealing with the environment and dealing with the question of working conditions.

Last year when we were talking about this issue, I offered an amendment to work on the question of difficulties in Texas along the border. Let me read it, Mr. Speaker, my amendment, called ''Review of conditions along United States-Mexican border''.

> The President shall establish a task force to review conditions along the United States-Mexican border relating to housing, labor, the environment, and other relevant issues, as they relate to United States companies that are located along the border.
>
> The task force should determine the ways in which partnerships made up of public and private entities can improve conditions along the border. The President shall report to Congress not later than 1 year after the date of the enactment of this act on the results of the review under subsection A.

My understanding is, without a call to my office, this was put into the present bill. The tragedy is that the bill failed because we did not have collaboration. We had politics. In fact, Members of the other party were quoted as saying, ''We want to see who will get on the line and vote for fast

track, Democrats, so we can go in their districts, if they do not vote for it, and threaten their elections.''

This is not the spirit in which we should work. We should be working in a bipartisan manner to tell Americans that, yes, trade is good. Trade brings about jobs.

At the same time, we will not abdicate our responsibilities for ensuring that trade does not negatively impact on our environment; that safety rules are not eliminated or violated, as we travel from one country to the next, moving from surrounding countries and bringing large trucks into our boundaries; that we require safety standards; and yes, that we ensure that jobs are not lost, and that there are good and positive working conditions.

Mr. Speaker, I would simply say, we can work on trade issues. We can create jobs. We can help business. We can help small businesses. But this House must do it together.

We must ensure that Americans realize that trade is about jobs and the environment and working together.

COMMENDING THE HOUSE FOR OUTSTANDING WORK ON SAVING SOCIAL SECURITY AND IMPROVING THE LIVES AND HEALTH OF SENIOR CITIZENS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FOX) is recognized for 5 minutes.

Mr. FOX of Pennsylvania. Mr. Speaker, I rise to address the House this evening to commend the House for its outstanding work. I appreciate the time to address the House, because I think it is very important. With the passage today of the Save Social Security Act, it is one more way to make sure that our senior citizens are protected. This new legislation will make sure that with any budget surplus, and with the $1.4 trillion, the first money from that surplus will go to the social security trust fund for our senior citizens.

Mr. Speaker, with senior citizens living longer we want to make sure they live better. We wanted to make sure we strengthen the social security system. We also at the same time want to look to improving health care for our seniors and others. That is why the House is to be congratulated for leading the way here in Congress and in Washington on FDA reform, to make sure we speed up the approval of lifesaving drugs and medical devices.

That legislation, while we are waiting for a cure or vaccine for many illnesses, will help us be able to make sure that we are helping with clinical trials and with third-party review, and be able to make sure that we help our citizens live longer and better.

I am interested in also pointing out that here in Congress and the House we have worked to double the NIH funding, the National Institutes of Health. That is very important when it comes to increasing the research monies that are allocated for breast cancer research, uterine cancer, ovarian cancer, prostate cancer. It is coming at a very important time.

Tomorrow, Mr. Speaker, we are having the first ever march of its kind, a march to fight against cancer, to find a cure in our lifetime for all the cancers. This is an important march where very important health care providers, health care practitioners, researchers, and entertainers will be here on the Washington Mall, together with elected officials, to make sure we stand arm in arm to make sure the kind of dollars, resources, and emphasis is placed on cures for cancer.

That dovetails with legislation that I have introduced, Mr. Speaker, to protect our senior citizens, the Senior Citizen Bill of Rights. In that legislation we are going to roll back the 1993 tax on Social Security. We are going to keep social security off-budget, so it is not used for other purposes, but used for seniors and their security.

It will also address the notch baby problem, those babies born between 1917 and 1926 who are in their golden years and should be able to have the full benefits that other Social Security recipients have. Our notch baby provision will be addressed in that legislation.

We also, in the Senior Citizen Bill of Rights, increase the penalties for those who would commit fraud against senior citizens, such as telemarketing fraud and others who would prey upon our senior citizens and take away their life savings.

Also our legislation calls for elimination of the inheritance taxes. Many people have a family business, a family farm, and they take the money and have to give it to Uncle Sam, instead of making sure the next generation of the family can enjoy the fruits of labor that many of our families and friends have built up over a lifetime.

Finally, we have patient protection. We have legislation this House has adopted to make sure, Mr. Speaker, that doctors have the final say in making sure our patients get the medical advice they need, get the referrals to specialists they need, get the admissions to hospitals that they need, and as well, have the right to appeal a wrongful denial of health care on behalf of their patients and our constituents.

I think we have done a great deal to move forward in health care as far as senior citizens, on their rights, on their security, and making sure, above all, that Social Security and Medicare are protected and saved and strengthened.

The final item which I think we will embark on is the fact that we make sure with Medicare we have those new prevention programs on an annual basis, the mammograms that are annual, we have the pap smears, we also have the colorectal cancer screening, the diabetes screening, and osteoporosis.

Those kinds of prevention programs we fought for are making a difference, and the fact that those who would now defraud Medicare are eligible for jail terms and loss of rights to be a provider are strengthening Medicare the way citizens want.

We need to move forward, together with much other legislation, but we certainly have to take this time to look at what we have done for our seniors, and to make sure we redouble our efforts to do even more.

CONFERENCE REPORT ON H.R. 4060

Mr. MCDADE submitted the following conference report and statement on the bill (H.R. 4060) making appropriations for energy and water development for the fiscal year ending September 30, 1999, and for other purposes:

CONFERENCE REPORT (H. REPT. 105–749)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4060) ''making appropriations for energy and water development for the fiscal year ending September 30, 1999, and for other purposes'', having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

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

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

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1999, for energy and water development, and for other purposes, namely:

TITLE I

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

The following appropriations shall be expended under the direction of the Secretary of the Army and the supervision of the Chief of Engineers for authorized civil functions of the Department of the Army pertaining to rivers and harbors, flood control, beach erosion, and related purposes.

GENERAL INVESTIGATIONS

For expenses necessary for the collection and study of basic information pertaining to river and harbor, flood control, shore protection, and related projects, restudy of authorized projects, miscellaneous investigations, and, when authorized by laws, surveys and detailed studies and plans and specifications of projects prior to construction, $161,747,000, to remain available until expended, of which funds are provided for the following projects in the amounts specified:

Delaware Bay Coastline, Delaware and New Jersey, $419,000;

Tampa Harbor, Alafia Channel, Florida, $200,000;

Barnegat Inlet to Little Egg Harbor Inlet, New Jersey, $322,000;

Brigantine Inlet to Great Egg Harbor Inlet, New Jersey, $113,000;

Great Egg Harbor Inlet to Townsend's Inlet, New Jersey, $200,000;

Lower Cape May Meadows—Cape May Point, New Jersey, $100,000;

Manasquan Inlet to Barnegat Inlet, New Jersey, $300,000;

Raritan Bay to Sandy Hook Bay, New Jersey, $750,000; and

Townsend's Inlet to Cape May Inlet, New Jersey, $250,000:

Provided, That the Secretary of the Army, acting through the Chief of Engineers, is directed to use $700,000 of the funds appropriated in Public Law 102–377 for the Red River Waterway, Shreveport, Louisiana, to Daingerfield, Texas, project for the feasibility phase of the Red River Navigation, Southwest Arkansas, study: Provided further, That the Secretary of the Army is directed to use $500,000 of the funds appropriated herein to implement section 211(f)(7) of Public Law 104–303 (110 Stat. 3684) and to reimburse the non-Federal sponsor a portion of the Federal share of project costs for the Hunting Bayou element of the project for flood control, Buffalo Bayou and tributaries, Texas: Provided further, That the Secretary of the Army is directed to use $300,000 of the funds appropriated herein to implement section 211(f)(8) of Public Law 104–303 (110 Stat. 3684) and to reimburse the non-Federal sponsor a portion of the Federal share of project costs for the project for flood control, White Oak Bayou watershed, Texas.

CONSTRUCTION, GENERAL

For the prosecution of river and harbor, flood control, shore protection, and related projects authorized by laws; and detailed studies, and plans and specifications, of projects (including those for development with participation or under consideration for participation by States, local governments, or private groups) authorized or made eligible for selection by law (but such studies shall not constitute a commitment of the Government to construction), $1,429,885,000, to remain available until expended, of which such sums as are necessary for the Federal share of construction costs for facilities under the Dredged Material Disposal Facilities program shall be derived from the Harbor Maintenance Trust Fund, as authorized by Public Law 104–303; and of which such sums as are necessary pursuant to Public Law 99–662 shall be derived from the Inland Waterways Trust Fund, for one-half of the costs of construction and rehabilitation of inland waterways projects, including rehabilitation costs for the Lock and Dam 25, Mississippi River, Illinois and Missouri; Lock and Dam 14, Mississippi River, Iowa; Lock and Dam 24, Part 1, Mississippi River, Illinois and Missouri; and Lock and Dam 3, Mississippi River, Minnesota, projects, and of which funds are provided for the following projects in the amounts specified:

Norco Bluffs, California, $4,400,000;

Panama City Beaches, Florida, $6,000,000;

Tybee Island, Georgia, $1,200,000;

Indiana Shoreline Erosion, Indiana, $700,000;

Indianapolis Central Waterfront, Indiana, $4,000,000;

Ohio River Flood Protection, Indiana, $750,000;

Harlan/Clover Fork, Williamsburg, Pike County, Middlesboro, Martin County, and Town of Martin, elements of the Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River project in Kentucky, $25,230,000;

Southern and Eastern Kentucky, Kentucky, $4,000,000;

Lake Pontchartrain and Vicinity (Hurricane Protection), Louisiana, $16,000,000;

Lake Pontchartrain (Jefferson Parish) Stormwater Discharge, Louisiana, $4,500,000;

Southeast Louisiana, Louisiana, $75,000,000;

Jackson County, Mississippi, $6,200,000;

Pascagoula Harbor, Mississippi, $12,000,000;

Passaic River Streambank Restoration, New Jersey, $3,000,000;

Lackawanna River, Olyphant, Pennsylvania, $6,800,000;

Lackawanna River, Scranton, Pennsylvania, $40,551,000;

South Central Pennsylvania Environment Improvement Program, $39,000,000, of which $13,000,000 shall be available only for water-related environmental infrastructure and resource protection and development projects in Lackawanna, Lycoming, Susquehanna, Wyoming, Pike, and Monroe counties in Pennsylvania in accordance with the purposes of subsection (a) and requirements of subsections (b) through (e) of section 313 of the Water Resources Development Act of 1992, as amended;

Wallisville Lake, Texas, $5,500,000;

Virginia Beach, Virginia (Hurricane Protection), $18,000,000;

Upper Mingo County (including Mingo County Tributaries), Lower Mingo County (Kermit), Wayne County, Hatfield Bottom, and McDowell County, elements of the Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River project in West Virginia, $11,350,000; and

West Virginia and Pennsylvania Flood Control, West Virginia and Pennsylvania, $750,000: Provided, That the Secretary of the Army is directed to incorporate the economic analyses for the Green Ridge and Plot sections of the Lackawanna River, Scranton, Pennsylvania, project with the economic analysis for the Albright Street section of the project, and to cost-share and implement these combined sections as a single project with no separable elements, except that each section may be undertaken individually when the non-Federal sponsor provides the applicable local cooperation requirements: Provided further, That any funds heretofore appropriated and made available in Public Law 103–126 for projects associated with the restoration of the Lackawanna River Basin Greenway Corridor, Pennsylvania, may be utilized by the Secretary of the Army in carrying out other projects and activities on the Lackawanna River in Pennsylvania: Provided further, That the Secretary of the Army is directed to use $4,500,000 of the funds appropriated herein to implement section 211(f)(6) of Public Law 104–303 (110 Stat. 3683) and to reimburse the non-Federal sponsor a portion of the Federal share of project construction costs for the flood control components comprising the Brays Bayou element of the project for flood control, Buffalo Bayou and tributaries, Texas: Provided further, That the navigation project for Cook Inlet Navigation, Alaska, authorized by Section 101(b)(2) of Public Law 104–303 is modified to authorize the Secretary of the Army, acting through the Chief of Engineers, to construct the project at a total cost of $12,600,000 with an estimated first Federal cost of $9,450,000 and an estimated first non-Federal cost of $3,150,000: Provided further, That the flood control project for West Sacramento, California, authorized by Section 101(4) of Public Law 102–580 is modified to authorize the Secretary of the Army, acting through the Chief of Engineers, to construct the project at a total cost of $32,900,000 with an estimated first Federal cost of $24,700,000 and an estimated first non-Federal cost of $8,200,000: Provided further, That the flood control project for Sacramento River, Glenn-Colusa Irrigation District, California, authorized by Section 2 of the Act entitled ''An Act to provide for the control of floods of the Mississippi River and the Sacramento River, and for other purposes'', approved March 1, 1917 (39 Stat. 949), is modified to authorize the Secretary of the Army, acting through the Chief of Engineers, to construct the project at a total cost of $20,700,000 with an estimated first Federal cost of $15,570,000 and an estimated first non-Federal cost of $5,130,000: Provided further, That the Secretary of the Army, acting through the Chief of Engineers, is directed to use $4,000,000 provided herein to construct bluff stabilization measures at authorized locations for Natchez Bluff, Mississippi, at a total estimated cost of $26,065,000 with an estimated first Federal cost of $19,549,000 and an estimated first non-Federal cost of $6,516,000 and to award continuing contracts, which are not to be considered fully funded: Provided further, That the Secretary of the Army, acting through the Chief of Engineers, may use up to $5,000,000 of the funding appropriated herein for construction of an emergency outlet from Devils Lake, North Dakota, to the Sheyenne River, except that funds shall not become available unless the Secretary of the Army determines that an emergency (as defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)) exists with respect to the emergency need for the outlet and reports to Congress that the construction is technically sound, economically justified, and environmentally acceptable and in compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.): Provided further, That the economic justification for the emergency outlet shall be prepared in accordance with the principles and guidelines for economic evaluation as required by regulations and procedures of the Army Corps of Engineers for all flood control projects, and that the economic justification be fully described, including the analysis of the benefits and costs, in the project plan documents: Provided further, That the plans for the emergency outlet shall be reviewed and, to be effective, shall contain assurances provided by the Secretary of State, after consultation with the International Joint Commission, that the project will not violate the requirements or intent of the Treaty Between the United States and Great Britain Relating to Boundary Waters Between the United States and Canada, signed at Washington January 11, 1909 (36 Stat. 2448; TS 548) (commonly known as the ''Boundary Waters Treaty of 1909''): Provided further, That the Secretary of the Army shall submit the final plans and other documents for the emergency outlet to Congress: Provided further, That no funds made available under this Act or any other Act for any fiscal year may be used by the Secretary of the Army to carry out the portion of the feasibility study of the Devils Lake Basin, North Dakota, authorized under the Energy and Water Development Appropriations Act, 1993 (Public Law 102–377), that addresses the needs of the area for stabilized lake levels through inlet controls, or to otherwise study any facility or carry out any activity that would permit the transfer of water from the Missouri River Basin into Devils Lake: Provided further, That, the Secretary of the Army, acting through the Chief of Engineers, is directed to transfer remaining General Investigations funds previously appropriated for the Juniata River, Pennsylvania, study and Mussers Dam, Pennsylvania, project to Construction, General for use in equal amounts at Broad Top/Coaldale, Bedford County, Pennsylvania, and Mont Alto Borough, Franklin County, Pennsylvania, which are part of the South Central Pennsylvania Environment Improvement Program.

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES, ARKANSAS, ILLINOIS, KENTUCKY, LOUISIANA, MISSISSIPPI, MISSOURI, AND TENNESSEE

For expenses necessary for prosecuting work of flood control, and rescue work, repair, restoration, or maintenance of flood control projects threatened or destroyed by flood, as authorized by law (33 U.S.C. 702a, 702g–1), $321,149,000, to remain available until expended.

OPERATION AND MAINTENANCE, GENERAL

For expenses necessary for the preservation, operation, maintenance, and care of existing river and harbor, flood control, and related works, including such sums as may be necessary for the maintenance of harbor channels provided by a State, municipality or other public agency, outside of harbor lines, and serving essential needs of general commerce and navigation; surveys and charting of northern and northwestern lakes and connecting waters; clearing and straightening channels; and removal of obstructions to navigation, $1,653,252,000, to remain available until expended, of which such sums as become available from the special account established by the Land and Water Conservation Act of 1965, as amended (16 U.S.C. 460l), may be derived from that account for construction, operation, and maintenance of outdoor recreation facilities,

and of which $4,200,000 is provided for repair of Chickamauga Lock, Tennessee: Provided, That no funds, whether appropriated, contributed, or otherwise provided, shall be available to the United States Army Corps of Engineers for the purpose of acquiring land in Jasper County, South Carolina, in connection with the Savannah Harbor navigation project: Provided further, That the Secretary of the Army, acting through the Chief of Engineers, is directed to undertake authorized maintenance and repairs on the Allegheny River, Pennsylvania, project, using $6,000,000 of funds provided under this heading in Public Law 105–62 for extending the navigation channel on the Allegheny River, Pennsylvania, project to provide passenger boat access to the Kittanning, Pennsylvania, Riverfront Park.

REGULATORY PROGRAM

For expenses necessary for administration of laws pertaining to regulation of navigable waters and wetlands, $106,000,000, to remain available until expended.

FORMERLY UTILIZED SITES REMEDIAL ACTION PROGRAM

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary to clean up contaminated sites throughout the United States where work was performed as part of the Nation's early atomic energy program, $140,000,000, to remain available until expended: Provided, That the response actions by the U.S. Army Corps of Engineers under this program shall consist of the following functions and activities to be performed at eligible sites where remediation has not been completed: sampling and assessment of contaminated areas, characterization of site conditions, determination of the nature and extent of contamination, selection of the necessary and appropriate response actions as the lead Federal agency, preparation of designation reports, cleanup and closeout of sites, and any other functions determined by the Chief of Engineers as necessary for remediation: Provided further, That response actions by the U.S. Army Corps of Engineers under this program shall be subject to the administrative, procedural, and regulatory provisions of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et seq., and the National Oil and Hazardous Substances Pollution Contingency Plan, 40 C.F.R., Chapter 1, Part 300: Provided further, That, except as stated herein, these provisions do not alter, curtail or limit the authorities, functions or responsibilities of other agencies under the Atomic Energy Act, 42 U.S.C. 2011 et seq.: Provided further, That any sums recovered under CERCLA for response actions, or recovered from a contractor, insurer, surety, or other person to reimburse the U.S. Army Corps of Engineers for any expenditures for response actions, shall be credited to the account used to fund response actions on eligible sites, and will be available for response action costs for any eligible site: Provided further, That the Secretary of Energy may exercise the authority of 42 U.S.C. 2208 to make payments in lieu of taxes for Federally-owned property where Formerly Utilized Sites Remedial Action Program activities are conducted, regardless of which Federal agency has acquired the property and notwithstanding references to ''the activities of the Commission'' in 42 U.S.C. 2208: Provided further, That the unexpended balances of prior appropriations provided for these activities in this Act or any previous Energy and Water Development Appropriations Act may be transferred to and merged with this appropriation account, and thereafter, may be accounted for as one fund for the same time period as originally enacted.

GENERAL EXPENSES

For expenses necessary for general administration and related functions in the Office of the Chief of Engineers and offices of the Division Engineers; activities of the Coastal Engineering Research Board, the Humphreys Engineer Center Support Activity, the Water Resources Support Center, and headquarters support functions at the USACE Finance Center; $148,000,000, to remain available until expended: Provided, That no part of any other appropriation provided in title I of this Act shall be available to fund the activities of the Office of the Chief of Engineers or the executive direction and management activities of the division offices.

REVOLVING FUND

Using amounts available in the Revolving Fund, the Secretary of the Army is authorized to renovate office space in the General Accounting Office headquarters building in Washington, DC, for use by the Corps and GAO. The Secretary is authorized to enter into a lease with GAO to occupy such renovated space as appropriate, for the Corps' headquarters. The Secretary shall ensure that the Revolving Fund is appropriately reimbursed from appropriations of the Corps' benefitting programs by collection each year of amounts sufficient to repay the capitalized cost of such renovation and through rent reductions or rebates from GAO.

ADMINISTRATIVE PROVISION

Appropriations in this title shall be available for official reception and representation expenses (not to exceed $5,000); and during the current fiscal year the Revolving Fund, Corps of Engineers, shall be available for purchase (not to exceed 100 for replacement only) and hire of passenger motor vehicles.

GENERAL PROVISIONS

CORPS OF ENGINEERS—CIVIL

SEC. 101. Notwithstanding any other provisions of law, no fully allocated funding policy shall be applied to projects for which funds are identified in the Committee reports accompanying this Act under the Construction, General; Operation and Maintenance, General; and Flood Control, Mississippi River and Tributaries, appropriation accounts: Provided, That the Secretary of the Army, acting through the Chief of Engineers, is directed to undertake these projects using continuing contracts, as authorized in section 10 of the Rivers and Harbors Act of September 22, 1922 (33 U.S.C. 621).

SEC. 102. None of the funds made available in this Act may be used to revise the Missouri River Master Water Control Manual when it is made known to the Federal entity or official to which the funds are made available that such revision provides for an increase in the springtime water release program during the spring heavy rainfall and snow melt period in States that have rivers draining into the Missouri River below the Gavins Point Dam.

TITLE II

DEPARTMENT OF THE INTERIOR

CENTRAL UTAH PROJECT

CENTRAL UTAH PROJECT COMPLETION ACCOUNT

For carrying out activities authorized by the Central Utah Project Completion Act, and for activities related to the Uintah and Upalco Units authorized by 43 U.S.C. 620, $41,217,000, to remain available until expended, of which $15,476,000 shall be deposited into the Utah Reclamation Mitigation and Conservation Account: Provided, That of the amounts deposited into that account, $5,000,000 shall be considered the Federal contribution authorized by paragraph 402(b)(2) of the Central Utah Project Completion Act and $10,476,000 shall be available to the Utah Reclamation Mitigation and Conservation Commission to carry out activities authorized under that Act.

In addition, for necessary expenses incurred in carrying out related responsibilities of the Secretary of the Interior, $1,283,000, to remain available until expended.

BUREAU OF RECLAMATION

For carrying out the functions of the Bureau of Reclamation as provided in the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) and other Acts applicable to that Bureau as follows:

WATER AND RELATED RESOURCES

(INCLUDING TRANSFER OF FUNDS)

For management, development, and restoration of water and related natural resources and for related activities, including the operation, maintenance and rehabilitation of reclamation and other facilities, participation in fulfilling related Federal responsibilities to Native Americans, and related grants to, and cooperative and other agreements with, State and local governments, Indian Tribes, and others, $642,845,000, to remain available until expended, of which $2,800,000 shall be for construction of the Tooele Wastewater Treatment and Reuse, Utah, project, and of which $1,873,000 shall be available for transfer to the Upper Colorado River Basin Fund and $45,990,000 shall be available for transfer to the Lower Colorado River Basin Development Fund, and of which such amounts as may be necessary may be advanced to the Colorado River Dam Fund: Provided, That such transfers may be increased or decreased within the overall appropriation under this heading: Provided further, That of the total appropriated, the amount for program activities that can be financed by the Reclamation Fund or the Bureau of Reclamation special fee account established by 16 U.S.C. 460l–6a(i) shall be derived from that Fund or account: Provided further, That funds contributed under 43 U.S.C. 395 are available until expended for the purposes for which contributed: Provided further, That funds advanced under 43 U.S.C. 397a shall be credited to this account and are available until expended for the same purposes as the sums appropriated under this heading: Provided further, That of the total appropriated, $25,800,000 shall be derived by transfer of unexpended balances from the Bureau of Reclamation Working Capital Fund: Provided further, That funds available for expenditure for the Departmental Irrigation Drainage Program may be expended by the Bureau of Reclamation for site remediation on a non-reimbursable basis: Provided further, That the amount authorized for Indian municipal, rural, and industrial water features by section 10 of Public Law 89–108, as amended by section 8 of Public Law 99–294 and section 1701(b) of Public Law 102–575, is increased by $2,000,000 (October 1997 prices): Provided further, That the Secretary of the Interior is directed to use not to exceed $3,600,000 of funds appropriated herein as the Bureau of Reclamation share for completion of the McCall Area Wastewater Reclamation and Reuse, Idaho, project authorized in Public Law 105–62 and described in PN–FONSI–96–05.

BUREAU OF RECLAMATION LOAN PROGRAM ACCOUNT

For the cost of direct loans and/or grants, $7,996,000, to remain available until expended, as authorized by the Small Reclamation Projects Act of August 6, 1956, as amended (43 U.S.C. 422a–422l): Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $38,000,000.

In addition, for administrative expenses necessary to carry out the program for direct loans and/or grants, $425,000, to remain available until expended: Provided, That of the total sums appropriated, the amount of program activities that can be financed by the Reclamation Fund shall be derived from that Fund.

CENTRAL VALLEY PROJECT RESTORATION FUND

For carrying out the programs, projects, plans, and habitat restoration, improvement, and acquisition provisions of the Central Valley Project Improvement Act, $33,130,000, to be derived from such sums as may be collected in the

Central Valley Project Restoration Fund pursuant to sections 3407(d), 3404(c)(3), 3405(f), and 3406(c)(1) of Public Law 102–575, to remain available until expended: Provided, That the Bureau of Reclamation is directed to assess and collect the full amount of the additional mitigation and restoration payments authorized by section 3407(d) of Public Law 102–575.

CALIFORNIA BAY-DELTA ECOSYSTEM RESTORATION

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Department of the Interior and other participating Federal agencies in carrying out the California Bay-Delta Environmental Enhancement and Water Security Act, consistent with plans to be approved by the Secretary of the Interior, in consultation with such Federal agencies, $75,000,000, to remain available until expended, of which such amounts as may be necessary to conform with such plans shall be transferred to appropriate accounts of such Federal agencies: Provided, That such funds may be obligated only as non-Federal sources provide their share in accordance with the cost-sharing agreement required under section 102(d) of such Act: Provided further, That such funds may be obligated prior to the completion of a final programmatic environmental impact statement only if: (1) consistent with 40 CFR 1506.1(c); and (2) used for purposes that the Secretary finds are of sufficiently high priority to warrant such an expenditure.

POLICY AND ADMINISTRATION

For necessary expenses of policy, administration, and related functions in the office of the Commissioner, the Denver office, and offices in the five regions of the Bureau of Reclamation, to remain available until expended, $47,000,000, to be derived from the Reclamation Fund and be nonreimbursable as provided in 43 U.S.C. 377: Provided, That no part of any other appropriation in this Act shall be available for activities or functions budgeted as policy and administration expenses.

ADMINISTRATIVE PROVISION

Appropriations for the Bureau of Reclamation shall be available for purchase of not to exceed six passenger motor vehicles for replacement only.

TITLE III

DEPARTMENT OF ENERGY

ENERGY PROGRAMS

ENERGY SUPPLY

For expenses of the Department of Energy activities including the purchase, construction and acquisition of plant and capital equipment and other expenses necessary for energy supply, and uranium supply and enrichment activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; and the purchase of not to exceed 22 passenger motor vehicles for replacement only, $727,091,000, of which not to exceed $3,000 may be used for official reception and representation expenses for transparency activities.

NON-DEFENSE ENVIRONMENTAL MANAGEMENT

For Department of Energy expenses, including the purchase, construction and acquisition of plant and capital equipment and other expenses necessary for non-defense environmental management activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction or expansion, $431,200,000, to remain available until expended.

URANIUM ENRICHMENT DECONTAMINATION AND DECOMMISSIONING FUND

For necessary expenses in carrying out uranium enrichment facility decontamination and decommissioning, remedial actions and other activities of title II of the Atomic Energy Act of 1954 and title X, subtitle A of the Energy Policy Act of 1992, $220,200,000, to be derived from the Fund, to remain available until expended: Provided, That $30,000,000 of amounts derived from the Fund for such expenses shall be available in accordance with title X, subtitle A, of the Energy Policy Act of 1992.

SCIENCE

For expenses of the Department of Energy activities including the purchase, construction and acquisition of plant and capital equipment and other expenses necessary for science activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or facility or for plant or facility acquisition, construction, or expansion, and purchase of not to exceed 5 passenger motor vehicles for replacement only, $2,682,860,000, to remain available until expended: Provided, That $7,600,000 of the unobligated balances originally available for Superconducting Super Collider termination activities shall be made available for other activities under this heading.

NUCLEAR WASTE DISPOSAL

For nuclear waste disposal activities to carry out the purposes of Public Law 97–425, as amended, including the acquisition of real property or facility construction or expansion, $169,000,000, to remain available until expended, of which $165,000,000 is to be derived from the Nuclear Waste Fund; and of which not to exceed $250,000 may be provided to the Department of Energy to reimburse the State of Nevada solely for expenditures, other than salaries and expenses of State employees, to conduct scientific oversight responsibilities pursuant to the Nuclear Waste Policy Act of 1982, and not to exceed $5,540,000 may be provided to affected local governments, as defined in Public Law 97–425, to conduct appropriate activities pursuant to the Act: Provided, That the distribution of the funds to the units of local government shall be determined by the Department of Energy: Provided further, That the funds shall be made available to the units of local government by direct payment: Provided further, That within ninety days of the completion of each Federal fiscal year, each local entity shall provide certification to the Department of Energy, that all funds expended from such payments have been expended for activities as defined in Public Law 97–425. Failure to provide such certification shall cause such entity to be prohibited from any further funding provided for similar activities: Provided further, That none of the funds herein appropriated may be: (1) used directly or indirectly to influence legislative action on any matter pending before Congress or a State legislature or for lobbying activity as provided in 18 U.S.C. 1913; (2) used for litigation expenses; or (3) used to support multi-state efforts or other coalition building activities inconsistent with the restrictions contained in this Act.

DEPARTMENTAL ADMINISTRATION

For salaries and expenses of the Department of Energy necessary for departmental administration in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the hire of passenger motor vehicles and official reception and representation expenses (not to exceed $35,000), $200,475,000, to remain available until expended, plus such additional amounts as necessary to cover increases in the estimated amount of cost of work for others notwithstanding the provisions of the Anti-Deficiency Act (31 U.S.C. 1511 et seq.): Provided, That such increases in cost of work are offset by revenue increases of the same or greater amount, to remain available until expended: Provided further, That moneys received by the Department for miscellaneous revenues estimated to total $136,530,000 in fiscal year 1999 may be retained and used for operating expenses within this account, and may remain available until expended, as authorized by section 201 of Public Law 95–238, notwithstanding the provisions of 31 U.S.C. 3302: Provided further, That the sum herein appropriated shall be reduced by the amount of miscellaneous revenues received during fiscal year 1999 so as to result in a final fiscal year 1999 appropriation from the General Fund estimated at not more than $63,945,000.

OFFICE OF THE INSPECTOR GENERAL

For necessary expenses of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $29,000,000, to remain available until expended.

ATOMIC ENERGY DEFENSE ACTIVITIES

WEAPONS ACTIVITIES

For Department of Energy expenses, including the purchase, construction and acquisition of plant and capital equipment and other incidental expenses necessary for atomic energy defense weapons activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; the purchase of not to exceed one fixed wing aircraft; and the purchase of passenger motor vehicles (not to exceed 32 for replacement only, and one bus), $4,400,000,000, to remain available until expended: Provided, That funding for any ballistic missile defense program undertaken by the Department of Energy for the Department of Defense shall be provided by the Department of Defense according to procedures established for Work for Others by the Department of Energy.

DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT

For Department of Energy expenses, including the purchase, construction and acquisition of plant and capital equipment and other expenses necessary for atomic energy defense environmental restoration and waste management activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; and the purchase of passenger motor vehicles (not to exceed 3 new sedans and 6 for replacement only, of which 3 are sedans, 2 are buses, and 1 is an ambulance), $4,310,227,000, to remain available until expended.

DEFENSE FACILITIES CLOSURE PROJECTS

For expenses of the Department of Energy to accelerate the closure of defense environmental management sites, including the purchase, construction and acquisition of plant and capital equipment and other necessary expenses, $1,038,240,000, to remain available until expended.

DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION

For Department of Energy expenses for privatization projects necessary for atomic energy defense environmental management activities authorized by the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), $228,357,000, to remain available until expended.

OTHER DEFENSE ACTIVITIES

For Department of Energy expenses, including the purchase, construction and acquisition of plant and capital equipment and other expenses necessary for atomic energy defense, other defense activities, in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101, et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, $1,696,676,000, to remain available until expended.

DEFENSE NUCLEAR WASTE DISPOSAL

For nuclear waste disposal activities to carry out the purposes of Public Law 97–425, as amended, including the acquisition of real property or facility construction or expansion, $189,000,000, to remain available until expended.

POWER MARKETING ADMINISTRATIONS

BONNEVILLE POWER ADMINISTRATION FUND

Expenditures from the Bonneville Power Administration Fund, established pursuant to Public Law 93–454, are approved for official reception and representation expenses in an amount not to exceed $1,500.

During fiscal year 1999, no new direct loan obligations may be made.

OPERATION AND MAINTENANCE, SOUTHEASTERN POWER ADMINISTRATION

For necessary expenses of operation and maintenance of power transmission facilities and of marketing electric power and energy pursuant to the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southeastern power area, $7,500,000, to remain available until expended; in addition, notwithstanding 31 U.S.C. 3302, not to exceed $28,000,000 in reimbursements, of which $20,000,000 is for transmission wheeling and ancillary services and $8,000,000 is for power purchases at the Richard B. Russell Project, to remain available until expended.

OPERATION AND MAINTENANCE, SOUTHWESTERN POWER ADMINISTRATION

For necessary expenses of operation and maintenance of power transmission facilities and of marketing electric power and energy, and for construction and acquisition of transmission lines, substations and appurtenant facilities, and for administrative expenses, including official reception and representation expenses in an amount not to exceed $1,500 in carrying out the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southwestern power area, $26,000,000, to remain available until expended; in addition, notwithstanding the provisions of 31 U.S.C. 3302, not to exceed $4,200,000 in reimbursements, to remain available until expended.

CONSTRUCTION, REHABILITATION, OPERATION AND MAINTENANCE, WESTERN AREA POWER ADMINISTRATION

For carrying out the functions authorized by title III, section 302(a)(1)(E) of the Act of August 4, 1977 (42 U.S.C. 7152), and other related activities including conservation and renewable resources programs as authorized, including official reception and representation expenses in an amount not to exceed $1,500, $203,000,000, to remain available until expended, of which $193,787,000 shall be derived from the Department of the Interior Reclamation Fund: Provided, That of the amount herein appropriated, $5,036,000 is for deposit into the Utah Reclamation Mitigation and Conservation Account pursuant to title IV of the Reclamation Projects Authorization and Adjustment Act of 1992.

FALCON AND AMISTAD OPERATING AND MAINTENANCE FUND

For operation, maintenance, and emergency costs for the hydroelectric facilities at the Falcon and Amistad Dams, $1,010,000, to remain available until expended, and to be derived from the Falcon and Amistad Operating and Maintenance Fund of the Western Area Power Administration, as provided in section 423 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995.

FEDERAL ENERGY REGULATORY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Federal Energy Regulatory Commission to carry out the provisions of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including services as authorized by 5 U.S.C. 3109, the hire of passenger motor vehicles, and official reception and representation expenses (not to exceed $3,000), $167,500,000, to remain available until expended: Provided, That notwithstanding any other provision of law, not to exceed $167,500,000 of revenues from fees and annual charges, and other services and collections in fiscal year 1999 shall be retained and used for necessary expenses in this account, and shall remain available until expended: Provided further, That the sum herein appropriated from the General Fund shall be reduced as revenues are received during fiscal year 1999 so as to result in a final fiscal year 1999 appropriation from the General Fund estimated at not more than $0.

GENERAL PROVISIONS

DEPARTMENT OF ENERGY

SEC. 301. (a) None of the funds appropriated by this Act or any prior appropriations Act may be used to award a management and operating contract unless such contract is awarded using competitive procedures or the Secretary of Energy grants, on a case-by-case basis, a waiver to allow for such a deviation. The Secretary may not delegate the authority to grant such a waiver.

(b) At least 60 days before a contract award, amendment, or modification for which the Secretary intends to grant such a waiver, the Secretary shall submit to the Subcommittees on Energy and Water Development of the Committees on Appropriations of the House of Representatives and the Senate a report notifying the subcommittees of the waiver and setting forth the reasons for the waiver.

SEC. 302. (a) None of the funds appropriated by this Act or any prior appropriations Act may be used to award, amend, or modify a contract in a manner that deviates from the Federal Acquisition Regulation, unless the Secretary of Energy grants, on a case-by-case basis, a waiver to allow for such a deviation. The Secretary may not delegate the authority to grant such a waiver.

(b) At least 60 days before a contract award, amendment, or modification for which the Secretary intends to grant such a waiver, the Secretary shall submit to the Subcommittees on Energy and Water Development of the Committees on Appropriations of the House of Representatives and the Senate a report notifying the subcommittees of the waiver and setting forth the reasons for the waiver.

SEC. 303. None of the funds appropriated by this Act or any prior appropriations Act may be used to—

(1) develop or implement a workforce restructuring plan that covers employees of the Department of Energy; or

(2) provide enhanced severance payments or other benefits for employees of the Department of Energy; under section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2644; 42 U.S.C. 7274h).

SEC. 304. None of the funds appropriated by this Act or any prior appropriations Act may be used to augment the $29,900,000 made available for obligation by this Act for severance payments and other benefits and community assistance grants under section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2644; 42 U.S.C. 7274h).

SEC. 305. None of the funds appropriated by this Act or any prior appropriations Act may be used to prepare or initiate Requests For Proposals (RFPs) for a program if the program has not been funded by Congress.

(TRANSFERS OF UNEXPENDED BALANCES)

SEC. 306. The unexpended balances of prior appropriations provided for activities in this Act may be transferred to appropriation accounts for such activities established pursuant to this title. Balances so transferred may be merged with funds in the applicable established accounts and thereafter may be accounted for as one fund for the same time period as originally enacted.

SEC. 307. Notwithstanding 41 U.S.C. section 254c(a), the Secretary of Energy may use funds appropriated by this Act to enter into multiyear contracts for the acquisition of property or services without obligating the estimated costs associated with any necessary cancellation or termination of the contract. The Secretary of Energy may pay costs of termination or cancellation from—

(1) appropriations originally available for the performance of the contract concerned;

(2) appropriations currently available for procurement of the type of property or services concerned, and not otherwise obligated; or

(3) funds appropriated for those payments.

SEC. 308. None of the funds in this Act may be used to dispose of transuranic waste in the Waste Isolation Pilot Plant which contains concentrations of plutonium in excess of 20 percent by weight for the aggregate of any material category on the date of enactment of this Act, or is generated after such date.

SEC. 309. CHANGE OF NAME OF THE OFFICE OF ENERGY RESEARCH. (a) IN GENERAL.—Section 209 of the Department of Energy Organization Act (42 U.S.C. 7139) is amended—

(1) in the section heading, by striking ''ENERGY RESEARCH'' and inserting ''SCIENCE''; and

(2) in subsection (a), by striking ''Energy Research'' and inserting ''Science''.

(b) CONFORMING AMENDMENTS.—

(1) TABLE OF CONTENTS.—The table of contents in the first section of the Department of Energy Organization Act (42 U.S.C. prec. 7101) is amended by striking the item relating to section 209 and inserting the following:

''Section 209. Office of Science.''.

(2) REFERENCES IN OTHER LAW.—Each of the following is amended by striking ''Energy Research'' and inserting ''Science'':

(A) The item relating to the Director, Office of Energy Research, Department of Energy in section 5315 of title 5, United States Code.

(B) Section 2902(b)(6) of title 10, United States Code.

(C) Section 406(h)(2)(A)(v) of the Public Health Service Act (42 U.S.C. 284a(h)(2)(A)(v)).

(D) Sections 3167(3) and 3168 of the Department of Energy Science Education Enhancement Act (42 U.S.C. 7381d(3), 7381e).

(E) Paragraphs (1) and (2) of section 224(b) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10204(b)).

(F) Section 2203(b)(3)(A)(i) of the Energy Policy Act of 1992 (42 U.S.C. 13503(b)(3)(A)(i)).

SEC. 310. MAINTENANCE OF SECURITY AT DOE URANIUM ENRICHMENT PLANTS.—Section 3107(h) of the USEC Privatization Act (42 U.S.C. 2297h–5(h)) is amended in paragraph (1), by striking ''an adequate number of security guards'' and inserting ''all security police officers''; and by inserting the following paragraph:

''(2) FUNDING.—

''(A) The costs of arming and providing arrest authority to the security police officers required under paragraph (1) shall be paid as follows:

''(i) the Department of Energy (the ''Department'') shall pay the percentage of the costs equal to the percentage of the total number of employees at the gaseous diffusion plant who are (I) employees of the Department or the contractor or subcontractors of the Department or (II) employees of the private entity leasing the gaseous diffusion plant who perform work on behalf of the Department (including employees of a contractor or subcontractor of the private entity), and

''(ii) the private entity leasing the gaseous diffusion plant shall pay the percentage of the costs equal to the percentage of the total number of employees at the gaseous diffusion plant who are employees of the private entity (including employees of a contractor or subcontractor) other than those employees who perform work for the Department.

''(B) Neither the private entity leasing the gaseous diffusion plant nor the Department

shall reduce its payments under any contract or lease or take other action to offset its share of the costs referred to in subparagraph (A), and the Department shall not reimburse the private entity for the entity's share of these costs.

''(C) Nothing in this subsection shall alter the Department's responsibilities to pay the safety, safeguards and security costs associated with the Department's highly enriched uranium activities.''.

SEC. 311. None of the funds in this Act may be used by the Department of Energy to conduct pilot projects simulating external regulation unless the Nuclear Regulatory Commission, the Occupational Safety and Health Administration, and the appropriate State and local regulatory entities are included in the pilot projects.

SEC. 312. Of the amounts provided in this title under the heading, ''Atomic Energy Defense Activities, Weapons Activities'', $57,000,000 shall not be available for obligation until September 30, 1999.

TITLE IV

INDEPENDENT AGENCIES

APPALACHIAN REGIONAL COMMISSION

For expenses necessary to carry out the programs authorized by the Appalachian Regional Development Act of 1965, as amended, notwithstanding section 405 of said Act, for necessary expenses for the Federal Co-Chairman and the alternate on the Appalachian Regional Commission, for payment of the Federal share of the administrative expenses of the Commission, including services as authorized by 5 U.S.C. 3109, and hire of passenger motor vehicles, $66,400,000, to remain available until expended.

DENALI COMMISSION

For expenses of the Denali Commission including the purchase, construction and acquisition of plant and capital equipment as necessary and other expenses, $20,000,000, to remain available until expended, subject to enactment of authorization by law.

DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SALARIES AND EXPENSES

For necessary expenses of the Defense Nuclear Facilities Safety Board in carrying out activities authorized by the Atomic Energy Act of 1954, as amended by Public Law 100–456, section 1441, $16,500,000, to remain available until expended.

NUCLEAR REGULATORY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Commission in carrying out the purposes of the Energy Reorganization Act of 1974, as amended, and the Atomic Energy Act of 1954, as amended, including official representation expenses (not to exceed $15,000); $465,000,000, to remain available until expended: Provided, That of the amount appropriated herein, $17,000,000 shall be derived from the Nuclear Waste Fund: Provided further, That revenues from licensing fees, inspection services, and other services and collections estimated at $444,800,000 in fiscal year 1999 shall be retained and used for necessary salaries and expenses in this account, notwithstanding 31 U.S.C. 3302, and shall remain available until expended: Provided further, That $3,200,000 of the funds herein appropriated for regulatory reviews and other assistance provided to the Department of Energy and other Federal agencies shall be excluded from license fee revenues, notwithstanding 42 U.S.C. 2214: Provided further, That the sum herein appropriated shall be reduced by the amount of revenues received during fiscal year 1999 so as to result in a final fiscal year 1999 appropriation estimated at not more than $20,200,000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $4,800,000, to remain available until expended: Provided, That the sum herein appropriated shall be reduced by the amount of revenues received during fiscal year 1999 so as to result in a final fiscal year 1999 appropriation estimated at not more than $0.

NUCLEAR WASTE TECHNICAL REVIEW BOARD

SALARIES AND EXPENSES

For necessary expenses of the Nuclear Waste Technical Review Board, as authorized by Public Law 100–203, section 5051, $2,600,000, to be derived from the Nuclear Waste Fund, and to remain available until expended.

TITLE V—GENERAL PROVISIONS

SEC. 501. None of the funds appropriated by this Act may be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before Congress, other than to communicate to Members of Congress as described in section 1913 of title 18, United States Code.

SEC. 502. (a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

(b) NOTICE REQUIREMENT.—In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

(c) PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a ''Made in America'' inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

SEC. 503. (a) None of the funds appropriated or otherwise made available by this Act may be used to determine the final point of discharge for the interceptor drain for the San Luis Unit until development by the Secretary of the Interior and the State of California of a plan, which shall conform to the water quality standards of the State of California as approved by the Administrator of the Environmental Protection Agency, to minimize any detrimental effect of the San Luis drainage waters.

(b) The costs of the Kesterson Reservoir Cleanup Program and the costs of the San Joaquin Valley Drainage Program shall be classified by the Secretary of the Interior as reimbursable or nonreimbursable and collected until fully repaid pursuant to the ''Cleanup Program—Alternative Repayment Plan'' and the ''SJVDP—Alternative Repayment Plan'' described in the report entitled ''Repayment Report, Kesterson Reservoir Cleanup Program and San Joaquin Valley Drainage Program, February 1995'', prepared by the Department of the Interior, Bureau of Reclamation. Any future obligations of funds by the United States relating to, or providing for, drainage service or drainage studies for the San Luis Unit shall be fully reimbursable by San Luis Unit beneficiaries of such service or studies pursuant to Federal Reclamation law.

SEC. 504. None of the funds made available in this or any other Act may be used to restart the High Flux Beam Reactor.

SEC. 505. Section 6101(a)(3) of the Omnibus Budget Reconciliation Act of 1990, as amended, (42 U.S.C. 2214(a)(3)) is amended by striking ''September 30, 1998'' and inserting ''September 30, 1999''.

SEC. 506. (a) Funds appropriated for ''Nuclear Regulatory Commission—Salaries and Expenses'' shall be available to the Commission for the following additional purposes:

(1) Employment of aliens.

(2) Services authorized by section 3109 of title 5, United States Code.

(3) Publication and dissemination of atomic information.

(4) Purchase, repair, and cleaning of uniforms.

(5) Reimbursements to the General Services Administration for security guard services.

(6) Hire of passenger motor vehicles and aircraft.

(7) Transfers of funds to other agencies of the Federal Government for the performance of the work for which such funds are appropriated, and such transferred funds may be merged with the appropriations to which they are transferred.

(8) Transfers to the Office of Inspector General of the Commission, not to exceed an additional amount equal to 5 percent of the amount otherwise appropriated to the Office for the fiscal year. Notice of such transfers shall be submitted to the Committees on Appropriations.

(b) Funds appropriated for ''Nuclear Regulatory Commission—Office of Inspector General'' shall be available to the Office for the additional purposes described in paragraphs (2) and (7) of subsection (a).

(c) Moneys received by the Commission for the cooperative nuclear research program, services rendered to State governments, foreign governments, and international organizations, and the material and information access authorization programs, including criminal history checks under section 149 of the Atomic Energy Act of 1954 (42 U.S.C. 2169) may be retained and used for salaries and expenses associated with those activities, notwithstanding 31 U.S.C. 3302, and shall remain available until expended.

(d) Notwithstanding section 663(c)(2)(D) of Public Law 104–208, and to facilitate targeted workforce downsizing and restructuring, the Chairman of the Nuclear Regulatory Commission may use funds appropriated in this Act to exercise the authority provided by section 663 of that Act with respect to employees who voluntarily separate from the date of enactment of this Act through December 31, 2000. All of the requirements in section 663 of Public Law 104–208, except for section 663(c)(2)(D), apply to the exercise of authority under this section.

(e) Subsections (a), (b), and (c) of this section shall apply to fiscal year 1999 and each succeeding fiscal year.

(TRANSFER OF FUNDS)

SEC. 507. FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA, CRIMINAL JUSTICE SYSTEM.—Of the amounts appropriated as a Federal payment under the District of Columbia Appropriations Act, 1998, to the Pretrial Services, Defense Services, Parole, Adult Probation and Offender Supervision Trustee, $1,700,000 are hereby transferred to the District of Columbia Courts for court operations.

DESIGNATION OF VIC FAZIO YOLO WILDLIFE AREA

SEC. 508. The wetlands located in Yolo County, California, and known as the Yolo Basin Wetlands, shall be known and designated as the ''Vic Fazio Yolo Wildlife Area''. Any reference in law, map, regulation, document, paper, or other record of the United States to the wetlands shall be deemed to be a reference to the ''Vic Fazio Yolo Wildlife Area''.

DALE BUMPERS WILDLIFE RESOURCES PROTECTION ACT

SEC. 509. The Arkansas Wilderness Act of 1984 (Public Law 98–508, 98 Stat. 2349) is amended by adding at the end thereof the following new section:

''SEC. 8. RECOGNIZING THE CONTRIBUTIONS OF SENATOR DALE BUMPERS.

''(a) DEDICATION.—The nine areas in the State of Arkansas comprising approximately 91,100 acres designated as components of the National Wilderness Preservation System pursuant to this Act are hereby dedicated to United States Senator Dale Bumpers in recognition of

his leadership and outstanding contributions to the designation of wilderness in the State of Arkansas and to the protection and preservation of natural resources for the benefit of the people of the United States.

''(b) SHORT TITLE.—In further recognition of his efforts to protect wilderness resources in the State of Arkansas, this Act shall, upon enactment of this section, be known as the 'Dale Bumpers Wilderness Resources Protection Act'.

''(c) PUBLIC NOTIFICATION.—Not later than 180 days after the date of enactment of this section, the Secretary of Agriculture, acting through the Chief of the Forest Service, shall take such actions as may be necessary to recognize the contributions of Senator Dale Bumpers to the preservation of wilderness in the State of Arkansas. Such actions shall include, but not be limited to, appropriate signs and other materials, commemorative markers, maps, interpretive programs or other means as will adequately inform the public of the efforts of Senator Bumpers to preserve and protect National Forest wilderness areas in the State of Arkansas.''.

This Act may be cited as the ''Energy and Water Development Appropriations Act, 1999''.

And the Senate agree to the same.

JOSEPH MCDADE,
HAROLD ROGERS,
JOE KNOLLENBERG,
ROD FRELINGHUYSEN,
MIKE PARKER,
SONNY CALLAHAN,
JAY DICKEY,
BOB LIVINGSTON,
VIC FAZIO,
PETER J. VISCLOSKY,
CHET EDWARDS,
ED PASTOR,
DAVID OBEY,
Managers on the Part of the House.

PETE DOMENICI,
THAD COCHRAN,
SLADE GORTON,
MITCH MCCONNELL,
R. F. BENNETT,
CONRAD BURNS,
LARRY E. CRAIG,
TED STEVENS,
HARRY REID,
ROBERT BYRD,
FRITZ HOLLINGS,
PATTY MURRAY,
HERB KOHL,
BYRON L. DORGAN,
DANIEL INOUYE,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4060) making appropriations for energy and water development for the fiscal year ending September 30, 1999, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effects of the action agreed upon by the managers and recommended in the accompanying conference report.

The language and allocations set forth in House Report 105–581 and Senate Report 105–206 should be compiled with unless specifically addressed to the contrary in the conference report and statement of the managers. Report language included by the House which is not contradicted by the report of the Senate or the conference, and Senate report language which is not contradicted by the report of the House or the conference is approved by the committee of conference. The statement of managers, while repeating some report language for emphasis, does not intend to negate the language referred to above unless expressly provided herein. In cases where both the House report and Senate report address a particular issue not specifically addressed in the conference report or joint statement of managers, the conferees have determined that the House and Senate reports are not inconsistent and are to be interpreted accordingly. In cases in which the House or Senate have directed the submission of a report, such report is to be submitted to both House and Senate Committees on Appropriations.

Senate amendment: The Senate deleted the entire House bill after the enacting clause and inserted the Senate bill. The conference agreement includes a revised bill.

TITLE I

DEPARTMENT OF DEFENSE—CIVIL

The summary tables at the end of this title set forth the conference agreement with respect to the individual appropriations, programs, and activities of the Corps of Engineers. Additional items of conference agreement are discussed below.

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

GENERAL INVESTIGATIONS

The conference agreement appropriates $161,747,000 for General Investigations instead of $162,823,000 as proposed by the House and $165,390,000 as proposed by the Senate.

The conference agreement includes $100,000 for a reconnaissance study of flood control and related purposes along Burnt Corn Creek and Murder Creek in the vicinity of Brewton and East Brewton, Alabama.

The conference agreement includes $100,000 for a reconnaissance study of the City of Folsom, California, project, as authorized by Section 503 of the Water Resources Development Act of 1996.

The conference agreement includes final year funding to conclude demonstration studies on the seismic reliability of public infrastruture in California.

The conferees direct that the funds provided for the Delaware Bay Coastline, Delaware and New Jersey, project be distributed as follows: $119,000 for the Villas and Vicinity portion; $100,000 for the Roosevelt/Lewes Beach portion; and $200,000 for the Port Mahon portion of the project.

The conference agreement includes $100,000 for a reconnaissance study of the efficiency of existing water systems serving sugar cane plantations and surrounding communities in the State of Hawaii.

The conference agreement does not include funding for the Panther Creek, Kentucky, project in the General Investigations account. Funding for this project has been provided in the Construction, General account, under the Section 205 Small Flood Control Projects program of the Corps of Engineers.

The conference agreement includes $113,000 for the Absecon Island element of the Brigantine Inlet to Great Egg Harbor Inlet, New Jersey, project.

The conferees direct that the funds provided for the Raritan Bay to Sandy Hook Bay, New Jersey, project be distributed as follows: $225,000 for the Cliffwood Beach element; $325,000 for the Union Beach element; $100,000 for the Leonardo element; and $100,000 for the Port Monmouth element of the project.

The conference agreement includes $100,000 for a reconnaissance study of flood control and related purposes within the Woodbridge and Rahway river basins in New Jersey.

The conference agreement includes $500,000 for a feasibility study of the Packery Channel, Corpus Christi, Texas, project.

The conference agreement includes $100,000 for a reconnaissance study as directed by the Water Resources and Development Act of 1996 to determine the minimum safe height for levees along the Columbia River in the Tri-Cities area.

The conference agreement includes $100,000 for a reconnaissance study of flooding problems in the Skokomish River Basin, Washington.

The conference agreement includes $27,000,000 for Research and Development as proposed by the House instead of $30,000,000 as proposed by the Senate. Of the amount provided, $750,000 is for the Zebra Mussel Research Program.

The conferees have included language in the bill earmarking funds for the following projects in the amounts specified: Delaware Bay Coastline, Delaware and New Jersey, $419,000; Tampa Harbor, Alafia Channel, Florida, $200,000; Barnegat Inlet to Little Egg Harbor Inlet, New Jersey, $322,000; Brigantine Inlet to Great Egg Harbor Inlet, New Jersey, $113,000; Great Egg Harbor Inlet to Townsend's Inlet, New Jersey, $200,000; Lower Cape May Meadows—Cape May Point, New Jersey, $100,000; Manasquan Inlet to Barnegat Inlet, New Jersey, $300,000; Raritan Bay to Sandy Hook Bay, New Jersey, $750,000; and Townsend's Inlet to Cape May Inlet, New Jersey, $250,000.

The conference agreement deletes funds earmarked in the Senate bill for the Atlanta Watershed, Atlanta, Georgia, project.

The conference agreement deletes language contained in the Senate bill providing funds for Rehoboth and Dewey Beaches, Delaware. The amount appropriated for General Investigations includes $150,000 for this element of the Delaware Coast from Cape Henlopen to Fenwick Island, Delaware, project.

The conference agreement deletes language contained in the Senate bill providing funds for Fort Pierce Shore Protection, Florida. This project has been funded in the Construction, General account.

The conference agreement deletes language contained in the Senate bill providing funds for the Lido Key Beach, Florida, project. The amount appropriated for General Investigations includes $268,000 for this project. The conference agreement also deletes language contained in the Senate bill providing funds for the Paducah, Kentucky, project. The amount appropriated for General Investigations includes $100,000 for a reconnaissance study of the project. The conference agreement also deletes language contained in the Senate bill providing funds for the Lake Pontchartrain Basin Comprehensive Study, Louisiana, project.

The conference agreement includes language proposed by both the House and Senate directing the Corps of Engineers to use $700,000 of previously appropriated funds to continue the feasibility phase of the Red River Navigation, Southwest Arkansas, project.

The conference agreement includes language proposed by the House directing the Corps of Engineers to use $500,000 to implement Section 211(f)(7) of the Water Resources Development Act of 1996 and to reimburse the non-Federal sponsor a portion of the Federal share of project costs for the Hunting Bayou, Texas, project, and language proposed by the House directing the Corps of Engineers to use $300,000 to implement Section 211(f)(8) of the Water Resources Development Act of 1996 and to reimburse the non-Federal sponsor a portion of the Federal share of project costs for the White Oak Bayou, Texas, project.

CONSTRUCTION, GENERAL

The conference agreement appropriates $1,429,885,000 for Construction, General instead of $1,456,529,000 as proposed by the House and $1,248,068,000 as proposed by the Senate.

The conference agreement includes $585,000 for channel extension work at the Mobile Harbor, Alabama, project.

The conference agreement provides $3,500,000 for the Red River Emergency Bank Protection, Arkansas, project. Using those funds, the Corps of Engineers is directed to proceed with the components of the project identified in the House and Senate reports.

The conferees direct the Corps of Engineers to complete a reevaluation report of the Sacramento River Deepwater Ship Channel, California, project using available funds.

Funds provided for the Sacramento River Bank Protection Project in California will permit the Corps of Engineers to complete reinforcement and protection work on a five-mile section of Reclamation District 108's so-called Back Levee, the left bank of the Colusa Basin Drain.

The conferees direct that none of the funds provided for the Dade County, Florida, project shall be used for the acquisition of foreign source materials for the project unless the Secretary of the Army provides written certification to the Committees on Appropriations that domestic sources of materials are not available.

It is the intent of conferees that the Secretary of the Army, acting through the Chief of Engineers, use appropriations for the Chicago Shoreline, Illinois, project for construction and reimbursement to the non-Federal interest for the Federal share of any costs incurred by the non-Federal interest in reconstructing the revetment structures protecting Solidarity Drive in Chicago completed prior to execution of the Project Cooperation Agreement due to emergency circumstances associated with the potential collapse of existing revetment. It is the intent of the conferees that design, engineering, contracting and construction management of the Chicago Shoreline, Illinois, project be carried out directly by the Secretary of the Army, acting through the Chief of Engineers, except for these segments authorized in subsections 101(a)(12)(A) and (B) of Public Law 104–303.

The conferees remain supportive of the Des Plaines Wetlands Demonstration, Illinois, project and understand that sufficient funds will be carried forward into fiscal year 1999 to meet project requirements for the coming year.

The conference agreement includes $1,000,000 for construction of the Comite River, Louisiana, project.

The conference agreement includes $3,800,000 for the Mississippi River, Gulf Outlet, Louisiana, project. The Corps of Engineers is directed to use these funds to begin construction of, and implementation of the community impact mitigation plan for, the Inner Harbor Navigation Canal Lock replacement element of the project.

The conference agreement includes $6,200,000 for the Jackson County, Mississippi, environmental infrastructure project as authorized by section 504 of the Water Resources Development Act of 1996. Because of the importance of this project, the Corps of Engineers is encouraged to include within the terms of the local cooperation agreement for construction the determination that all work completed after January 17, 1995 by non-Federal interests which is compatible with the project shall be considered part of the project and may be credited by the Secretary toward the non-Federal share of the cost of the project. Such work shall include those activities addressed by the Corps of Engineers conceptual design review report dated June 30, 1994.

The conferees would not oppose the execution of a contract for the Pascagoula Harbor, Mississippi, phase II dredging project that includes modifications for the extension of Bayou Cassotte.

The conference agreement includes a total of $38,500,000 for the Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River, West Virginia, Virginia and Kentucky, project. These funds are to be distributed as follows: $10,000,000 for the Harlan/Clover Fork, Kentucky, element; $1,000,000 for the Cumberland City/Harlan County, Kentucky, element; $1,500,000 for the Williamsburg, Kentucky, element; $5,000,000 for the Middlesboro, Kentucky, element; $4,150,000 for the Pike County, Kentucky, element; $3,850,000 for the Martin County, Kentucky, element; $730,000 for the Town of Martin, Kentucky, element; $920,000 for the Grundy, Virginia, element; $300,000 for the Hatfield Bottom, West Virginia, element; $3,400,000 for the Lower Mingo County (Kermit), West Virginia, element; $4,500,000 for the McDowell County, West Virginia, element; $1,475,000 for the Upper Mingo County, West Virginia, element; and $1,675,000 for the Wayne County, West Virginia, element.

The conference agreement includes $60,000,000 for the Columbia River Fish Mitigation, Washington, Oregon, and Idaho, project instead of $7,758,000 as proposed by the House and $95,000,000 as proposed by the Senate. Funds are provided for phase I only of the John Day Reservoir drawdown study as outlined in the scoping document and report of the Corps of Engineers dated February 22, 1998. Funds are also provided to continue the lower Snake River feasibility study and to continue ongoing construction activity.

The conference agreement includes $11,200,000 for the Section 206 program. Using those funds, the Corps of Engineers is directed to proceed with the projects described in the House and Senate reports.

The conference agreement includes $2,000,000 for the Section 103 program. Using those funds, the Corps of Engineers is directed to proceed with the project described in the House report.

The conferees recognize the serious erosion problems being experienced on the east end of Dauphin Island, Alabama. To counter this threat to property and habitat, the conferees urge the U.S. Army Corps of Engineers, acting in coordination with non-Federal interests, to initiate a small beach restoration project on the east end of Dauphin Island, Alabama, utilizing alternative sand recapture technologies. Additionally, the conferees encourage the U.S. Army Corps of Engineers to work with non-Federal interests to begin near-shore disposal of appropriate dredge material on the east end of Dauphin Island, Alabama.

The conference agreement includes $300,000 for the Section 208 program. Using those funds, the Corps of Engineers is directed to proceed with the projects described in the House report.

The conference agreement includes $7,000,000 for the Section 14 program. Using those funds, the Corps of Engineers is directed to proceed with the projects described in the House and Senate reports.

The conference agreement includes $34,800,000 for the Section 205 program. Using those funds, the Corps of Engineers is directed to proceed with the projects described in the House and Senate reports. Of the amount provided for the Section 205 program, $100,000 is for the Port Indian, West Norriton Township, Pennsylvania, project; $100,000 is for studies of flooding problems along the Mad River, New Haven River, Otter Creek, White River, Waits River and affected tributaries in Vermont; and $1,550,000 is for the Cedar River, Washington, flood damage reduction project.

The conference agreement includes $200,000 for the Section 111 program. Using those funds, the Corps of Engineers is directed to proceed with the project described in the House report.

The conference agreement includes $6,000,000 for the Section 107 program. Using those funds, the Corps of Engineers is directed to proceed with the projects described in the House and Senate reports. The conferees strongly urge the Corps of Engineers to consider the concept design developed by the State of Minnesota in the planning and design of the Duluth (McQuade Road) Harbor, Minnesota, project.

The conference agreement includes $11,000,000 for the Section 1135 program. Using those funds, the Corps of Engineers is directed to proceed with the projects described in the House and Senate reports. Of the amount provided for the Section 1135 program, $500,000 is for the Green-Duwamish Ecosystem Restoration project and $1,758,000 is for the Lower Hamm Creek, Washington, project.

The conference agreement includes language proposed by the House providing funds specifically for Part I of the Lock and Dam 24, Mississippi River, Illinois and Missouri, project instead of language proposed by the Senate providing funds to the project without reference to Part I.

The conferees have included language in the bill earmarking funds for the following projects in the amounts specified: Norco Bluffs, California, $4,400,000; Panama City Beaches, Florida, $6,000,000; Tybee Island, Georgia, $1,200,000; Indiana Shoreline Erosion, Indiana, $700,000; Indianapolis Central Waterfront, Indiana, $4,000,000; Ohio River Flood Protection, Indiana, $750,000; Harlan/Clover Fork, Williamsburg, Middlesboro, Martin County, Pike County and Town of Martin (Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River), Kentucky, $25,230,000; Southern and Eastern Kentucky, Kentucky, $4,000,000; Lake Pontchartrain and Vicinity (Hurricane Protection), Louisiana, $16,000,000; Lake Pontchartrain Stormwater Discharge, Louisiana, $4,500,000; Southeast Louisiana, Louisiana, $75,000,000; Jackson County, Mississippi, $6,200,000; Natchez Bluff, Mississippi, $4,000,000; Pascagoula Harbor, Mississippi, $12,000,000; Passaic River Streambank Restoration, New Jersey, $3,000,000; Lackawanna River, Olyphant, Pennsylvania, $6,800,000; Lackawanna River, Scranton, Pennsylvania, $40,551,000; South Central Pennsylvania Environment Improvement Program, Pennsylvania, $39,000,000; Wallisville Lake, Texas, $5,500,000; Virginia Beach, Virginia (Hurricane Protection), $18,000,000; Upper Mingo County, Lower Mongo County, Wayne County, Hatfield Bottom, and McDowell County (Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River), West Virginia, $11,350,000; and West Virginia and Pennsylvania Flood Control, West Virginia and Pennsylvania, $750,000.

The conference agreement includes language proposed by the House providing that, of the amount provided for the South Central Pennsylvania Environment Improvement Program, $13,000,000 shall be available only for water-related environmental infrastructure and resource protection and development projects in Lackawanna, Lycoming, Susquehanna, Wyoming, Pike and Monroe counties in Pennsylvania in accordance with the purposes of subsection (a) and requirements of subsections (b) through (e) of section 313 of the Water Resources Development Act of 1992, as amended. These funds are provided for water-related environmental infrastructure projects at the following sites in the amounts specified: Athens Township, Bradford County, $1,000,000; Central Bradford Progress Authority, Bradford County, $2,000,000; Towanda Area Municipal Authority, Bradford County, $450,000; South Abington Water Authority, Lackawanna County, $350,000; Borough of Clark Summit, Lackawanna County, $500,000; Covington Township

Sewer Authority, Lackawanna County, $1,000,000; Moosic Borough, Lackawanna County, $700,000; Williamsport Municipal Authority, Lycoming County, $400,000; Lycoming County Water and Sewer Authority, $2,700,000; Tobyhanna Township, Monroe County, $200,000; Pike County $3,000,000; and Sullivan County, $700,000.

Of the remaining amount provided for the South Central Pennsylvania Environment Improvement Program, funds are provided for water-related environmental infrastructure projects at the following sites in the amounts specified: Broad Top Township; Bedford County, $500,000; Chestnut Ridge Municipal Authority, Bedford County, $2,000,000; Northern Blair County Regional Sewer Authority, Blair County, $650,000; Burnside Borough, Clearfield County, $50,000; Graham Township, Clearfield County, $500,000; Curwensville Municipal Authority, Clearfield County, $500,000; Glen Hope Water Association, Clearfield County, $100,000; Irvona Municipal Authority, Clearfield County, $500,000; West Decatur Township, Clearfield County, $200,000; Guilford Township, Franklin County, $500,000; Alexandria Borough/Porter Township, Huntingdon County, $500,000; Mount Union, Huntingdon County, $500,000; Huntingdon Borough, Huntingdon County, $850,000; Orbisonia Borough, Huntingdon County, $300,000; Mifflintown Municipal Authority, Juniata County, $500,000; Juniata Terrace Borough, Mifflin County, $500,000; Adams Township, Snyder County, $350,000; and Middleburg Borough, Snyder County, $1,000,000..

The conference agreement includes language proposed by the House directing the Secretary of the Army to incorporate the economic analyses for the Green Ridge and Plot Sections of the Lackawanna River, Scranton, Pennsylvania, project with the analysis for the Albright Street section of the project and cost-share and implement the combined sections as a single project. The conference agreement also includes language proposed by the House making funds previously appropriated for the restoration of the Lackawanna River Basin Corridor, Pennsylvania, available for other projects and activities on the Lackawanna River in Pennsylvania.

The conference agreement includes language proposed by the House directing the Secretary of the Army to implement Section 211(f)(6) of the Water Resources Development Acg of 1996 and to reimburse the non-Federal sponsor for a portion of the Federal share of the project costs for the Brays Bayou, Texas, project. The conference agreement includes $4,500,000 to implement this direction instead of $6,000,000 as proposed by the House and $3,000,000 as proposed by the Senate.

The conference agreement includes language proposed by the Senate that increases the appropriation ceiling for the Cook Inlet, Alaska, project and for the Natchez Bluff, Mississippi, project. In addition, the conference agreement includes language that increases the appropriation ceiling for the West Sacramento, California, project, and the Sacramento River, Glenn-Colusa Irrigation District, California, project.

The conference agreement includes language providing that the Corps of Engineers may use up to $5,000,000, instead of $8,000,000 as proposed by the Senate, to construct an emergency outlet from Devils Lake, North Dakota, to the Sheyenne River. The Corps may proceed with this project using available funds. The conference agreement deletes language proposed by the Senate designating the appropriation as an emergency. The conference agreement includes language proposed by the Senate subjecting the expenditure of funds on this project to a number of conditions. Although the conferees do not specifically endores the Senate report language regarding this project, they are prepared to consider providing additional resources if circumstances warrant.

The conference agreement includes language providing for the transfer of remaining General Investigations funds previously appropriated for the Juniata River, Pennsylvania, study and the Mussers Dam, Pennsylvania, project to Construction, General for use in specified components of the South Central Pennsylvania Environment Improvement Program.

The conference agreement deletes language proposed by the Senate directing the Corps of Engineers to use funds previously appropriated for the LaFarge Lake, Kickapoo River, Wisconsin, project to complete and transmit to the appropriated for the LaFarge Lake, Kickapoo River, Wisconsin, project to complete and transmit to the appropriate committees of Congress by January 15, 1999 a decision document on the advisability of undertaking activities authorized by Public Law 104–303.

The conference agreement deletes language proposed by the Senate earmarking funds for: a demonstration of sediment remediation technology; the Belle Isle Shoreline Erosion Protection, Michigan, project; the Riverfront Towers to Renaissance Center Shoreline Protection, Michigan, project; and the Great Lakes Basin Sea Lamprey Control, Michigan, project.

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES, ARKANSAS, ILLINOIS, KENTUCKY, LOUISIANA, MISSISSIPPI, MISSOURI, AND TENNESSEE

The conference agreement appropriates $321,149,000 for Flood Control, Mississippi River and Tributaries instead of $312,077,000 as proposed by the House and $313,234,000 as proposed by the Senate.

The conferees observe that Congress provided $1,500,000 above the budget request in fiscal year 1998 for a grant study of Morganza, Louisiana, to the Gulf of Mexico. These funds were provided to the Corps of Engineers to expedite preconstruction engineering and design as recommended in the report issued in response to Section 425 of the Water Resources Development Act of 1996.

OPERATION AND MAINTENANCE, GENERAL

The conference agreement appropriates $1,653,252,000 for Operation and Maintenance, General instead of $1,637,719,000 as proposed by the House and $1,667,572,000 as proposed by the Senate.

The Corps of Engineers is directed to use such available funds as are necessary to continue environmental studies and other activities related to evaluation of the water allocation formulas for the Apalachicola—Chattahooche-Flint (ACF) and Alabama-Coosa-Tallapoosa (ACT) River Basins.

The conference agreement includes $24,993,000 for operation and maintenance of the McClellan-Kerr Arkansas River Navigation System, Arkansas, project. Within this amount, $3,900,000 is for the acqusition and installation of tow haulage equipment for system locks.

The conference agreement includes $5,200,000 for operation and maintenance of the Apalochicola Chattahooche and Flint Rivers, Georgia, Alabama and Florida, project. The amount above the budget request is for model studies of the Chipola Cutoff to the Corley Slough reach of the river.

The amount above the budget request provided for the Kaskaskia River Navigation, Illinois, project is for the purpose described in the Senate Report.

The conference agreement includes $4,677,000 for operation and maintenance of Wolf Creek Dam, Lake Cumberland, Kentucky, project. The amount above the budget request is for the Corps of Engineers to complete construction of the debris rack at Lake Cumberland, along with landscaping, fencing and bank paving.

The conferees understand that failure of a containment dike threatens to severely impact critical habitat at the Blackwater Wildlife Refuge in Maryland and that the Corps of Engineers has been approached to offer assistance in resolving the problem. Given the potential impact to this significant wildlife resource, the Corps is encouraged to continue to work with interested parties and to use available authorities and resources as appropriate to assist in correcting the damaged dike.

The conferees direct the Corps of Engineers to repair the west breakwater at the Cedar River Harbor, Michigan, project, using funds previously appropriated for the project.

The conferees urge the Corps of Engineers to complete a section 111 report for the Ludington Harbor, Michigan, project to determine critical areas affected by the project, within available funds.

The conferees are aware of the deteriorated condition of the Owasco Seawall, which threatens the water supply of Auburn, New York. The Corps of Engineers is directed to conduct emergency repairs and rehabilitate the east seawall, utilizing fully such authorities as exist in law.

The conference agreement includes $9,546,000 for operation and maintenance of the Garrison Dam, Lake Sakakawea, North Dakota, project. The amount above the budget request is for mosquito control activities at Lake Sakakawea.

The conferees have been informed of the potential need for mitigation dredging of the Charleston Harbor, South Carolina, navigation channel. The Corps of Engineers is directed to review the situation and to use available funds to perform additional dredging if safety conditions warrant.

The amount above the budget request for the Fort Randall Dam, Lake Francis Case, South Dakota, project is provided for the purposes described in the Senate Report.

The conference agreement includes $10,900,000 for the Grays Harbor and Chehalis River, Washington, project. Of this amount, $4,000,000 is for continued implementation of the south jetty maintenance project.

The conference agreement includes $550,000 for the Tri-Cities Area, Washington, project. This funding is for NEPA and CERCLA costs associated with land conveyance pursuant to section 501(i) of Public Law 104–303, the Water Resources Development Act of 1996.

The conference agreement includes $2,000,000 for the Willapa River and Harbor, Washington, project for the Corps of Engineers to determine the appropriate, cost effective, stable channel alignment that will eliminate current unacceptable impacts, and to initiate work once a decision is made. In determining the appropriate alignment, the Corps is to pay particular attention to the erosion damage occurring to State Highway 105, the importance of the highway for access and egress to the local area, and the potential cost of road relocation if the highway is destroyed or has to be rerouted.

The conferees are aware of a plan for the regionalization of water control management activities for projects operated by the Corps of Engineers. The conferees direct the Corps to brief the Committees on Appropriations of the House and Senate on the elements of such plan (and its impacts on current division and district operations and resources) prior to the plan's adoption.

The conference agreement deletes language proposed by the House providing for the derivation of funding from the Harbor Maintenance Trust Fund.

The conference agreement includes language in the bill proposed by the House earmarking $4,200,000 for the repair of Chickamauga Lock in Tennessee. Within this amount, such funds as are necessary may be expended on studies associated with the repair work, including assessments, evaluations, or analyses of the existing lock. The conference agreement deletes language proposed by the House making the appropriation for Chickamauga Lock subject to authorization.

The conference agreement deletes language contained in the Senate bill providing funds for the Ponce DeLeon Inlet, Florida, project. The amount appropriated for Operation and Maintenance, General includes $4,000,000 for this project.

The conference agreement deletes language contained in the Senate bill providing funds for the Delaware River, Philadelphia to the Sea, Pea Patch Island, Delaware and New Jersey, project. The amount appropriated for Operation and Maintenance, General includes $750,000 for this project.

The conference agreement deletes language contained in the Senate bill providing funds for the Yaquina Bay and Harbor, North Marina Breakwater, Oregon, project. The amount appropriated for Operation and Maintenance, General includes $1,069,000 for this project.

The conference agreement deletes language proposed by the Senate making available $460,000 for the Omaha District to pay pending takings claims for flooding of property adjacent to the Missouri River. The conferees direct the Corps of Engineers to expeditiously process such claims and make prompt payment upon their disposition by settlement, adjudication, arbitration, or administrative process.

The conference agreement also deletes language proposed by the Senate providing funding for the Missouri River Between Fort Peck Dam and Gavins Point, South Dakota and Montana, project. The amount appropriated for Operation and Maintenance, General includes $3,000,000 for this project.

The conference agreement includes language proposed by the Senate which provides that none of the funds appropriated in the Act shall be used for the purpose of acquiring land in Jasper County, South Carolina, in connection with the Savannah Habor navigation project. The conference agreement deletes language proposed by the Senate providing funds to reimburse the Tri-Cities Power Authority for the reevaluation study of the Bluestone lake, West Virginia, project.

The conference agreement includes language directing the Secretary of the Army to undertake maintenance and repairs on the Allegheny River, Pennsylvania, project, using $6,000,000 provided in Public Law 105–62 for extending the navigation channel on the Allegheny River, Pennsylvania, project to provide passenger boat access to the Kittanning, Pennsylvania, Riverfront Park.

REGULATORY PROGRAM

The conference agreement appropriates $106,000,000 for the Regulatory Program as proposed by the Senate instead of $110,000,000 as proposed by the House.

The conference agreement deletes language proposed by the Senate providing funding for the National Contaminated Sediment Task Force.

FORMERLY UTILIZED SITES REMEDIAL ACTION PROGRAM

(INCLUDING TRANSFER OF FUNDS)

The conference agreement appropriates $140,000,000 for the Formerly Utilized Sites Remedial Action Program (FUSRAP) as proposed by both the House and the Senate, and adopts with modifications the statutory provisions proposed by the Senate. The modifications to the language clarify the authority of the Corps of Engineers as the lead Federal agency; permit the use of recovered or contributed funds for credit in the FUSRAP account and use on projects; and permit the Department of Energy to continue to make payments in lieu of taxes for Federally-owned property where FUSRAP activities are conducted.

GENERAL EXPENSES

The conference agreement appropriates $148,000,000 for General Expenses as proposed by the House and the Senate.

The conference agreement includes language proposed by the House making funding specifically available for headquarters support functions at the USACE Finance Center. The conference agreement deletes language proposed by the House prohibiting the use of funds to support an office of congressional affairs within the executive office of the Chief of Engineers. The conference agreement deletes language proposed by the Senate making funds available for the implementation of a plan to reduce the number of division offices of the Corps of Engineers.

The conferees are aware of a Defense Finance and Accounting Service initiative to assume the finance and accounting support functions which are now performed by the U.S. Corps of Engineers Finance and Accounting Center in Memphis, Tennessee. Because more than ninety-five percent of the Corps-wide operating budget is project funded, active oversight of accounting for operational and project costs is necessary to achieve maximum efficiency for project customers. To this end, the conferees are committed to the highest possible levels of finance and accounting support for the Corps. The Corps must continue to be a competitive engineering service provider, which necessitates full integration of financial and other business processes. This can be achieved only by retaining all of its finance and accounting activities at a central location: the U.S. Army Corps of Engineers Finance and Accounting Center. To ensure that the proposed capitalization by the Defense Finance and Accounting Service fully recognizes Corps missions and responsibilities, the Chief of Engineers is directed to report to the Committees on Appropriations on the progress of capitalization once detailed plans have been formulated.

REVOLVING FUND

The conference agreement deletes language proposed by the Senate which permits the Corps of Engineers to use amounts in the Revolving Fund for an addition to the Alaska District's main office building on Elemendorf Air Force Base and which directs that the Revolving Fund shall be reimbursed from the benefitting appropriations by collections each year of user fees sufficient to repay the capital cost of the asset and to operate and maintain the asset. The conferees understand that the language is no longer required.

The conference agreement includes language proposed by the Senate authorizing the Secretary of the Army to use amounts in the Revolving Fund for activities associated with the relocation of the headquarters of the Corps of Engineers and requiring that the Revolving Fund be appropriately reimbursed.

GENERAL PROVISIONS

CORPS OF ENGINEERS—CIVIL

SEC. 101. The conference agreement includes a provision proposed by the Senate directing the Secretary of the Army, acting through the Chief of Engineers, to undertake work funded in the conference agreement using continuing contracts and providing that no fully allocated funding policy shall apply to projects for which funds are provided in the conference agreement.

SEC. 102. The conference agreement includes language proposed by the Senate providing that none of the funds made available in the conference agreement may be used to revise the Missouri River Master Water Control Manual if such revision provides for an increase in the springtime water release program during the spring heavy rainfall and snow melt period in states that have rivers draining into the Missouri River below the Gavins Point Dam.

Provision not included in the conference agreement.—The conference agreement deletes language proposed by the Senate authorizing and directing the Secretary of the Army to provide planning, design, and construction assistance to non-Federal interests in carrying out water related environmental infrastructure and environmental resources development projects in the State of Alaska and earmarking $5,000,000 for such activities.

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CORPS OF ENGINEERS - GENERAL INVESTIGATIONS 11:41 9/25/98 PAGE 1

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	ALABAMA				
	ALABAMA RIVER BELOW CLAIBORNE LOCK AND DAM, AL	---	---	350,000	---
	BALDWIN COUNTY, AL	---	---	100,000	---
	BAYOU LABATRE, AL	---	---	100,000	---
(SPE)	BIRMINGHAM WATERSHEDS, VILLAGE CREEK, AL	250,000	---	250,000	---
(N)	BLACK WARRIOR-TOMBIGBEE WATERWAY, AL	500,000	---	250,000	---
	BREWTON AND EAST BREWTON, AL	---	---	100,000	---
(SPE)	CAHABA RIVER WATERSHED, AL	50,000	---	50,000	---
(N)	DOG RIVER, AL	100,000	---	100,000	---
	ALASKA				
(N)	AKUTAN HARBOR, AK	140,000	---	140,000	---
(FDP)	ANIAK, AK	200,000	---	200,000	---
(N)	ANCHORAGE HARBOR DEEPENING, AK	---	---	100,000	---
	BREVIG MISSION, AK	---	---	200,000	---
(E)	CHENA RIVER WATERSHED, AK	150,000	---	150,000	---
(N)	COASTAL STUDIES NAVIGATION IMPROVEMENT, AK	300,000	---	300,000	---
(N)	DOUGLAS HARBOR EXPANSION, AK	150,000	---	150,000	---
(N)	FALSE PASS HARBOR, AK	250,000	---	---	---
(N)	KENAI RIVER NAVIGATION, AK	100,000	---	100,000	---
(E)	KENAI RIVER WATERSHED, AK	110,000	---	---	---
(E)	MATANUSKA RIVER WATERSHED STUDY, AK	100,000	---	---	---
	NAKNEK RIVER WATERSHED	---	---	100,000	---
(N)	NOME HARBOR IMPROVEMENTS, AK	---	209,000	---	225,000
(N)	NOME HARBOR IMPROVEMENTS, AK	10,000	---	10,000	---
(N)	PORT LIONS HARBOR, AK	100,000	---	100,000	---
(N)	SAND POINT HARBOR, AK	---	217,000	---	217,000
(N)	SEWARD HARBOR, AK	---	150,000	---	225,000
(E)	SHIP CREEK WATERSHED, AK	150,000	---	150,000	---
(N)	SITKA LIGHTERING FACILITY, AK	100,000	---	100,000	---
(N)	VALDEZ HARBOR EXPANSION, AK	118,000	---	218,000	---
(N)	WRANGELL HARBOR, AK	---	60,000	---	60,000
(N)	WRANGELL HARBOR, AK	67,000	---	67,000	---
	AMERICAN SAMOA				
	TUTUILA, AMERICAN SAMOA	---	---	100,000	---
	ARIZONA				
	COLONIAS ALONG U.S.-MEXICO BORDER, AZ AND TX	---	---	600,000	---
(FDP)	GILA RIVER, NORTH SCOTTSDALE, AZ	272,000	---	272,000	---
(FDP)	GILA RIVER, SANTA CRUZ RIVER BASIN, AZ	407,000	---	407,000	---
	LITTLE COLORADO RIVER WATERSHED, AZ	---	---	100,000	---
	RILLITO RIVER, PIMA COUNTY, AZ	---	---	200,000	---
(FDP)	RIO DE FLAG, FLAGSTAFF, AZ	460,000	---	613,000	---
(E)	RIO SALADO, SALT RIVER, AZ	---	938,000	---	2,000,000
	SANTA CRUZ RIVER (PASEO DE LAS IGLESIAS), AZ	---	---	100,000	---

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CORPS OF ENGINEERS - GENERAL INVESTIGATIONS 11:41 9/25/98 PAGE 2

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
(E)	TRES RIOS, AZ	610,000	---	610,000	---
(FC)	TUCSON DRAINAGE AREA, AZ	---	329,000	---	329,000
	ARKANSAS				
	ARKANSAS RIVER, FORT SMITH, AR	---	---	100,000	---
(FDP)	MAY BRANCH, FORT SMITH, AR	250,000	---	250,000	---
(N)	WHITE RIVER NAVIGATION TO NEWPORT, AR	---	400,000	---	900,000
	CALIFORNIA				
(E)	ALISO CREEK WATERSHED MANAGEMENT, CA	290,000	---	290,000	---
(FC)	AMERICAN RIVER WATERSHED, CA	---	50,000	---	50,000
(FDP)	ARROYO PASAJERO, CA	200,000	---	200,000	---
(E)	BOLINAS LAGOON ECOSYSTEM RESTORATION, CA	100,000	---	175,000	---
	CITIES OF ARCADIA AND SIERRA MADRE, CA	---	---	247,000	---
	CITY OF FOLSOM, CA	---	---	100,000	---
	CITY OF HUNTINGTON BEACH, CA	---	---	350,000	---
	CLEAR LAKE BASIN WATERSHED RESTORATION, CA	---	---	300,000	---
(E)	HAMILTON AIRFIELD WETLANDS RESTORATION, CA	500,000	---	500,000	---
	HUNTINGTON BEACH, BLUFFTOP PARK, CA	---	---	100,000	---
(E)	IMPERIAL COUNTY WATERSHED STUDY, CA	265,000	---	---	---
(FC)	KAWEAH RIVER, CA	---	1,165,000	---	1,165,000
(FDP)	KERN RIVER VALLEY, ISABELLA LAKE, CA	100,000	---	---	---
(E)	LAGUNA DE SANTA ROSA, RUSSIAN RIVER, CA	150,000	---	150,000	---
(E)	MALIBU CREEK WATERSHED, CA	100,000	---	---	---
	MARE ISLAND STRAIT DREDGING EXPANSION, CA	---	---	100,000	---
(N)	MARINA DEL REY AND BALLONA CREEK, CA	520,000	---	520,000	---
(SPE)	MOJAVE RIVER DAM, CA	300,000	---	300,000	---
(E)	MORRO BAY ESTUARY, CA	100,000	---	100,000	---
(SPE)	MUGU LAGOON, CA	100,000	---	100,000	---
(FDP)	N CA STREAMS, DRY CREEK, MIDDLETOWN, CA	100,000	---	100,000	---
(E)	N CA STREAMS, FAIRFIELD STREAMS AND CORDELIA MARSH, CA	300,000	---	300,000	---
(E)	N CA STREAMS, LOWER SACRAMENTO RVR RIPARIAN REVEGETATI	250,000	---	---	---
(E)	N CA STREAMS, MIDDLE CREEK, CA	200,000	---	200,000	---
(FDP)	N CA STREAMS, VACAVILLE, DIXON AND VICINITY, CA	300,000	---	300,000	---
(FC)	N CA STREAMS, YUBA RIVER BASIN, CA	---	100,000	---	100,000
(FC)	NAPA RIVER, CA	---	744,000	---	744,000
(E)	NAPA RIVER, SALT MARSH RESTORATION, CA	300,000	---	300,000	---
	NAPA VALLEY WATERSHED MANAGEMENT, CA	---	---	100,000	---
(E)	NEWPORT BAY HARBOR, CA	142,000	---	142,000	---
	NEWPORT BAY (LA-3 SITE DESIGNATION STUDY), CA	---	---	350,000	---
	NEWPORT BAY/SAN DIEGO CREEK WATERSHED, CA	---	---	250,000	---
(N)	OAKLAND HARBOR, CA	---	300,000	---	300,000
	ORANGE COUNTY, SANTA ANA RIVER BASIN, CA	---	---	100,000	---
(FC)	PAJARO RIVER AT WATSONVILLE, CA	---	433,000	---	325,000
(N)	PILLAR POINT HARBOR, CA	100,000	---	100,000	---
(N)	PORT OF STOCKTON, CA	30,000	---	150,000	---
(E)	PRADO BASIN WATER SUPPLY, CA	333,000	---	333,000	---
	RANCHO PALOS VERDES, CA	---	---	---	200,000

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CORPS OF ENGINEERS - GENERAL INVESTIGATIONS 11:41 9/25/98 PAGE 3

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
(N)	REDWOOD CITY HARBOR, CA	200,000	---	200,000	---
(E)	RUSSIAN RIVER ECOSYSTEM RESTORATION, CA	285,000	---	285,000	---
(SPE)	SACRAMENTO - SAN JOAQUIN DELTA, CA	555,000	---	555,000	---
(E)	SACRAMENTO AND SAN JOAQUIN COMPREHENSIVE BASIN STUDY,	3,500,000	---	3,500,000	---
	SACRAMENTO WATERSHED MANAGEMENT PLAN, CA	---	---	400,000	---
	SAN BERNARDINO COUNTY, CA	---	---	100,000	---
(BE)	SAN CLEMENTE CREEK, CA	---	50,000	---	50,000
(N)	SAN DIEGO HARBOR (DEEPENING), CA	260,000	---	260,000	---
(N)	SAN DIEGO HARBOR, NATIONAL CITY, CA	100,000	---	100,000	---
(N)	SAN FRANCISCO BAY, CA	200,000	---	200,000	---
(E)	SAN JOAQUIN R BASIN, PINE FLAT DAM, F&WL HABITAT RESTO	265,000	---	265,000	---
(RCP)	SAN JOAQUIN R BASIN, STOCKTON METRO AREA, FARMINGTON D	500,000	---	500,000	---
(E)	SAN JOAQUIN RIVER BASIN, CONSUMNES & MOKELUMNE RIVERS,	18,000	---	18,000	---
(FC)	SAN JOAQUIN RIVER BASIN, SOUTH SACRAMENTO COUNTY STREA	---	900,000	---	900,000
(FDP)	SAN JOAQUIN RIVER BASIN, STOCKTON METROPOLITAN AREA, C	400,000	---	400,000	---
(FDP)	SAN JOAQUIN RIVER BASIN, TULE RIVER, CA	103,000	---	103,000	100,000
(FDP)	SAN JOAQUIN RIVER BASIN, TUOLUMNE RIVER, CA	40,000	---	40,000	---
(FDP)	SAN JOAQUIN RIVER BASIN, WEST STANISLAUS COUNTY, CA	100,000	---	200,000	---
(E)	SAN JUAN CREEK WATERSHED MANAGEMENT, CA	535,000	---	535,000	---
(E)	SAN PABLO BAY WATERSHED, CA	100,000	---	500,000	---
(FDP)	SANTA BARBARA COUNTY STREAMS, LOWER MISSION CREEK, CA.	129,000	---	129,000	---
(FDP)	SANTA MARGARITA RIVER AND TRIBUTARIES, CA	400,000	---	800,000	---
(N)	SOUTHAMPTON SHOAL CHANNEL AND EXTENSION, CA	460,000	---	530,000	---
	SOUTHEAST LOS ANGELES CNTY WATER CONSERVATION & SUPPLY	---	---	300,000	---
	SOUTHERN CALIFORNIA AQUATIC RESOURCES, CA	---	---	300,000	---
	STRONG AND CHICKEN RANCH SLOUGHS, CA	---	---	100,000	---
	SUTTER BASIN, CA	---	---	100,000	---
(E)	TAHOE BASIN, CA & NV	400,000	---	400,000	---
(SPE)	TIJUANA RIVER ENVIRONMENTAL RESTORATION, CA	150,000	---	200,000	---
	TUOLUMNE RIVER & TRIBUTARIES, CA	---	---	100,000	---
(FC)	UPPER GUADALUPE RIVER, CA	---	575,000	---	575,000
(FDP)	UPPER PENITENCIA CREEK, CA	250,000	---	250,000	---
	UPPER SANTA ANA RIVER WATERSHED, CA	---	---	100,000	---
(N)	VENTURA HARBOR SAND BYPASS, CA	250,000	---	250,000	---
(FDP)	WHITEWATER RIVER BASIN, CA	310,000	---	310,000	---
(FDP)	WHITE RIVER, POSO AND DEER CREEKS, CA	---	---	100,000	---
	COLORADO				
(RCP)	CHATFIELD, CHERRY CREEK AND BEAR CREEK RESERVOIRS, CO.	158,000	---	158,000	---
	CONNECTICUT				
(E)	COASTAL CONNECTICUT ECOSYSTEM RESTORATION, CT	250,000	---	200,000	---
	DELAWARE				
(N)	C&D CANAL, BALTIMORE HBR CONN CHANNELS, DE & MD (DEEPE	---	600,000	---	600,000
(SP)	DELAWARE BAY COASTLINE, DE & NJ	51,000	---	---	419,000
(SP)	DELAWARE COAST FROM CAPE HENLOPEN TO FENWICK ISLAND, D	150,000	---	150,000	250,000

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CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

11:41 9/25/98 PAGE 4

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	FLORIDA				
(FDP)	BISCAYNE BAY, FL	100,000	---	100,000	---
(FC)	CEDAR HAMMOCK, WARES CREEK, FL	---	242,000	---	242,000
(N)	FORT PIERCE HARBOR, FL	270,000	---	270,000	---
(N)	HILLSBORO INLET, FL	---	262,000	---	262,000
(N)	INTRACOASTAL WATERWAY, PALM BEACH COUNTY, FL	---	270,000	---	270,000
(N)	JACKSONVILLE HARBOR, FL	---	600,000	---	600,000
(N)	LAKE WORTH INLET SAND TRANSFER PLANT, FL	---	297,000	---	297,000
	LIDO KEY BEACH, FL	---	---	268,000	---
(BE)	NASSAU COUNTY, FL	---	86,000	---	86,000
(N)	PONCE DE LEON INLET, FL	---	370,000	---	370,000
(N)	PORT EVERGLADES HARBOR, FL	---	262,000	---	262,000
	ST JOHNS RIVER, FL	---	---	---	100,000
(N)	ST LUCIE INLET, FL	---	205,000	---	205,000
	TAMPA HARBOR, ALAFIA CHANNEL, FL	---	---	---	200,000
	GEORGIA				
(FDP)	AUGUSTA, GA	200,000	---	200,000	---
(N)	BRUNSWICK HARBOR, GA	---	250,000	---	250,000
(FDP)	CHATHAM COUNTY FLOOD CONTROL, GA	125,000	---	125,000	---
(FDP)	CITY OF SAVANNAH FLOOD CONTROL, GA	125,000	---	125,000	---
(E)	LONG ISLAND, MARSH AND JOHNS CREEKS, GA	100,000	---	---	---
(E)	METRO ATLANTA WATERSHED, GA	550,000	---	550,000	---
(RCP)	NEW SAVANNAH BLUFF LOCK AND DAM, GA & SC	350,000	---	350,000	---
(N)	SAVANNAH HARBOR EXPANSION, GA	---	250,000	---	250,000
(COM)	SAVANNAH RIVER BASIN COMPREHENSIVE, GA & SC	300,000	---	300,000	---
	HAWAII				
(E)	ALA WAI CANAL, OAHU, HI	100,000	---	100,000	---
(N)	BARBERS POINT HARBOR MODIFICATION, OAHU, HI	136,000	---	136,000	---
	HAWAII WATER MANAGEMENT, HI	---	---	100,000	---
(N)	HONOLULU HARBOR MODIFICATIONS, OAHU, HI	125,000	---	125,000	---
(N)	KAHULUI HARBOR, HI	---	---	100,000	---
(N)	KIKIAOLA SMALL BOAT HARBOR, KAUAI, HI	---	100,000	---	100,000
(FDP)	WAILUPE STREAM FLOOD CONTROL STUDY, OAHU, HI	318,000	---	318,000	---
(FC)	WAILUPE STREAM FLOOD CONTROL STUDY, OAHU, HI	---	40,000	---	40,000

R$GGPOC
P$37GGGP CORPS OF ENGINEERS - GENERAL INVESTIGATIONS 11:41 9/25/98 PAGE 5

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	ILLINOIS				
(FDP)	ALEXANDER AND PULASKI COUNTIES, IL	178,000	---	178,000	---
(FC)	DES PLAINES RIVER, IL	---	300,000	---	300,000
(RCP)	ILLINOIS RIVER ECOSYSTEM RESTORATION, IL	479,000	---	479,000	---
	ILLINOIS SHORELINE EROSION (INTERIM IV), IL	---	---	140,000	---
(FDP)	KANKAKEE RIVER BASIN, IL & IN	940,000	---	940,000	---
(FDP)	MISSISSIPPI RIVER AT QUINCY, IL	195,000	---	195,000	---
(FC)	NUTWOOD DRAINAGE AND LEVEE DISTRICT, IL	---	325,000	---	325,000
(SPE)	PEORIA RIVERFRONT DEVELOPMENT, IL	377,000	---	377,000	---
	ROCK RIVER DRAINAGE BASIN, IL	---	---	100,000	---
(SPE)	UPPER MISS RVR SYS FLOW FREQUENCY STUDY, IL, IA, MN, M	1,331,000	---	1,331,000	---
(RCP)	UPPER MISSISSIPPI & ILLINOIS NAV STUDY, IL, IA, MN, MO	5,700,000	---	5,700,000	---
(RDP)	WAUKEGAN HARBOR, IL	73,000	---	73,000	---
(FC)	WOOD RIVER DRAINAGE AND LEVEE DISTRICT, MADISON COUNTY	---	175,000	---	175,000
(FDP)	WOOD RIVER LEVEE, IL	100,000	---	100,000	---
	INDIANA				
	BEAUTY CREEK WATERSHED, VALPARAISO, IN	---	---	100,000	---
	DEEP RIVER BASIN, IN	---	---	100,000	---
(FC)	MIDDLE WABASH, GREENFIELD BAYOU ENVIRON RESTORATION, I	---	200,000	---	200,000
	OHIO RIVER GREENWAY, IN	---	---	---	250,000
(E)	TIPPECANOE RIVER, IN	200,000	---	---	---
	WOLF AND GEORGE LAKES, IN	---	---	100,000	---
	IOWA				
(FDP)	DES MOINES AND RACCOON RIVERS, IA	218,000	---	218,000	---
(FDP)	INDIAN CREEK, COUNCIL BLUFFS, IA	---	---	100,000	---
	KANSAS				
(RCP)	TOPEKA, KS	200,000	---	200,000	---
(FC)	TURKEY CREEK BASIN, KS & MO	---	400,000	---	400,000
	KENTUCKY				
(FDP)	AUGUSTA, KY	318,000	---	318,000	---
	GRAYSON LAKE, KY	---	---	50,000	---
(N)	GREEN AND BARREN RIVERS NAVIGATION DISPOSITION STUDY,	255,000	---	255,000	---
(FDP)	GREENUP, KY	---	---	100,000	---
(FDP)	KENTUCKY RIVER TRIBUTARIES, FRANKFORT, KY	200,000	---	200,000	---
(FDP)	LEXINGTON, FAYETTE COUNTY, KY	228,000	---	228,000	---
(FDP)	LICKING RIVER, CYNTHIANA, KY	250,000	---	250,000	---
(FDP)	LICKING RIVER, FALMOUTH, KY	250,000	---	250,000	---
(FC)	METROPOLITAN LOUISVILLE, BEARGRASS CREEK, KY	---	356,000	---	356,000
(FDP)	METROPOLITAN LOUISVILLE, MILL CREEK BASIN, KY	295,000	---	295,000	---
	METROPOLITAN LOUISVILLE, SOUTHWEST, KY	---	---	155,000	---
(N)	OHIO RIVER MAIN STEM SYSTEMS STUDY, KY, IL, IN, PA, WV	10,150,000	---	10,150,000	---

R$GGPOC
P$37GGGP

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

11:41 9/25/98 PAGE 6

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
(FDP)	OLIVE HILL, KY	218,000	---	218,000	---
(FDP)	PADUCAH, KY	---	---	100,000	---
(FDP)	PANTHER CREEK, KY	150,000	---	---	---
	RUSSELL, KY	---	---	100,000	---
	LOUISIANA				
(FDP)	AMITE RIVER, DARLINGTON RESERVOIR, LA	400,000	---	400,000	---
	CALCASIEU LOCK, LA	---	---	100,000	---
(FC)	COMITE RIVER, LA	---	100,000	---	---
(FC)	EAST BATON ROUGE PARISH, LA	---	395,000	---	395,000
(N)	EAST FORK CALCASIEU PASS, LA (SEC. 509)	---	---	100,000	---
(N)	INTRACOASTAL WATERWAY LOCKS, LA	550,000	---	600,000	---
(FDP)	JEFFERSON PARISH, LA	428,000	---	428,000	---
(FDP)	LAFAYETTE PARISH, LA	550,000	---	550,000	---
(N)	MISSISSIPPI RIVER SHIP CHANNEL IMPROVEMENTS, LA	415,000	---	415,000	---
(FDP)	ORLEANS PARISH, LA	574,000	---	574,000	---
	PORT FOURCHON, LA	---	---	---	50,000
(FDP)	WALLACE LAKE AREA, LA	300,000	---	300,000	---
(FDP)	WEST SHORE, LAKE PONTCHARTRAIN, LA	388,000	---	388,000	---
	MARYLAND				
(E)	ANACOSTIA RIVER FEDERAL WATERSHED IMPACT ASSESSMENT, M	300,000	---	300,000	---
(FDP)	ANACOSTIA RIVER, NORTHWEST BRANCH, MD & DC	108,000	---	108,000	---
(FDP)	ANACOSTIA RIVER, PG COUNTY LEVEE, MD & DC	231,000	---	231,000	---
(N)	BALTIMORE HARBOR ANCHORAGES AND CHANNELS, MD & VA	---	207,000	---	207,000
(FDP)	BALTIMORE METROPOLITAN, DEEP RUN/TIBER HUDSON, MD	35,000	---	35,000	---
(FC)	BALTIMORE METROPOLITAN, DEEP RUN/TIBER HUDSON, MD	---	50,000	---	50,000
(FDP)	BALTIMORE METROPOLITAN, GWYNNS FALLS, MD	199,000	---	199,000	---
	CHESAPEAKE BAY INTEGRATED ECOSYSTEM & ATLANTIC COAST SHELF MODEL, MD	---	---	400,000	---
(SP)	EASTERN SHORE, MD	---	---	100,000	---
(E)	HAVRE DE GRACE, MD	110,000	---	---	---
(E)	LOWER POTOMAC ESTUARY WATERSHED, MATTAWOMAN, MD	300,000	---	300,000	---
(E)	LOWER POTOMAC ESTUARY WATERSHED, WICOMICO AND ST MARY'	200,000	---	200,000	---
(FDP)	NORTH BRANCH POTOMAC RIVER, GEORGES CREEK, MD	200,000	---	200,000	---
(FDP)	PATUXENT RIVER, ANNE ARUNDEL COUNTY, MD	200,000	---	200,000	---
(FDP)	PATUXENT RIVER, PRINCE GEORGES COUNTY, MD	360,000	---	360,000	---
(E)	SMITH ISLAND ENVIRONMENTAL RESTORATION, MD	300,000	---	300,000	---
	MASSACHUSETTS				
(E)	BLACKSTONE RIVER WATERSHED RESTORATION, MA & RI	393,000	---	393,000	---
(E)	COASTAL MASSACHUSETTS ECOSYSTEM RESTORATION, MA	100,000	---	---	---

R$GGPOC
P$37GGGP

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS 11:41 9/25/98 PAGE 7

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	MICHIGAN				
	PAW PAW RIVER, MI	---	---	100,000	---
	SAULT STE MARIE, MI	---	---	---	500,000
	MINNESOTA				
(FC)	CROOKSTON, MN	---	255,000	---	255,000
(FC)	GRAND FORKS, ND - EAST GRAND FORKS, MN	---	945,000	---	945,000
	MISSISSIPPI				
(E)	BAYOU PIERRE, MS	100,000	---	---	---
(N)	PASCAGOULA HARBOR, BAYOU CASOTTE EXTENSION, MS	150,000	---	150,000	---
(FC)	PEARL RIVER WATERSHED, MS	---	400,000	---	100,000
	MISSOURI				
(FDP)	BALLWIN, ST LOUIS COUNTY, MO	100,000	---	100,000	---
(FC)	BLUE RIVER BASIN, KANSAS CITY, MO	---	457,000	---	457,000
(FDP)	CHESTERFIELD, MO	300,000	---	300,000	---
(FDP)	FESTUS AND CRYSTAL CITY, MO	61,000	---	61,000	---
(FC)	FESTUS AND CRYSTAL CITY, MO	---	153,000	---	100,000
(RCP)	KANSAS CITY, MO & KS	245,000	---	450,000	---
(FC)	LOWER RIVER DES PERES, MO	---	64,000	---	64,000
(FDP)	LOWER RIVER DES PERES, MO	30,000	---	30,000	---
(RCP)	MISSOURI RIVER LEVEE SYSTEM, UNITS L455 & R460-471, MO	311,000	---	311,000	---
(RCP)	ST LOUIS FLOOD PROTECTION, MO	200,000	---	200,000	---
(N)	ST LOUIS HARBOR, MO & IL	---	314,000	---	314,000
(FDP)	SWOPE PARK INDUSTRIAL AREA, KANSAS CITY, MO	196,000	---	196,000	---
	NEBRASKA				
(FC)	ANTELOPE CREEK, LINCOLN, NE	---	74,000	---	74,000
(FDP)	ANTELOPE CREEK, LINCOLN, NE	160,000	---	160,000	---
(FDP)	LOWER PLATTE RIVER AND TRIBUTARIES, NE	310,000	---	310,000	---
	NEVADA				
(FDP)	CARSON RIVER, NV	---	---	100,000	---
	FALLON, NV	---	---	100,000	---
(E)	LOWER LAS VEGAS WASH WETLANDS, NV	300,000	---	300,000	---
(E)	LOWER TRUCKEE RIVER, PYRAMID LAKE PAIUTE RESERVATION,	230,000	---	230,000	---
(E)	LOWER TRUCKEE RIVER, WASHOE COUNTY, NV	50,000	---	50,000	---
(FC)	TRUCKEE MEADOWS, NV	---	500,000	---	1,100,000
(E)	WALKER RIVER BASIN, NV	150,000	---	400,000	---

R$GGPOC
P$37GGGP

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS 11:41 9/25/98 PAGE 8

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	NEW JERSEY				
	ARTHUR KILL CHANNEL, PERTH AMBOY, NJ	---	---	100,000	---
(E)	BARNEGAT BAY, NJ	400,000	---	400,000	---
	BARNEGAT INLET TO LITTLE EGG HARBOR INLET, NJ	---	---	322,000	---
	BRIGANTINE INLET TO GREAT EGG HARBOR INLET, NJ	---	---	---	113,000
	GREAT EGG HARBOR INLET TO TOWNSENDS INLET, NJ	---	---	200,000	---
	LOWER CAPE MAY MEADOWS, CAPE MAY POINT, NJ	---	---	---	100,000
	MANASQUAN INLET TO BARNEGAT INLET, NJ	---	---	---	300,000
(E)	NEW JERSEY INTRACOASTAL WATERWAY, ENV RESTORATION, NJ	400,000	---	400,000	---
(SP)	RARITAN BAY TO SANDY HOOK BAY, NJ	425,000	---	650,000	100,000
(FDP)	SOUTH RIVER, RARITAN RIVER BASIN, NJ	382,000	---	382,000	---
	TOWNSENDS INLET TO CAPE MAY INLET, NJ	---	---	---	250,000
(FDP)	UPPER PASSAIC RIVER AND TRIBS, LONG HILL, MORRIS COUNT	100,000	---	100,000	---
(FDP)	UPPER ROCKAWAY RIVER, MORRIS COUNTY, NJ	100,000	---	100,000	---
	WOODBRIDGE AND RAHWAY, NJ	---	---	100,000	---
	NEW MEXICO				
(E)	RIO GRANDE WATER MANAGEMENT, NM, CO & TX	210,000	---	210,000	---
(E)	SW VALLEY FLOOD DAMAGE REDUCTION STUDY, ALBUQUERQUE, N	210,000	---	210,000	---
	NEW YORK				
(RCP)	ADDISON, NY	92,000	---	92,000	---
(N)	ARTHUR KILL CHANNEL, HOWLAND HOOK MARINE TERMINAL, NY.	---	845,000	---	1,100,000
(FDP)	AUSABLE RIVER BASIN, ESSEX AND CLINTON COUNTIES, NY	100,000	---	100,000	---
(FDP)	BOQUET RIVER BASIN AND TRIBUTARIES, ESSEX COUNTY, NY	100,000	---	100,000	---
	BRONX RIVER, NY	---	---	100,000	---
(E)	CHEMUNG RIVER BASIN ENVIRONMENTAL RESTORATION, NY & PA	400,000	---	400,000	---
(E)	FLUSHING BAY AND CREEK, NY	250,000	---	250,000	---
(N) -	HUDSON RIVER HABITAT RESTORATION, NY	250,000	---	250,000	---
(SP)	JAMAICA BAY, MARINE PARK AND PLUMB BEACH, ARVERNE, NY.	100,000	---	---	---
(SP)	JAMAICA BAY, MARINE PARK AND PLUMB BEACH, NY	300,000	---	300,000	---
(FDP)	LINDENHURST, NY	100,000	---	100,000	---
(N)	NEW YORK AND NEW JERSEY HARBOR, NY & NJ	7,902,000	---	7,902,000	---
(N)	NEW YORK HARBOR ANCHORAGE AREAS, NY	125,000	---	125,000	---
(SP)	NORTH SHORE OF LONG ISLAND, BAYVILLE, NY	210,000	---	210,000	---
	ONEIDA LAKE, NY	---	---	100,000	---
(SPE)	ONONDAGA LAKE, NY	125,000	---	125,000	---
	OTSEGO LAKE, NY	---	---	250,000	---
	SAW MILL RIVER BASIN, NY	---	---	100,000	---
(E)	SOUTH SHORE OF LONG ISLAND, NY	100,000	---	100,000	---
(SP)	SOUTH SHORE OF STATEN ISLAND, NY	250,000	---	250,000	---
(FDP)	SUSQUEHANNA RIVER BASIN WATER MANAGEMENT, NY, PA & MD.	320,000	---	320,000	---
(E)	UPPER DELAWARE RIVER WATERSHED, NY	351,000	---	351,000	---
(E)	UPPER SUSQUEHANNA RIVER BASIN ENVIRON RESTORATION, NY.	300,000	---	400,000	---

R$GGPOC
P$37GGGP CORPS OF ENGINEERS - GENERAL INVESTIGATIONS 11:41 9/25/98 PAGE 9

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	NORTH CAROLINA				
(FC)	BRUNSWICK COUNTY BEACHES, NC	---	658,000	---	658,000
(SP)	DARE COUNTY BEACHES, NC	342,000	---	342,000	---
	LOCKWOODS FOLLY INLET, NC	---	---	100,000	---
	NEUSE RIVER BASIN, NC	---	---	100,000	---
(E)	TENNESSEE RIVER AND TRIBS, EASTERN BAND CHEROKEE NATIO	300,000	---	300,000	---
(E)	TENNESSEE RIVER AND TRIBS, FRANKLIN, MACON COUNTY, NC.	305,000	---	305,000	---
	NORTH DAKOTA				
(SPE)	DEVILS LAKE, ND	300,000	---	300,000	---
	OHIO				
(FDP)	COLUMBUS METROPOLITAN AREA, OH	100,000	---	100,000	---
(E)	GREAT MIAMI RIVER, OXBOW AREA, OH	250,000	---	---	---
(E)	HOCKING RIVER BASIN ENV RESTORATION, MONDAY CREEK, OH.	500,000	---	500,000	---
(E)	HOCKING RIVER BASIN ENV RESTORATION, SUNDAY CREEK, OH.	300,000	---	---	---
(N)	MAUMEE RIVER, OH	223,000	---	223,000	---
	OKLAHOMA				
(FDP)	CIMARRON RIVER AND TRIBUTARIES, OK, KS, NM & CO	100,000	---	---	---
	OREGON				
(N)	COLUMBIA RIVER NAVIGATION CHANNEL DEEPENING, OR & WA	335,000	---	335,000	---
(N)	COLUMBIA RIVER NAVIGATION CHANNEL DEEPENING, OR & WA	---	300,000	---	300,000
(E)	COLUMBIA SLOUGH, OR	275,000	---	275,000	---
(E)	LOWER COLUMBIA RIVER ECOSYSTEM RESTORATION, OR & WA	100,000	---	---	---
(E)	TILLAMOOK BAY AND ESTUARY ECOSYSTEM RESTORATION, OR	168,000	---	168,000	---
(E)	WALLA WALLA RIVER WATERSHED, OR & WA	240,000	---	240,000	---
(COM)	WILLAMETTE RIVER BASIN REVIEW, OR	440,000	---	440,000	---
(E)	WILLAMETTE RIVER FLOODPLAIN RESTORATION, OR	278,000	---	278,000	---
(MP)	WILLAMETTE RIVER TEMPERATURE CONTROL, OR	---	29,000	---	1,000,000
	PENNSYLVANIA				
	BEAVER RIVER, PA	---	---	---	375,000
(FDP)	BLOOMSBURG, PA	210,000	---	210,000	---
(E)	CONEMAUGH RVR BASIN, NANTY GLO ENVIRONMENTAL RESTORATI	---	227,000	---	227,000
(E)	LOWER WEST BR, SUS RIVER, ENV RESTORATION, BUFFALO CRE	120,000	---	120,000	---
(FDP)	LOWER WEST BRANCH SUSQUEHANNA RIVER, LYCOMING CREEK, P	200,000	---	---	---
(E)	TURTLE CREEK BASIN, BRUSH CREEK ENV RESTORATION, PA	150,000	---	---	---
(E)	TURTLE CREEK BASIN, LYONS RUN ENV RESTORATION, PA	150,000	---	---	---
(E)	TURTLE CREEK BASIN, UPPER TURTLE CREEK ENV RESTORATION	150,000	---	150,000	---
(RCP)	YOUGHIOGHENY LAKE, PA	148,000	---	148,000	---

R$GGPOC
P$37GGGP CORPS OF ENGINEERS - GENERAL INVESTIGATIONS 11:41 9/25/98 PAGE 10

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	PUERTO RICO				
(FC)	RIO GUANAJIBO, PR	---	600,000	---	600,000
(FC)	RIO NIGUA AT SALINAS, PR	---	306,000	---	306,000
	RHODE ISLAND				
(E)	RHODE ISLAND SOUTH COAST, HABITAT REST AND STRM DMG RE	350,000	---	200,000	---
	RHODE ISLAND ECOSYSTEM RESTORATION, RI	---	---	200,000	---
	SOUTH CAROLINA				
(RCP)	ATLANTIC INTRACOASTAL WATERWAY, SC	500,000	---	500,000	---
(E)	CHARLESTON ESTUARY, SC	175,000	---	175,000	---
(SP)	PAWLEY'S ISLAND, SC	150,000	---	150,000	---
(E)	SANTEE, COOPER, CONGAREE RIVERS, SC	150,000	---	150,000	---
(E)	YADKIN - PEE DEE RIVER WATERSHED, SC & NC	150,000	---	150,000	---
	SOUTH DAKOTA				
(FDP)	JAMES RIVER, SD & ND	90,000	---	90,000	---
(FC)	WATERTOWN AND VICINITY, SD	---	380,000	---	380,000
	TENNESSEE				
	DAVIDSON COUNTY, TN	---	---	100,000	---
(E)	DUCK RIVER WATERSHED, TN	300,000	---	100,000	---
	FRENCH BROAD WATERSHED, TN	---	---	100,000	---
(FC)	METRO CENTER LEVEE, DAVIDSON COUNTY, TN	---	250,000	---	250,000
	NOLICHUCKY WATERSHED, TN	---	---	100,000	---
(E)	NORTH CHICKAMAUGA CREEK, TN	250,000	---	250,000	---
	TEXAS				
(FDP)	BUFFALO BAYOU AND TRIBUTARIES, WHITE OAK BAYOU, TX	300,000	---	300,000	---
(N)	CORPUS CHRISTI SHIP CHANNEL, TX	280,000	---	280,000	---
(E)	CYPRESS VALLEY WATERSHED, TX	300,000	---	300,000	---
(FC)	DALLAS FLOODWAY EXTENSION, TRINITY RIVER, TX	---	1,330,000	---	1,330,000
(FC)	FORT WORTH SUMPS 14 AND 15, UPPER TRINITY RIVER BASIN,	---	490,000	---	490,000
(RCP)	GIWW, BRAZOS RIVER TO PORT O'CONNOR, TX	935,000	---	935,000	---
(N)	GIWW, HIGH ISLAND TO BRAZOS RIVER, TX	1,100,000	---	1,100,000	---
(RCP)	GIWW, PORT O'CONNOR TO CORPUS CHRISTI BAY, TX	400,000	---	400,000	---
(FC)	GRAHAM, TX (BRAZOS RIVER BASIN)	---	64,000	---	64,000
(FC)	GREENS BAYOU, HOUSTON, TX	---	600,000	---	600,000
(FC)	HUNTING BAYOU, HOUSTON, TX	---	500,000	---	500,000
(FC)	JOHNSON CREEK, UPPER TRINITY BASIN, ARLINGTON, TX	---	600,000	---	600,000
(FDP)	MIDDLE BRAZOS RIVER, TX	200,000	---	200,000	---
(N)	NECHES RIVER AND TRIBUTARIES SALTWATER BARRIER, TX	---	1,050,000	---	1,050,000
	PACKERY CHANNEL, CORPUS CHRISTI, TX	---	---	500,000	---
(FDP)	NORTHWEST EL PASO, TX	180,000	---	180,000	---

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CORPS OF ENGINEERS - GENERAL INVESTIGATIONS 11:41 9/25/98 PAGE 11

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	ONION CREEK, TX	---	---	100,000	---
(FC)	PECAN BAYOU, BROWNWOOD, TX	---	350,000	---	350,000
(E)	PLAINVIEW, BRAZOS RIVER BASIN, TX	150,000	---	150,000	---
(FC)	RAYMONDVILLE DRAIN, TX	---	400,000	---	400,000
(N)	SABINE - NECHES WATERWAY, TX	500,000	---	500,000	---
(FC)	SOUTH MAIN CHANNEL, TX	---	600,000	---	600,000
	SULPHUR RIVER, TX	---	---	100,000	---
(FDP)	UPPER TRINITY RIVER BASIN, TX	1,000,000	---	1,000,000	---
	UTAH				
(FDP)	PROVO AND VICINITY, UT	150,000	---	150,000	---
	VIRGIN ISLANDS				
(N)	CROWN BAY CHANNEL, VI	---	130,000	---	130,000
	VIRGINIA				
(N)	AIWW, BRIDGES AT DEEP CREEK, VA	425,000	---	425,000	---
	CHESAPEAKE BAY SHORELINE, HAMPTON, VA	---	---	150,000	---
(SPE)	ELIZABETH RIVER BASIN, ENVIR RESTORATION, HAMPTON ROAD	450,000	---	450,000	---
(N)	JAMES RIVER, VA	190,000	---	190,000	---
(N)	NORFOLK HARBOR AND CHANNELS, CRANEY ISLAND, VA	250,000	---	250,000	---
(FDP)	POQUOSON, VA	100,000	---	100,000	---
	PULASKI, VA	---	---	100,000	---
(E)	POWELL RIVER WATERSHED, VA	400,000	---	400,000	---
(E)	PRINCE WILLIAM COUNTY WATERSHED, VA	250,000	---	250,000	---
(E)	RAPPAHANNOCK RIVER, EMBREY DAM, VA	200,000	---	200,000	---
	WASHINGTON				
(N)	BLAIR WATERWAY, TACOMA HARBOR, WA	---	176,000	---	---
(N)	BLAIR WATERWAY, TACOMA HARBOR, WA	49,000	---	---	---
	CHEHALIS RIVER, WA	---	---	200,000	---
	COLUMBIA RIVER, TRI-CITIES AREA, WA	---	---	100,000	---
(E)	DUWAMISH AND GREEN RIVER BASIN, WA	428,000	---	---	---
(FC)	HOWARD HANSON DAM, WA	---	600,000	---	600,000
(RCP)	LAKE WASHINGTON SHIP CANAL, WA	100,000	---	100,000	---
	OCEAN SHORES, WA	---	---	100,000	---
	TRI-CITIES AREA, WA	---	---	100,000	---
(N)	PUGET SOUND CONFINED DISPOSAL SITES, WA	665,000	---	665,000	---
(FDP)	RODEO LAKE, OTHELLO, WA	---	---	100,000	---
(FDP)	SKAGIT RIVER, WA	678,000	---	678,000	---
	SKOKOMISH RIVER BASIN, WA	---	---	100,000	---
(E)	STILLAGUAMISH RIVER BASIN, WA	156,000	---	156,000	---

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P$37GGGP CORPS OF ENGINEERS - GENERAL INVESTIGATIONS 11:41 9/25/98 PAGE 12

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	WEST VIRGINIA				
(E)	CHEAT RIVER BASIN, BEAVER CREEK ENVIRON RESTORATION, W	215,000	---	215,000	---
(E)	CHEAT RIVER BASIN, SOVERN RUN ENVIRON RESTORATION, WV.	137,000	---	137,000	---
(N)	KANAWHA RIVER NAVIGATION, WV	800,000	---	800,000	---
	LOWER MUD RIVER, WV	---	---	300,000	---
	MORGANTOWN, WV	---	---	200,000	---
(FDP)	MERCER COUNTY, WV	350,000	---	350,000	---
(FC)	NORTH BRANCH POTOMAC RIVER ENVIRON RESTORATION, WV, MD	---	240,000	---	240,000
(FDP)	NORTH BRANCH POTOMAC RIVER ENVIRON RESTORATION, WV, MD	69,000	---	69,000	---
(E)	TYGART THREE-WATERSHED ECOSYSTEM RESTORATION, FORDS RU	100,000	---	100,000	---
(E)	TYGART THREE-WATERSHED ECOSYSTEM RESTORATION, MAPLE RU	287,000	---	287,000	---
(FC)	WEST VIRGINIA STATEWIDE FLOOD PROTECTION PLAN	---	---	624,000	---
	WYOMING				
(E)	JACKSON HOLE RESTORATION, WY	202,000	---	202,000	---
	MISCELLANEOUS				
	COASTAL FIELD DATA COLLECTION	1,500,000	---	1,300,000	---
	ENVIRONMENTAL DATA STUDIES	100,000	---	100,000	---
	FLOOD DAMAGE DATA	500,000	---	400,000	---
	FLOOD PLAIN MANAGEMENT SERVICES	9,400,000	---	9,000,000	---
	GREAT LAKES REMEDIAL ACTION PROGRAM (SEC. 401)	---	---	500,000	---
	HYDROLOGIC STUDIES	600,000	---	500,000	---
	INTERNATIONAL WATER STUDIES	1,900,000	---	1,000,000	---
	OTHER COORDINATION PROGRAMS	8,400,000	---	8,000,000	---
	PLANNING ASSISTANCE TO STATES	5,300,000	---	6,300,000	---
	PRECIPITATION STUDIES (NATIONAL WEATHER SERVICE)	450,000	---	400,000	---
	REMOTE SENSING/GEOGRAPHIC INFORMATION SYSTEM SUPPORT	400,000	---	400,000	---
	RESEARCH AND DEVELOPMENT	30,000,000	---	27,000,000	---
	SCIENTIFIC AND TECHNICAL INFORMATION CENTERS	100,000	---	100,000	---
	STREAM GAGING (U.S. GEOLOGICAL SURVEY)	900,000	---	900,000	---
	TRANSPORTATION SYSTEMS	850,000	---	800,000	---
	TRI-SERVICE CADD/GIS TECHNOLOGY CENTER	650,000	---	650,000	---
	REDUCTION FOR ANTICIPATED SAVINGS AND SLIPPAGE	-25,777,000	---	-27,420,000	---
	TOTAL, GENERAL INVESTIGATIONS	123,151,000	26,849,000	128,849,000	32,898,000

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CORPS OF ENGINEERS - CONSTRUCTION, GENERAL

11:31 9/25/98 PAGE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
	ALABAMA		
(N)	BLACK WARRIOR AND TOMBIGBEE RIVERS, VICINITY OF JACKSO	500,000	500,000
	MOBILE HARBOR, AL	---	585,000
(MP)	WALTER F GEORGE POWERHOUSE AND DAM, AL & GA (MAJOR REH	1,000,000	---
(MP)	WALTER F GEORGE POWERPLANT, AL & GA (MAJOR REHAB)	4,000,000	4,000,000
	ALASKA		
(N)	CHIGNIK HARBOR	---	748,000
(N)	COOK INLET, AK	---	6,000,000
(N)	KAKE HARBOR, AK	5,000,000	5,000,000
(N)	ST. PAUL HARBOR	---	5,000,000
	ARIZONA		
(FC)	CLIFTON, AZ	1,600,000	1,500,000
	ARKANSAS		
(MP)	DARDANELLE LOCK AND DAM POWERHOUSE, AR (MAJOR REHAB)	5,000,000	5,000,000
(N)	MCCLELLAN - KERR ARKANSAS RIVER NAVIGATION SYSTEM, AR.	550,000	550,000
(N)	MONTGOMERY POINT LOCK AND DAM, AR	19,000,000	44,000,000
	RED RIVER EMERGENCY BANK PROTECTION, AR	---	3,500,000
	RED RIVER WTRWY, INDEX, AR TO DENISON DAM, AR,LA,OK,TX	---	800,000
	CALIFORNIA		
(FC)	AMERICAN RIVER WATERSHED (COMMON ELEMENTS), CA	1,000,000	15,000,000
	AMERICAN RIVER WATERSHED (NATOMAS)	---	9,000,000
(FC)	CORTE MADERA CREEK, CA	500,000	500,000
(FC)	COYOTE AND BERRYESSA CREEKS, CA	100,000	100,000
	CRESCENT CITY HARBOR, CA	---	340,000
(FC)	GUADALUPE RIVER, CA	4,000,000	7,000,000
(N)	HUMBOLDT HARBOR AND BAY, CA	3,600,000	6,000,000
(FC)	LOS ANGELES COUNTY DRAINAGE AREA, CA	11,000,000	50,000,000
(N)	LOS ANGELES HARBOR, CA	12,000,000	52,000,000
(FC)	LOWER SACRAMENTO AREA LEVEE RECONSTRUCTION, CA	952,000	952,000
(FC)	MARYSVILLE/YUBA CITY LEVEE RECONSTRUCTION, CA	746,000	1,000,000
(FC)	MERCED COUNTY STREAMS, CA	500,000	900,000
(FC)	MID-VALLEY AREA LEVEE RECONSTRUCTION, CA	1,700,000	1,700,000
	NORCO BLUFFS, CA	---	4,400,000
	PORT OF LONG BEACH, CA	---	6,000,000
(FC)	SACRAMENTO RIVER BANK PROTECTION PROJECT, CA	7,080,000	10,080,000
(FC)	SACRAMENTO RIVER, GLENN-COLUSA IRRIGATION DISTRICT, CA	700,000	2,000,000
(FC)	SAN LORENZO RIVER, CA	2,800,000	3,200,000
(FC)	SANTA ANA RIVER MAINSTEM, CA	20,035,000	44,000,000
	SANTA MONICA BREAKWATER, CA	---	3,026,000
(FC)	SANTA PAULA CREEK, CA	2,700,000	4,000,000
(FC)	UPPER SACRAMENTO AREA LEVEE RECONSTRUCTION, CA	400,000	400,000

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CORPS OF ENGINEERS - CONSTRUCTION, GENERAL

11:31 9/25/98 PAGE 2

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
(FC)	WEST SACRAMENTO, CA	2,500,000	13,000,000
	CONNECTICUT		
	FAULKNER ISLAND, CT	---	2,600,000
	DELAWARE		
(BE)	DELAWARE COAST PROTECTION, DE	233,000	233,000
	FLORIDA		
	BROWARD COUNTY, FL	---	1,500,000
(N)	CANAVERAL HARBOR DEEPENING, FL	640,000	800,000
(FC)	CENTRAL AND SOUTHERN FLORIDA, FL	40,800,000	21,000,000
	DADE COUNTY, FL	---	5,700,000
(E)	EVERGLADES AND SOUTH FLORIDA ECOSYSTEM RESTORATION, FL	20,000,000	7,000,000
	FORT PIERCE SHORE PROTECTION, FL	---	300,000
	INDIAN RIVER COUNTY, FL	---	100,000
(MP)	JIM WOODRUFF LOCK AND DAM POWERHOUSE, FL & GA (MAJOR R	5,000,000	5,000,000
(E)	KISSIMMEE RIVER, FL	27,300,000	8,000,000
	LEE COUNTY, FL	---	300,000
	MIAMI HARBOR CHANNEL, FL	---	8,000,000
	PALM VALLEY BRIDGE, FL	---	2,000,000
	PANAMA CITY BEACHES, FL	---	6,000,000
	PINELLAS COUNTY, FL	---	5,000,000
	ST JOHNS COUNTY, FL	---	250,000
	GEORGIA		
(MP)	BUFORD POWERHOUSE, GA (MAJOR REHAB)	4,000,000	4,000,000
(MP)-	HARTWELL LAKE POWERHOUSE, GA & SC (MAJOR REHAB)	5,900,000	5,900,000
(MP)	RICHARD B RUSSELL DAM AND LAKE, GA & SC	1,685,000	1,685,000
(MP)	THURMOND LAKE POWERHOUSE, GA & SC (MAJOR REHAB)	9,500,000	9,500,000
	TYBEE ISLAND, GA	---	1,200,000
	HAWAII		
(FC)	IAO STREAM FLOOD CONTROL, MAUI, HI (DEF CORR)	270,000	270,000
(N)	MAALAEA HARBOR, MAUI, HI	230,000	400,000
	ILLINOIS		
(N)	CHAIN OF ROCKS CANAL, MISSISSIPPI RIVER, IL (DEF CORR)	700,000	500,000
	CHICAGO SANITARY AND SHIP CANAL DISPERSAL BARRIER, IL.	---	300,000
(BE)	CHICAGO SHORELINE, IL	5,050,000	10,050,000
(FC)	EAST ST LOUIS, IL	500,000	500,000
	EAST ST LOUIS & VICINITY (INTERIOR FLOOD CONTROL), IL.	---	375,000
(N)	LOCK AND DAM 24 PART 1, MISS RIVER, IL & MO (MAJOR REH	7,100,000	7,400,000
(N)	LOCK AND DAM 24 PART 2, MISS RIVER, IL & MO (MAJOR REH	2,400,000	---

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CORPS OF ENGINEERS - CONSTRUCTION, GENERAL

11:31 9/25/98 PAGE 3

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
(N)	LOCK AND DAM 25, MISSISSIPPI RIVER, IL & MO (MAJOR REH	4,900,000	6,000,000
(FC)	LOVES PARK, IL	200,000	200,000
(FC)	MCCOOK AND THORNTON RESERVOIRS, IL	900,000	3,250,000
(N)	MELVIN PRICE LOCK AND DAM, IL & MO	1,330,000	1,330,000
	O'HARE RESERVOIR, IL	---	1,000,000
(N)	OLMSTED LOCKS AND DAM, IL & KY	54,500,000	54,500,000
(N)	UPPER MISS RVR SYSTEM ENV MGMT PROGRAM, IL, IA, MN, MO	18,355,000	18,900,000
	INDIANA		
(FC)	FORT WAYNE METROPOLITAN AREA, IN	5,900,000	6,700,000
	INDIANA SHORELINE EROSION, IN	---	700,000
	INDIANAPOLIS CENTRAL WATERFRONT, IN	---	4,000,000
(FC)	LITTLE CALUMET RIVER, IN	4,000,000	7,000,000
	OHIO RIVER FLOOD PROTECTION, IN	---	750,000
(FC)	PATOKA LAKE, IN (MAJOR REHAB)	3,600,000	---
	WABASH RIVER, NEW HARMONY, IN	---	2,000,000
	IOWA		
(N)	LOCK AND DAM 14, MISSISSIPPI RIVER, IA (MAJOR REHAB)	4,400,000	4,400,000
(N)	MISSOURI RIVER FISH AND WILDLIFE MITIGATION, IA, NE, K	1,391,000	8,000,000
(FC)	MISSOURI RIVER LEVEE SYSTEM, IA, NE, KS & MO	824,000	900,000
(FC)	MUSCATINE ISLAND, IA	290,000	1,000,000
(FC)	PERRY CREEK, IA	1,367,000	3,500,000
	KANSAS		
(FC)	ARKANSAS CITY, KS	300,000	2,000,000
(FC)	WINFIELD, KS	2,330,000	2,330,000
	KENTUCKY		
(MP)	BARKLEY DAM AND LAKE BARKLEY, KY & TN	300,000	1,600,000
(FC)	DEWEY LAKE, KY (DAM SAFETY)	900,000	900,000
	KENTUCKY LOCK AND DAM, KY	---	8,500,000
(N)	MCALPINE LOCKS AND DAM, KY & IN	1,000,000	5,300,000
(FC)	METROPOLITAN LOUISVILLE, POND CREEK, KY	1,500,000	1,500,000
	SOUTHERN AND EASTERN KENTUCKY, KY	---	4,000,000
	LOUISIANA		
(FC)	ALOHA - RIGOLETTE, LA	320,000	800,000
	COMITE RIVER, LA	---	1,000,000
(FC)	LAKE PONTCHARTRAIN AND VICINITY, LA (HURRICANE PROTECT	5,676,000	16,000,000
	LAKE PONTCHARTRAIN STORMWATER DISCHARGE, LA	---	4,500,000
(FC)	LAROSE TO GOLDEN MEADOW, LA (HURRICANE PROTECTION)	250,000	1,600,000
(N)	MISSISSIPPI RIVER, GULF OUTLET, LA	2,000,000	3,800,000
	MISSISSIPPI RIVER SHIP CHANNEL, GULF TO BATON ROUGE, L	---	1,000,000
(FC)	NEW ORLEANS TO VENICE, LA (HURRICANE PROTECTION)	500,000	750,000

R$CGPOC
P$37CCGP CORPS OF ENGINEERS - CONSTRUCTION, GENERAL 11:31 9/25/98 PAGE 4

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
(N)	RED RIVER WATERWAY, MISSISSIPPI RIVER TO SHREVEPORT, L	5,392,000	8,000,000
(FC)	SOUTHEAST LOUISIANA, LA	15,279,000	75,000,000
(FC)	WEST BANK VICINITY OF NEW ORLEANS, LA	3,936,000	7,000,000
	MARYLAND		
(E)	ANACOSTIA RIVER AND TRIBUTARIES, MD & DC	36,000	2,400,000
(BE)	ASSATEAGUE ISLAND, MD	4,000,000	---
(BE)	ATLANTIC COAST OF MARYLAND, MD	100,000	100,000
	CHESAPEAKE BAY ENVIRONMENTAL RESTORATION AND PROTECTION PROGRAM, MD, VA, PA	---	750,000
(E)	CHESAPEAKE BAY OYSTER RECOVERY, MD	23,000	543,000
(E)	POPLAR ISLAND, MD	157,000	8,300,000
	MASSACHUSETTS		
(N)	BOSTON HARBOR, MA	40,000	7,500,000
(FC)	HODGES VILLAGE DAM, MA (MAJOR REHAB)	5,443,000	5,443,000
(FC)	ROUGHANS POINT, REVERE, MA	2,680,000	2,680,000
(FC)	TOWN BROOK, QUINCY AND BRAINTREE, MA	20,000	300,000
	MINNESOTA		
(N)	LOCK AND DAM 3, MISSISSIPPI RIVER, MN (MAJOR REHAB)	6,200,000	6,200,000
(FC)	MARSHALL, MN	40,000	1,500,000
(N)	PINE RIVER DAM, CROSS LAKE, MN (DAM SAFETY)	1,487,000	1,487,000
	ST CROIX RIVER, STILLWATER, MN	---	2,000,000
	MISSISSIPPI		
	JACKSON COUNTY, MS	---	6,200,000
(E)	NATCHEZ BLUFF, MS	---	4,000,000
	PASCAGOULA HARBOR, MS	---	12,000,000
	MISSOURI		
(FC)	BLUE RIVER CHANNEL, KANSAS CITY, MO	9,600,000	15,300,000
(FC)	CAPE GIRARDEAU, JACKSON, MO	400,000	2,000,000
(FC)	MERAMEC RIVER BASIN, VALLEY PARK LEVEE, MO	1,980,000	3,800,000
(N)	MISS RIVER BTWN THE OHIO AND MO RIVERS (REG WORKS), MO	1,200,000	1,600,000
(FC)	ST GENEVIEVE, MO	4,617,000	6,200,000
(MP)	TABLE ROCK LAKE, MO & AR (DAM SAFETY)	2,650,000	2,650,000
	NEBRASKA		
(FC)	MISSOURI NATIONAL RECREATIONAL RIVER, NE & SD	125,000	125,000
(FC)	WOOD RIVER, GRAND ISLAND, NE	69,000	500,000

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P$37CCGP CORPS OF ENGINEERS - CONSTRUCTION, GENERAL 11:31 9/25/98 PAGE 5

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
	NEVADA		
(FC)	TROPICANA AND FLAMINGO WASHES, NV	12,295,000	23,000,000
	NEW JERSEY		
(BE)	CAPE MAY INLET TO LOWER TOWNSHIP, NJ	60,000	1,000,000
(BE)	GREAT EGG HARBOR INLET AND PECK BEACH, NJ	150,000	150,000
(FC)	MOLLY ANN'S BROOK AT HALEDON, PROSPECT PARK AND PATERS	4,170,000	4,170,000
(N)	NEW YORK HARBOR & ADJACENT CHANNELS, PORT JERSEY CHANN	300,000	5,000,000
(FC)	PASSAIC RIVER PRESERVATION OF NATURAL STORAGE AREAS, N	200,000	1,000,000
	PASSAIC RIVER STREAMBANK RESTORATION, NJ	---	3,000,000
(FC)	RAMAPO RIVER AT OAKLAND, NJ	75,000	3,000,000
	RARITAN BAY TO SANDY HOOK BAY, NJ	---	150,000
	RARITAN RIVER BASIN, GREEN BROOK SUB-BASIN, NJ	---	9,900,000
(BE)	SANDY HOOK TO BARNEGAT INLET, NJ	3,300,000	10,000,000
	NEW MEXICO		
(FC)	ABIQUIU DAM EMERGENCY GATES, NM	3,569,000	3,569,000
(FC)	ACEQUIAS IRRIGATION SYSTEM, NM	150,000	500,000
(FC)	ALAMOGORDO, NM	300,000	300,000
(FC)	GALISTEO DAM, NM (DAM SAFETY)	2,000,000	2,500,000
(FC)	LAS CRUCES, NM	150,000	3,470,000
(FC)	MIDDLE RIO GRANDE FLOOD PROTECTION, BERNALILLO TO BELE	510,000	510,000
(FC)	RIO GRANDE FLOODWAY, SAN ACACIA TO BOSQUE DEL APACHE,	300,000	750,000
	NEW YORK		
(BE)	ATLANTIC COAST OF NYC, ROCKAWAY INLET TO NORTON POINT,	300,000	800,000
(BE)	EAST ROCKAWAY INLET TO ROCKAWAY INLET AND JAMAICA BAY,	300,000	3,300,000
(BE)	FIRE ISLAND INLET TO JONES INLET, NY	200,000	2,500,000
(BE)	FIRE ISLAND INLET TO MONTAUK POINT, NY	2,400,000	4,400,000
	HUDSON RIVER, ATHENS, NY	---	3,000,000
(N)	KILL VAN KULL AND NEWARK BAY CHANNEL, NY & NJ	32,000,000	30,000,000
	LONG BEACH ISLAND, NY	---	7,500,000
	NEW YORK CITY WATERSHED, NY	---	1,000,000
	NEW YORK STATE CANAL SYSTEM, NY	---	1,800,000
	ORCHARD BEACH, NY	---	2,000,000
	NORTH CAROLINA		
(N)	AIWW, REPLACEMENT OF FEDERAL HIGHWAY BRIDGES, NC	6,000,000	6,000,000
(N)	WILMINGTON HARBOR, NC	5,300,000	8,300,000

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CORPS OF ENGINEERS - CONSTRUCTION, GENERAL

11:31 9/25/98 PAGE 6

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
	NORTH DAKOTA		
(FC)	BUFORD-TRENTON IRRIGATION DISTRICT LAND ACQUISITION, N	2,000,000	2,000,000
(FC)	DEVILS LAKE EMERGENCY OUTLET, ND	16,000,000	---
(MP)	GARRISON DAM AND POWER PLANT, ND (MAJOR REHAB)	274,000	274,000
(FC)	HOMME LAKE, ND (DAM SAFETY)	750,000	750,000
(FC)	LAKE ASHTABULA AND BALDHILL DAM, ND (DAM SAFETY)	499,000	499,000
(FC)	LAKE ASHTABULA AND BALDHILL DAM, ND (MAJOR REHAB)	1,000,000	1,000,000
(FC)	SHEYENNE RIVER, ND	400,000	400,000
	OHIO		
(FC)	BEACH CITY LAKE, MUSKINGUM RIVER LAKES, OH (DAM SAFETY	200,000	200,000
(FC)	HOLES CREEK, WEST CARROLLTON, OH	1,131,000	1,131,000
(FC)	METROPOLITAN REGION OF CINCINNATI, DUCK CREEK, OH	669,000	669,000
(FC)	MILL CREEK, OH	700,000	700,000
(FC)	WEST COLUMBUS, OH	1,800,000	14,000,000
	OKLAHOMA		
(FC)	MINGO CREEK, TULSA, OK	6,328,000	6,328,000
(FC)	SKIATOOK LAKE, OK (DAM SAFETY)	500,000	500,000
(MP)	TENKILLER FERRY LAKE, OK (DAM SAFETY)	25,000	2,300,000
	OREGON		
(MP)	BONNEVILLE POWERHOUSE PHASE II, OR & WA (MAJOR REHAB)	8,000,000	8,000,000
(MP)	COLUMBIA RIVER TREATY FISHING ACCESS SITES, OR & WA	1,700,000	2,500,000
(FC)	ELK CREEK LAKE, OR	300,000	300,000
	PENNSYLVANIA		
(FC)	JOHNSTOWN, PA (MAJOR REHAB)	4,450,000	6,450,000
(FC)	LACKAWANNA RIVER, OLYPHANT, PA	50,000	6,800,000
(FC)	LACKAWANNA RIVER, SCRANTON, PA	100,000	40,551,000
(N)	LOCKS AND DAMS 2, 3 AND 4, MONONGAHELA RIVER, PA	4,500,000	26,500,000
(BE)	PRESQUE ISLE PENINSULA, PA (PERMANENT)	500,000	500,000
(FC)	SAW MILL RUN, PITTSBURGH, PA	400,000	1,200,000
	SOUTH CENTRAL PA ENVIRONMENT IMPROVEMENT, PA	---	39,000,000
	SOUTHEASTERN PENNSYLVANIA, PA	---	750,000
(FC)	WYOMING VALLEY, PA (LEVEE RAISING)	3,250,000	4,000,000
	PUERTO RICO		
(FC)	PORTUGUES AND BUCANA RIVERS, PR	6,082,000	6,500,000
(FC)	RIO DE LA PLATA, PR	426,000	3,000,000
(FC)	RIO PUERTO NUEVO, PR	7,052,000	7,052,000
(N)	SAN JUAN HARBOR, PR	500,000	3,300,000

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P$37CCGP CORPS OF ENGINEERS - CONSTRUCTION, GENERAL 11:31 9/25/98 PAGE 7

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
	SOUTH CAROLINA		
	CHARLESTON HARBOR, SC	---	22,000,000
(N)	COOPER RIVER, CHARLESTON HARBOR, SC	500,000	500,000
(BE)	MYRTLE BEACH, SC	3,000,000	3,000,000
	SOUTH DAKOTA		
(FC)	BIG SIOUX RIVER, SIOUX FALLS, SD	2,200,000	---
	TENNESSEE		
	BLACK FOX, MURFREE AND OAKLANDS SPRINGS WETLANDS, TN	---	500,000
	TENNESSEE RIVER, HAMILTON COUNTY, TN	---	1,500,000
	TEXAS		
	BEALS CREEK, BIG SPRING, TX	---	1,200,000
	BRAYS BAYOU, TX	---	4,500,000
(N)	CHANNEL TO VICTORIA, TX	1,560,000	1,560,000
(FC)	CLEAR CREEK, TX	1,770,000	1,770,000
(FC)	EL PASO, TX	400,000	4,000,000
	GIWW, ARANSAS NATIONAL WILDLIFE, REFUGE, TX	---	3,200,000
(N)	HOUSTON - GALVESTON NAVIGATION CHANNELS, TX	5,220,000	49,000,000
(FC)	MCGRATH CREEK, WICHITA FALLS, TX	1,514,000	1,514,000
(FC)	SAN ANTONIO CHANNEL IMPROVEMENT, TX	800,000	800,000
(FC)	SIMS BAYOU, HOUSTON, TX	9,450,000	12,000,000
(FC)	WACO LAKE, TX (DAM SAFETY)	500,000	3,934,000
	WALLISVILLE LAKE, TX	---	5,500,000
	UTAH		
(FC)	UPPER JORDAN RIVER, UT	200,000	850,000
	VIRGINIA		
(N)	AIWW, BRIDGE AT GREAT BRIDGE, VA	393,000	3,800,000
(N)	NORFOLK HARBOR AND CHANNELS (DEEPENING), VA	420,000	420,000
(FC)	ROANOKE RIVER UPPER BASIN, HEADWATERS AREA, VA	200,000	600,000
	VIRGINIA BEACH, VA	---	18,000,000
	VIRGINIA BEACH, VA (REIMBURSEMENT)	---	1,460,000

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CORPS OF ENGINEERS - CONSTRUCTION, GENERAL

11:31 9/25/98 PAGE 8

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
	WASHINGTON		
(MP)	COLUMBIA RIVER FISH MITIGATION, WA, OR & ID.....	117,000,000	60,000,000
(MP)	LOWER SNAKE RIVER FISH & WILDLIFE COMPENSATION, WA, OR	650,000	650,000
(MP)	THE DALLES POWERHOUSE (UNITS 1-14), WA & OR (MAJOR REH	900,000	2,000,000
	WEST VIRGINIA		
	GREENBRIER RIVER BASIN, WV.....	---	1,000,000
(FC)	LEVISA AND TUG FORKS AND UPPER CUMBERLAND RIVER, WV, V	3,000,000	38,500,000
(N)	LONDON LOCKS AND DAM, KANAWHA RIVER, WV (MAJOR REHAB).	1,700,000	---
(N)	MARMET LOCK, KANAWHA RIVER, WV.....	1,500,000	6,500,000
(N)	ROBERT C BYRD LOCKS AND DAM, WV & OH.....	7,000,000	8,000,000
	SOUTHERN WEST VA ENVIRONMENTAL INFRASTRUCTURE PROG, WV	---	1,500,000
(FC)	TYGART LAKE, WV (DAM SAFETY).....	2,400,000	2,400,000
	WEST VIRGINIA AND PENNSYLVANIA FLOOD CONTROL.....	---	750,000
(N)	WINFIELD LOCKS AND DAM, WV.....	4,500,000	4,500,000
	WISCONSIN		
	LAFARGE LAKE, KICKAPOO RIVER, WI.....	---	2,800,000
(FC)	PORTAGE, WI.....	3,199,000	3,199,000
	MISCELLANEOUS		
	AQUATIC PLANT CONTROL PROGRAM.....	2,000,000	3,000,000
	AQUATIC ECOSYSTEM RESTORATION (SECTION 206).....	2,000,000	11,200,000
	BEACH EROSION CONTROL PROJECTS (SECTION 103).....	2,600,000	2,000,000
	BENEFICIAL USES OF DREDGED MATERIAL (SECTION 204).....	200,000	350,000
	CLEARING AND SNAGGING PROJECT (SECTION 208).....	100,000	300,000
	DREDGED MATERIAL DISPOSAL FACILITIES PROGRAM.....	2,000,000	3,500,000
	EMERGENCY STREAMBANK & SHORELINE PROTECTION (SEC. 14).	15,000,000	7,000,000
	EMPLOYEES' COMPENSATION.....	18,289,000	18,289,000
	FLOOD CONTROL PROJECTS (SECTION 205).....	26,500,000	34,800,000
	INLAND WATERWAYS USERS BOARD - BOARD EXPENSE.....	45,000	45,000
	INLAND WATERWAYS USERS BOARD - CORPS EXPENSE.....	185,000	185,000
	NAVIGATION MITIGATION PROJECT (SECTION 111).....	100,000	200,000
	NAVIGATION PROJECTS (SECTION 107).....	2,700,000	6,000,000
	PROJECT MODIFICATIONS FOR IMPROVEMENT OF THE ENVIRONME	5,300,000	11,000,000
	RIVERINE ECOSYSTEM RESTORATION AND FLOOD HAZARD MITIGA	25,000,000	---
	REDUCTION FOR ANTICIPATED SAVINGS AND SLIPPAGE.....	-32,388,000	-62,046,000
	TOTAL, CONSTRUCTION GENERAL.....	806,000,000	1,429,885,000

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CORPS OF ENGINEERS - FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES 11:35 9/25/98 PAGE 1

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
	GENERAL INVESTIGATIONS		
	SURVEYS:		
	GENERAL STUDIES:		
	DONALDSONVILLE TO GULF OF MEXICO	---	100,000
(FDP)	MISSISSIPPI RIVER, ALEXANDER COUNTY, IL AND SCOTT	100,000	100,000
(FDP)	ALEXANDRIA, LA TO THE GULF OF MEXICO	500,000	500,000
(FDP)	MORGANZA, LA TO THE GULF OF MEXICO	755,000	755,000
(FDP)	MEMPHIS METRO AREA, TN & MS	800,000	800,000
(FDP)	REELFOOT LAKE, TN & KY	66,000	66,000
	SOUTHEAST ARKANSAS, AR	---	500,000
(FDP)	WOLF RIVER, MEMPHIS, TN	190,000	190,000
(FC)	BAYOU METO BASIN, AR	2,500,000	2,500,000
(FC)	REELFOOT LAKE, TN & KY	450,000	450,000
	COLLECTION AND STUDY OF BASIC DATA	360,000	360,000
	SUBTOTAL, GENERAL INVESTIGATIONS	5,721,000	6,321,000
	CONSTRUCTION		
(FC)	CHANNEL IMPROVEMENT, AR, IL, KY, LA, MS, MO & TN	44,599,000	44,599,000
(FC)	EIGHT MILE CREEK, AR	581,000	581,000
(FC)	GRAND PRAIRIE REGION, AR	11,500,000	8,000,000
(FC)	HELENA AND VICINITY, AR	910,000	910,000
(FC)	MISSISSIPPI RIVER LEVEES, AR, IL, KY, LA, MS, MO & TN	23,750,000	30,750,000
(FC)	ST FRANCIS RIVER BASIN, AR & MO	4,900,000	4,900,000
(FC)	WHITEMAN'S CREEK, AR	674,000	674,000
(FC)	ATCHAFALAYA BASIN, FLOODWAY SYSTEM, LA	7,500,000	7,500,000
(FC)	ATCHAFALAYA BASIN, LA	21,023,000	27,000,000
(FC)	LOUISIANA STATE PENITENTIARY, LA	400,000	4,500,000
(FC)	MISSISSIPPI AND LOUISIANA ESTUARINE AREAS, LA & MS	250,000	250,000
(FC)	MISSISSIPPI DELTA REGION, LA	14,000,000	16,000,000
(FC)	TENSAS BASIN, RED RIVER BACKWATER, LA	10,100,000	10,100,000
	YAZOO BASIN, MS:	(18,665,000)	(30,565,000)
(FC)	BIG SUNFLOWER RIVER, MS	3,450,000	4,500,000
(FC)	DEMONSTRATION EROSION CONTROL, MS	3,900,000	13,500,000
(FC)	MAIN STEM, MS	25,000	25,000
(FC)	REFORMULATION UNIT, MS	1,840,000	1,840,000
(FC)	TRIBUTARIES, MS	200,000	200,000
(FC)	UPPER YAZOO PROJECTS, MS	9,250,000	10,000,000
	YAZOO BACKWATER PUMP	---	500,000
(FC)	ST JOHNS BAYOU AND NEW MADRID FLOODWAY, MO	250,000	6,000,000
(FC)	NONCONNAH CREEK, FLOOD CONTROL FEATURE, TN & MS	122,000	370,000
(FC)	WEST TENNESSEE TRIBUTARIES, TN	3,750,000	3,750,000
	SUBTOTAL, CONSTRUCTION	162,974,000	196,449,000
	MAINTENANCE		
(FC)	CHANNEL IMPROVEMENT, AR, IL, KY, LA, MS, MO & TN	53,329,000	53,329,000

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P$37MMGP CORPS OF ENGINEERS - FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES 11:35 9/25/98 PAGE 2

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(N)	HELENA HARBOR, PHILLIPS COUNTY, AR	293,000	293,000
(FC)	INSPECTION OF COMPLETED WORKS, AR	457,000	457,000
(FC)	LOWER ARKANSAS RIVER, NORTH BANK, AR	112,000	112,000
(FC)	LOWER ARKANSAS RIVER, SOUTH BANK, AR	124,000	124,000
(FC)	MISSISSIPPI RIVER LEVEES, AR, IL, KY, LA, MS, MO & TN.	6,271,000	6,500,000
(FC)	ST FRANCIS RIVER BASIN, AR & MO	7,600,000	9,300,000
(FC)	TENSAS BASIN, BOEUF AND TENSAS RIVERS, AR & LA	2,374,000	2,374,000
(FC)	WHITE RIVER BACKWATER, AR	1,400,000	1,400,000
(FC)	INSPECTION OF COMPLETED WORKS, IL	47,000	47,000
(FC)	INSPECTION OF COMPLETED WORKS, KY	26,000	26,000
(FC)	ATCHAFALAYA BASIN, FLOODWAY SYSTEM, LA	613,000	613,000
(FC)	ATCHAFALAYA BASIN, LA	9,425,000	10,500,000
(FC)	BATON ROUGE HARBOR, DEVIL SWAMP, LA	146,000	146,000
(FC)	BAYOU COCODRIE AND TRIBUTARIES, LA	90,000	90,000
(FC)	BONNET CARRE, LA	975,000	1,800,000
(FC)	INSPECTION OF COMPLETED WORKS, LA	368,000	368,000
(FC)	LOWER RED RIVER, SOUTH BANK LEVEES, LA	1,773,000	1,773,000
(FC)	MISSISSIPPI DELTA REGION, LA	402,000	402,000
(FC)	OLD RIVER, LA	4,100,000	4,100,000
(FC)	TENSAS BASIN, RED RIVER BACKWATER, LA	2,820,000	2,820,000
(N)	GREENVILLE HARBOR, MS	361,000	361,000
(FC)	INSPECTION OF COMPLETED WORKS, MS	195,000	195,000
(N)	VICKSBURG HARBOR, MS	247,000	247,000
	YAZOO BASIC, MS:	(20,966,000)	(24,711,000)
(FC)	ARKABUTLA LAKE, MS	3,193,000	3,700,000
(FC)	BIG SUNFLOWER RIVER, MS	242,000	2,500,000
(FC)	ENID LAKE, MS	3,273,000	3,273,000
(FC)	GREENWOOD, MS	837,000	837,000
(FC)	GRENADA LAKE, MS	4,330,000	4,330,000
(FC)	MAIN STEM, MS	1,631,000	1,631,000
(FC)	SARDIS LAKE, MS	4,320,000	5,300,000
(FC)	TRIBUTARIES, MS	1,238,000	1,238,000
(FC)	WILL M WHITTINGTON AUX CHAN, MS	498,000	498,000
(FC)	YAZOO BACKWATER AREA, MS	621,000	621,000
(FC)	YAZOO CITY, MS	783,000	783,000
(FC)	INSPECTION OF COMPLETED WORKS, MO	210,000	210,000
(FC)	WAPPAPELLO LAKE, MO	6,833,000	6,833,000
(FC)	INSPECTION OF COMPLETED WORKS, TN	118,000	118,000
(N)	MEMPHIS HARBOR, MCKELLAR LAKE, TN	1,400,000	1,400,000
(FC)	MAPPING	998,000	998,000
	SUBTOTAL, MAINTENANCE	124,073,000	131,647,000
	REDUCTION FOR ANTICIPATED SAVINGS AND SLIPPAGE	-12,768,000	-13,268,000
	TOTAL, FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES	280,000,000	321,149,000

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CORPS OF ENGINEERS - OPERATION AND MAINTENANCE 11:36 9/25/98 PAGE 1

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
	ALABAMA		
(N)	ALABAMA - COOSA RIVER, AL	4,900,000	4,900,000
(N)	BAYOU LA BATRE, AL	1,800,000	1,800,000
(N)	BLACK WARRIOR AND TOMBIGBEE RIVERS, AL	16,000,000	20,000,000
	BON SECOUR RIVER, AL	---	500,000
(N)	GULF INTRACOASTAL WATERWAY, AL	7,726,000	7,726,000
(FC)	INSPECTION OF COMPLETED WORKS, AL	30,000	30,000
(MP)	MILLERS FERRY LOCK AND DAM, WILLIAM "BILL" DANNELLY LA	4,000,000	7,325,000
(N)	MOBILE HARBOR, AL	21,000,000	24,400,000
(N)	PROJECT CONDITION SURVEYS, AL	300,000	300,000
(MP)	ROBERT F HENRY LOCK AND DAM, AL	3,900,000	5,000,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, AL	20,000	20,000
(N)	TENNESSEE - TOMBIGBEE WATERWAY, AL & MS	17,000,000	20,200,000
(MP)	WALTER F GEORGE LOCK AND DAM, AL & GA	6,400,000	6,400,000
	ALASKA		
(N)	ANCHORAGE HARBOR, AK	1,600,000	1,600,000
(FC)	CHENA RIVER LAKES, AK	1,591,000	1,591,000
(N)	DILLINGHAM HARBOR, AK	592,000	592,000
(N)	HOMER HARBOR, AK	243,000	243,000
(FC)	INSPECTION OF COMPLETED WORKS, AK	20,000	20,000
(N)	NINILCHIK HARBOR, AK	200,000	200,000
(N)	NOME HARBOR, AK	265,000	265,000
(N)	PROJECT CONDITION SURVEYS, AK	489,000	489,000
	ST. PAUL HARBOR AK	---	500,000
	WRANGELL NARROWS, AK	---	600,000
	ARIZONA		
(FC)	ALAMO LAKE, AZ	1,114,000	1,114,000
(FC)	INSPECTION OF COMPLETED WORKS, AZ	73,000	73,000
(FC)	PAINTED ROCK DAM, AZ	1,079,000	1,079,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, AZ	25,000	25,000
(FC)	WHITLOW RANCH DAM, AZ	192,000	192,000
	ARKANSAS		
(MP)	BEAVER LAKE, AR	3,585,000	3,585,000
(MP)	BLAKELY MT DAM, LAKE OUACHITA, AR	5,464,000	5,464,000
(FC)	BLUE MOUNTAIN LAKE, AR	998,000	998,000
(MP)	BULL SHOALS LAKE, AR	4,652,000	4,652,000
(MP)	DARDANELLE LOCK AND DAM, AR	5,861,000	5,861,000
(MP)	DEGRAY LAKE, AR	3,988,000	3,988,000
(FC)	DEQUEEN LAKE, AR	965,000	965,000
(FC)	DIERKS LAKE, AR	954,000	954,000
(FC)	GILLHAM LAKE, AR	896,000	896,000
(MP)	GREERS FERRY LAKE, AR	4,148,000	4,148,000
(N)	HELENA HARBOR, PHILLIPS COUNTY, AR	278,000	278,000

R$OGPOC

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE 11:36 9/25/98 PAGE 2

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	INSPECTION OF COMPLETED WORKS, AR	253,000	253,000
(N)	MCCLELLAN - KERR ARKANSAS RIVER NAVIGATION SYSTEM, AR.	22,093,000	24,993,000
(FC)	MILLWOOD LAKE, AR	1,571,000	1,571,000
(MP)	NARROWS DAM, LAKE GREESON, AR	3,834,000	3,834,000
(FC)	NIMROD LAKE, AR	1,397,000	1,397,000
(MP)	NORFORK LAKE, AR	3,471,000	3,471,000
(N)	OSCEOLA HARBOR, AR	383,000	383,000
(N)	OUACHITA AND BLACK RIVERS, AR & LA	6,332,000	6,332,000
(MP)	OZARK - JETA TAYLOR LOCK AND DAM, AR	4,185,000	4,185,000
(N)	PROJECT CONDITION SURVEYS, AR	4,000	4,000
(N)	WHITE RIVER, AR	2,747,000	2,747,000
(N)	YELLOW BEND PORT, AR	119,000	119,000
	CALIFORNIA		
(FC)	BLACK BUTTE LAKE, CA	1,782,000	1,782,000
(FC)	BUCHANAN DAM, H V EASTMAN LAKE, CA	1,820,000	1,820,000
(N)	CHANNEL ISLANDS HARBOR, CA	3,246,000	3,246,000
(FC)	COYOTE VALLEY DAM, LAKE MENDOCINO, CA	3,121,000	3,121,000
(FC)	DRY CREEK (WARM SPRINGS) LAKE AND CHANNEL, CA	4,060,000	4,060,000
(FC)	FARMINGTON DAM, CA	374,000	374,000
(FC)	HIDDEN DAM, HENSLEY LAKE, CA	1,843,000	1,843,000
(N)	HUMBOLDT HARBOR AND BAY, CA	3,910,000	3,910,000
(FC)	INSPECTION OF COMPLETED WORKS, CA	973,000	973,000
(FC)	ISABELLA LAKE, CA	1,401,000	1,401,000
(N)	LOS ANGELES - LONG BEACH HARBOR MODEL, CA	165,000	165,000
(FC)	LOS ANGELES COUNTY DRAINAGE AREA, CA	3,613,000	3,613,000
	MARINA DEL RAY, CA	---	1,500,000
(FC)	MERCED COUNTY STREAMS, CA	288,000	288,000
(FC)	MOJAVE RIVER DAM, CA	237,000	237,000
	MORRO BAY HARBOR, CA	---	1,000,000
	MOSS LANDING HARBOR, CA	---	1,000,000
(FC)	NEW HOGAN LAKE, CA	1,732,000	1,732,000
(MP)	NEW MELONES LAKE, DOWNSTREAM CHANNEL, CA	1,101,000	1,101,000
(N)	OAKLAND HARBOR, CA	3,424,000	3,424,000
(N)	OCEANSIDE HARBOR, CA	622,000	622,000
(FC)	PINE FLAT LAKE, CA	2,197,000	2,197,000
(N)	PROJECT CONDITION SURVEYS, CA	1,100,000	1,100,000
	REDWOOD CITY HARBOR, CA	---	2,500,000
(N)	RICHMOND HARBOR, CA	5,384,000	5,384,000
(N)	SACRAMENTO RIVER (30 FOOT PROJECT), CA	2,182,000	2,182,000
(N)	SACRAMENTO RIVER AND TRIBUTARIES (DEBRIS CONTROL), CA.	1,069,000	1,069,000
(N)	SACRAMENTO RIVER SHALLOW DRAFT CHANNEL, CA	133,000	133,000
(N)	SAN FRANCISCO BAY, DELTA MODEL STRUCTURE, CA	2,211,000	2,211,000
(N)	SAN FRANCISCO HARBOR AND BAY (DRIFT REMOVAL), CA	2,392,000	2,392,000
(N)	SAN FRANCISCO HARBOR, CA	2,339,000	2,339,000
(N)	SAN JOAQUIN RIVER, CA	3,004,000	3,004,000
(N)	SAN PABLO BAY AND MARE ISLAND STRAIT, CA	1,500,000	1,500,000
(FC)	SANTA ANA RIVER BASIN, CA	3,023,000	3,023,000
(N)	SANTA BARBARA HARBOR, CA	1,541,000	1,541,000

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CORPS OF ENGINEERS - OPERATION AND MAINTENANCE 11:36 9/25/98 PAGE 3

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	SCHEDULING RESERVOIR OPERATIONS, CA	1,081,000	1,081,000
(FC)	SUCCESS LAKE, CA	1,890,000	2,390,000
(N)	SUISUN BAY CHANNEL, CA	1,044,000	1,044,000
(FC)	TERMINUS DAM, LAKE KAWEAH, CA	1,570,000	1,570,000
(N)	VENTURA HARBOR, CA	2,705,000	2,705,000
(N)	YUBA RIVER, CA	35,000	35,000
	COLORADO		
(FC)	BEAR CREEK LAKE, CO	460,000	460,000
(FC)	CHATFIELD LAKE, CO	648,000	648,000
(FC)	CHERRY CREEK LAKE, CO	965,000	965,000
(FC)	INSPECTION OF COMPLETED WORKS, CO	101,000	101,000
(FC)	JOHN MARTIN RESERVOIR, CO	1,771,000	1,771,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, CO	398,000	398,000
(FC)	TRINIDAD LAKE, CO	767,000	767,000
	CONNECTICUT		
(FC)	BLACK ROCK LAKE, CT	440,000	440,000
(FC)	COLEBROOK RIVER LAKE, CT	516,000	516,000
	FIVE MILE RIVER, CT	---	700,000
(FC)	HANCOCK BROOK LAKE, CT	216,000	216,000
(FC)	HOP BROOK LAKE, CT	867,000	867,000
(FC)	INSPECTION OF COMPLETED WORKS, CT	33,000	33,000
(FC)	MANSFIELD HOLLOW LAKE, CT	418,000	418,000
(FC)	NORTHFIELD BROOK LAKE, CT	319,000	319,000
(N)	PROJECT CONDITION SURVEYS, CT	971,000	971,000
(FC)	STAMFORD HURRICANE BARRIER, CT	295,000	295,000
(FC)	THOMASTON DAM, CT	672,000	672,000
(FC)	WEST THOMPSON LAKE, CT	496,000	496,000
	DELAWARE		
(N)	CEDAR CREEK, DE	250,000	250,000
(N)	CHESAPEAKE AND DELAWARE CANAL - ST GEORGE'S BRIDGE REP	14,000,000	14,000,000
(N)	INDIAN RIVER INLET AND BAY, DE	280,000	280,000
(N)	INTRACOASTAL WATERWAY, DELAWARE R TO CHESAPEAKE BAY, D	12,816,000	12,816,000
(N)	INTRACOASTAL WATERWAY, REHOBOTH BAY TO DELAWARE BAY, D	43,000	43,000
(N)	MISPILLION RIVER, DE	225,000	225,000
(N)	PROJECT CONDITION SURVEYS, DE	50,000	50,000
(N)	WILMINGTON HARBOR, DE	5,590,000	5,590,000
	DISTRICT OF COLUMBIA		
(FC)	INSPECTION OF COMPLETED WORKS, DC	5,000	5,000
(N)	POTOMAC AND ANACOSTIA RIVERS (DRIFT REMOVAL), DC	880,000	880,000
(N)	POTOMAC RIVER BELOW WASHINGTON, DC	183,000	183,000
(N)	PROJECT CONDITION SURVEYS, DC	32,000	32,000
(N)	WASHINGTON HARBOR, DC	35,000	35,000

R$OGPOC

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE 11:36 9/25/98 PAGE 4

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
	FLORIDA		
(N)	AIWW, NORFOLK, VA TO ST JOHNS RIVER, FL, GA, SC, NC &.	30,000	30,000
(N)	CANAVERAL HARBOR, FL	3,367,000	3,367,000
(FC)	CENTRAL AND SOUTHERN FLORIDA, FL	8,598,000	8,598,000
(N)	CHARLOTTE HARBOR, FL	40,000	2,500,000
(N)	FERNANDINA HARBOR, FL	1,615,000	1,615,000
	FORT MYERS BEACH, FL	---	1,000,000
(N)	FORT PIERCE HARBOR, FL	441,000	441,000
(FC)	INSPECTION OF COMPLETED WORKS, FL	75,000	75,000
(N)	INTRACOASTAL WATERWAY, CALOOSAHATCHEE R TO ANCLOTE R,.	88,000	88,000
(N)	INTRACOASTAL WATERWAY, JACKSONVILLE TO MIAMI, FL	3,153,000	3,153,000
(N)	JACKSONVILLE HARBOR, FL	7,625,000	7,625,000
(MP)	JIM WOODRUFF LOCK AND DAM, LAKE SEMINOLE, FL, AL & GA.	5,400,000	5,400,000
	LA GRANGE BAYOU, FL	---	250,000
(N)	MANATEE HARBOR, FL	20,000	20,000
(N)	MIAMI HARBOR, FL	200,000	200,000
(N)	OKEECHOBEE WATERWAY, FL	3,159,000	3,159,000
(N)	OKLAWAHA RIVER, FL	5,000	5,000
(N)	PALM BEACH HARBOR, FL	2,190,000	4,000,000
(N)	PANAMA CITY HARBOR, FL	20,000	20,000
(N)	PONCE DE LEON INLET, FL	30,000	4,000,000
(N)	PORT EVERGLADES HARBOR, FL	50,000	50,000
(N)	PROJECT CONDITION SURVEYS, FL	425,000	425,000
	REMOVAL OF AQUATIC GROWTH, FL	2,700,000	2,700,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, FL	34,000	34,000
	SCIPIO CREEK, FL	---	500,000
(N)	ST AUGUSTINE HARBOR, FL	60,000	60,000
(N)	ST LUCIE INLET, FL	60,000	60,000
(N)	TAMPA HARBOR, FL	5,201,000	5,201,000
(N)	WITHLACOOCHIE RIVER, FL	34,000	34,000
	GEORGIA		
(MP)	ALLATOONA LAKE, GA	4,900,000	4,900,000
(N)	APALACHICOLA CHATTAHOOCHEE AND FLINT RIVERS, GA, AL &.	4,700,000	5,200,000
(N)	ATLANTIC INTRACOASTAL WATERWAY, GA	2,162,000	2,162,000
(N)	BRUNSWICK HARBOR, GA	9,728,000	9,728,000
(MP)	BUFORD DAM AND LAKE SIDNEY LANIER, GA	6,400,000	6,400,000
(MP)	CARTERS DAM AND LAKE, GA	4,600,000	4,600,000
(MP)	HARTWELL LAKE, GA & SC	8,588,000	8,588,000
(FC)	INSPECTION OF COMPLETED WORKS, GA	41,000	41,000
(MP)	J STROM THURMOND LAKE, GA & SC	8,200,000	8,200,000
(MP)	RICHARD B RUSSELL DAM AND LAKE, GA & SC	6,380,000	6,380,000
(N)	SAVANNAH HARBOR, GA	8,161,000	13,700,000
(N)	SAVANNAH RIVER BELOW AUGUSTA, GA	200,000	200,000
(MP)	WEST POINT DAM AND LAKE, GA & AL	4,800,000	4,800,000

R$OGPOC CORPS OF ENGINEERS - OPERATION AND MAINTENANCE 11:36 9/25/98 PAGE 5

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
	HAWAII		
(N)	BARBERS POINT HARBOR, HI	916,000	916,000
(N)	HONOLULU HARBOR, HI	1,580,000	1,580,000
(FC)	INSPECTION OF COMPLETED WORKS, HI	262,000	262,000
(N)	KAHULUI HARBOR, HI	910,000	910,000
(N)	NAWILIWILI HARBOR, HI	962,000	962,000
(N)	PORT ALLEN HARBOR, KAUAI, HI	292,000	292,000
(N)	PROJECT CONDITION SURVEYS, HI	416,000	416,000
	IDAHO		
(MP)	ALBENI FALLS DAM, ID	1,432,000	1,432,000
(MP)	DWORSHAK DAM AND RESERVOIR, ID	3,743,000	3,743,000
(FC)	INSPECTION OF COMPLETED WORKS, ID	89,000	89,000
(FC)	LUCKY PEAK LAKE, ID	975,000	975,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, ID	190,000	190,000
(N)	SURVEILLANCE OF NORTHERN BOUNDARY WATERS, ID	62,000	62,000
	ILLINOIS		
(N)	CALUMET HARBOR AND RIVER, IL & IN	1,444,000	1,444,000
(FC)	CARLYLE LAKE, IL	6,337,000	6,337,000
(N)	CHICAGO HARBOR, IL	4,889,000	4,889,000
(N)	CHICAGO RIVER, IL	362,000	362,000
(FC)	FARM CREEK RESERVOIRS, IL	135,000	135,000
(N)	ILLINOIS WATERWAY, IL & IN	22,934,000	22,934,000
(FC)	INSPECTION OF COMPLETED WORKS, IL	657,000	657,000
(N)	KASKASKIA RIVER NAVIGATION, IL	2,273,000	2,600,000
(N)	LAKE MICHIGAN DIVERSION, IL	537,000	1,037,000
(FC)	LAKE SHELBYVILLE, IL	4,219,000	4,500,000
(N)	MISS R BETWEEN MO R AND MINNEAPOLIS, IL, IA, MN, MO &.	96,985,000	93,000,000
(N)	PROJECT CONDITION SURVEYS, IL	72,000	72,000
(FC)	REND LAKE, IL	3,868,000	3,868,000
(N)	SURVEILLANCE OF NORTHERN BOUNDARY WATERS, IL	96,000	96,000
(N)	WAUKEGAN HARBOR, IL	995,000	995,000
	INDIANA		
(FC)	BROOKVILLE LAKE, IN	776,000	776,000
(N)	BURNS WATERWAY HARBOR, IN	925,000	925,000
(FC)	CAGLES MILL LAKE, IN	797,000	797,000
(FC)	CECIL M HARDEN LAKE, IN	924,000	924,000
(N)	INDIANA HARBOR, IN	564,000	564,000
(FC)	INSPECTION OF COMPLETED WORKS, IN	80,000	80,000
(FC)	J EDWARD ROUSH LAKE, IN	733,000	733,000
(N)	MICHIGAN CITY HARBOR, IN	57,000	57,000
(FC)	MISSISSINEWA LAKE, IN	851,000	851,000
(FC)	MONROE LAKE, IN	806,000	806,000
(FC)	PATOKA LAKE, IN	836,000	836,000

R$OGPOC

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE 11:36 9/25/98 PAGE 6

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(N)	PROJECT CONDITION SURVEYS, IN	67,000	67,000
(FC)	SALAMONIE LAKE, IN	768,000	768,000
(N)	SURVEILLANCE OF NORTHERN BOUNDARY WATERS, IN	62,000	62,000
	IOWA		
(FC)	CORALVILLE LAKE, IA	2,615,000	2,615,000
(FC)	INSPECTION OF COMPLETED WORKS, IA	170,000	170,000
(FC)	MISSOURI RIVER - KENSLERS BEND, NE TO SIOUX CITY, IA	154,000	154,000
(N)	MISSOURI RIVER - SIOUX CITY TO MOUTH, IA, NE, KS & MO	6,280,000	6,280,000
(FC)	RATHBUN LAKE, IA	2,156,000	2,156,000
(FC)	RED ROCK DAM AND LAKE RED ROCK, IA	3,365,000	3,365,000
(FC)	SAYLORVILLE LAKE, IA	4,170,000	4,170,000
	KANSAS		
(FC)	CLINTON LAKE, KS	2,389,000	2,389,000
(FC)	COUNCIL GROVE LAKE, KS	956,000	956,000
(FC)	EL DORADO LAKE, KS	461,000	461,000
(FC)	ELK CITY LAKE, KS	585,000	585,000
(FC)	FALL RIVER LAKE, KS	1,092,000	1,092,000
(FC)	HILLSDALE LAKE, KS	949,000	949,000
(FC)	INSPECTION OF COMPLETED WORKS, KS	267,000	267,000
(FC)	JOHN REDMOND DAM AND RESERVOIR, KS	913,000	913,000
(FC)	KANOPOLIS LAKE, KS	1,352,000	1,352,000
(FC)	MARION LAKE, KS	1,206,000	1,206,000
(FC)	MELVERN LAKE, KS	1,683,000	1,683,000
(FC)	MILFORD LAKE, KS	1,699,000	1,699,000
(FC)	PEARSON - SKUBITZ BIG HILL LAKE, KS	787,000	787,000
(FC)	PERRY LAKE, KS	1,850,000	1,850,000
(FC)	POMONA LAKE, KS	1,632,000	1,632,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, KS	333,000	333,000
(FC)	TORONTO LAKE, KS	440,000	440,000
(FC)	TUTTLE CREEK LAKE, KS	1,977,000	1,977,000
(FC)	WILSON LAKE, KS	1,655,000	1,655,000
	KENTUCKY		
(MP)	BARKLEY DAM AND LAKE BARKLEY, KY & TN	8,005,000	8,005,000
(FC)	BARREN RIVER LAKE, KY	2,077,000	2,077,000
(N)	BIG SANDY HARBOR, KY	1,170,000	1,170,000
(FC)	BUCKHORN LAKE, KY	1,317,000	1,317,000
(FC)	CARR CREEK LAKE, KY	1,406,000	1,406,000
(FC)	CAVE RUN LAKE, KY	808,000	808,000
(FC)	DEWEY LAKE, KY	1,431,000	1,431,000
(N)	ELVIS STAHR (HICKMAN) HARBOR, KY	325,000	325,000
(FC)	FISHTRAP LAKE, KY	1,450,000	1,450,000
(FC)	GRAYSON LAKE, KY	1,048,000	1,048,000
(N)	GREEN AND BARREN RIVERS, KY	1,601,000	1,601,000
(FC)	GREEN RIVER LAKE, KY	1,672,000	1,672,000

R$OGPOC

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE 11:36 9/25/98 PAGE 7

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	INSPECTION OF COMPLETED WORKS, KY	105,000	105,000
(N)	KENTUCKY RIVER, KY	4,488,000	4,488,000
(MP)	LAUREL RIVER LAKE, KY	1,266,000	1,266,000
(N)	LICKING RIVER OPEN CHANNEL WORK, KY	17,000	17,000
(FC)	MARTINS FORK LAKE, KY	686,000	686,000
(FC)	MIDDLESBORO CUMBERLAND RIVER BASIN, KY	52,000	52,000
(FC)	NOLIN LAKE, KY	1,764,000	1,764,000
(N)	OHIO RIVER LOCKS AND DAMS, KY, IL, IN, OH, PA & WV	59,814,000	55,814,000
(N)	OHIO RIVER OPEN CHANNEL WORK, KY, IL, IN, OH, PA & WV	5,447,000	5,447,000
(FC)	PAINTSVILLE LAKE, KY	920,000	920,000
(N)	PROJECT CONDITION SURVEYS, KY	4,000	4,000
(FC)	ROUGH RIVER LAKE, KY	1,531,000	1,531,000
(FC)	TAYLORSVILLE LAKE, KY	1,056,000	1,056,000
(MP)	WOLF CREEK DAM, LAKE CUMBERLAND, KY	3,927,000	4,677,000
(FC)	YATESVILLE LAKE, KY	1,090,000	1,090,000
	LOUISIANA		
(N)	ATCHAFALAYA RIVER AND BAYOUS CHENE, BOEUF AND BLACK, L	7,681,000	7,681,000
(N)	BARATARIA BAY WATERWAY, LA	1,450,000	1,450,000
(FC)	BAYOU BODCAU RESERVOIR, LA	481,000	481,000
(N)	BAYOU LAFOURCHE AND LAFOURCHE JUMP WATERWAY, LA	5,000	5,000
(FC)	BAYOU PIERRE, LA	25,000	25,000
(N)	BAYOU TECHE AND VERMILION RIVER, LA	50,000	50,000
(N)	BAYOU TECHE, LA	140,000	2,750,000
(FC)	CADDO LAKE, LA	114,000	114,000
(N)	CALCASIEU RIVER AND PASS, LA	6,980,000	7,000,000
(N)	FRESHWATER BAYOU, LA	2,960,000	2,960,000
(N)	GULF INTRACOASTAL WATERWAY, LA & TX	19,561,000	21,000,000
(N)	HOUMA NAVIGATION CANAL, LA	841,000	841,000
(FC)	INSPECTION OF COMPLETED WORKS, LA	423,000	423,000
(N)	LAKE PROVIDENCE HARBOR, LA	368,000	368,000
(N)	MADISON PARISH PORT, LA	43,000	43,000
(N)	MERMENTAU RIVER, LA	2,808,000	2,808,000
(N)	MISSISSIPPI RIVER OUTLETS AT VENICE, LA	1,095,000	1,095,000
(N)	MISSISSIPPI RIVER, BATON ROUGE TO THE GULF OF MEXICO,	46,220,000	46,220,000
(N)	MISSISSIPPI RIVER, GULF OUTLET, LA	11,580,000	13,000,000
(N)	PROJECT CONDITION SURVEYS, LA	80,000	80,000
(N)	RED RIVER WATERWAY, MISSISSIPPI RIVER TO SHREVEPORT, L	8,337,000	9,837,000
	REMOVAL OF AQUATIC GROWTH, LA	1,960,000	1,960,000
	TCHEFUNCTE RIVER AND BOGUE FALAYA RIVER, LA	---	250,000
(FC)	WALLACE LAKE, LA	184,000	184,000
(N)	WATERWAY FROM EMPIRE TO THE GULF, LA	5,000	5,000
(N)	WATERWAY FROM INTRACOASTAL WATERWAY TO B DULAC, LA	165,000	165,000

R$OGPOC

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE 11:36 9/25/98 PAGE 8

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
	MAINE		
(FC)	INSPECTION OF COMPLETED WORKS, ME	15,000	15,000
(N)	KENNEBEC RIVER, ME	301,000	301,000
(N)	PORTLAND HARBOR, ME	400,000	4,500,000
(N)	PROJECT CONDITION SURVEYS, ME	1,596,000	1,596,000
(N)	SURVEILLANCE OF NORTHERN BOUNDARY WATERS, ME	17,000	17,000
	MARYLAND		
(N)	BALTIMORE HARBOR (DRIFT REMOVAL), MD	440,000	440,000
(N)	BALTIMORE HARBOR (PREVENTION OF OBSTRUCTIVE DEPOSITS)	570,000	570,000
(N)	BALTIMORE HARBOR AND CHANNELS (50 FOOT), MD	14,558,000	14,558,000
(N)	CHESTER RIVER, MD	335,000	335,000
(FC)	CUMBERLAND, MD AND RIDGELEY, WV	105,000	105,000
(FC)	INSPECTION OF COMPLETED WORKS, MD	32,000	32,000
(FC)	JENNINGS RANDOLPH LAKE, MD & WV	1,492,000	1,492,000
(N)	KNAPPS NARROWS, MD	70,000	70,000
(N)	NANTICOKE RIVER NORTHWEST FORK, MD	75,000	75,000
	NORTHEAST RIVER, MD	---	450,000
(N)	OCEAN CITY HARBOR AND INLET AND SINEPUXENT BAY, MD	330,000	330,000
(N)	PROJECT CONDITION SURVEYS, MD	306,000	306,000
(N)	ROCK HALL HARBOR, MD	260,000	260,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, MD	83,000	83,000
	SHALLOW CREEK, MD	---	250,000
(N)	TWITCH COVE AND BIG THOROFARE RIVER, MD	575,000	575,000
(N)	WICOMICO RIVER, MD	305,000	305,000
	MASSACHUSETTS		
	AUNT LYDIA'S COVE, MA	---	750,000
(FC)	BARRE FALLS DAM, MA	409,000	409,000
(FC)	BIRCH HILL DAM, MA	695,000	695,000
(N)	BOSTON HARBOR, MA	7,000,000	7,000,000
(FC)	BUFFUMVILLE LAKE, MA	367,000	367,000
(N)	CAPE COD CANAL, MA	8,416,000	8,416,000
(FC)	CHARLES RIVER NATURAL VALLEY STORAGE AREA, MA	232,000	232,000
(FC)	CONANT BROOK LAKE, MA	133,000	133,000
(FC)	EAST BRIMFIELD LAKE, MA	273,000	273,000
(FC)	HODGES VILLAGE DAM, MA	349,000	349,000
(FC)	INSPECTION OF COMPLETED WORKS, MA	72,000	72,000
(FC)	KNIGHTVILLE DAM, MA	381,000	381,000
(FC)	LITTLEVILLE LAKE, MA	526,000	526,000
(FC)	NEW BEDFORD FAIRHAVEN AND ACUSHNET HURRICANE BARRIER,	329,000	329,000
(N)	NEWBURYPORT HARBOR, MA	594,000	594,000
(N)	PROJECT CONDITION SURVEYS, MA	873,000	873,000
(FC)	TULLY LAKE, MA	401,000	401,000
(FC)	WEST HILL DAM, MA	633,000	633,000
(FC)	WESTVILLE LAKE, MA	333,000	333,000

853 156

(56)

R$OGPOC

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE 11:36 9/25/98 PAGE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
	MICHIGAN		
(N)	CHANNELS IN LAKE ST CLAIR, MI	110,000	110,000
(N)	CHARLEVOIX HARBOR, MI	194,000	194,000
(N)	DETROIT RIVER, MI	2,392,000	2,392,000
(N)	FRANKFORT HARBOR, MI	49,000	49,000
(N)	GRAND HAVEN HARBOR, MI	704,000	704,000
(N)	HOLLAND HARBOR, MI	497,000	497,000
(FC)	INSPECTION OF COMPLETED WORKS, MI	205,000	205,000
(N)	KEWEENAW WATERWAY, MI	286,000	286,000
(N)	LELAND HARBOR, MI	154,000	154,000
(N)	LEXINGTON HARBOR, MI	259,000	259,000
(N)	LUDINGTON HARBOR, MI	1,641,000	1,641,000
(N)	MANISTEE HARBOR, MI	421,000	421,000
(N)	MARQUETTE HARBOR, MI	247,000	247,000
(N)	MENOMINEE HARBOR, MI & WI	4,000	4,000
(N)	MONROE HARBOR, MI	622,000	622,000
(N)	MUSKEGON HARBOR, MI	881,000	881,000
(N)	ONTONAGON HARBOR, MI	724,000	724,000
	PENTWATER HARBOR, MI	---	1,900,000
(N)	PROJECT CONDITION SURVEYS, MI	367,000	367,000
(N)	ROUGE RIVER, MI	416,000	416,000
(N)	SAGINAW RIVER, MI	1,275,000	1,275,000
(N)	SAUGATUCK HARBOR, MI	2,003,000	2,003,000
(FC)	SEBEWAING RIVER (ICE JAM REMOVAL), MI	10,000	10,000
(N)	ST CLAIR RIVER, MI	571,000	571,000
(N)	ST JOSEPH HARBOR, MI	1,422,000	1,422,000
(MP)	ST MARYS RIVER, MI	20,720,000	20,720,000
(N)	SURVEILLANCE OF NORTHERN BOUNDARY WATERS, MI	3,192,000	3,192,000
(N)	WHITE LAKE HARBOR, MI	1,874,000	1,874,000
	MINNESOTA		
	ALTERNATIVE TECHNOLOGY PROJECT, DULUTH, MN	---	500,000
(FC)	BIGSTONE LAKE WHETSTONE RIVER, MN & SD	566,000	566,000
(N)	DULUTH - SUPERIOR HARBOR, MN & WI	4,085,000	4,085,000
(FC)	INSPECTION OF COMPLETED WORKS, MN	97,000	97,000
(FC)	LAC QUI PARLE LAKES, MINNESOTA RIVER, MN	490,000	490,000
(N)	MINNESOTA RIVER, MN	155,000	155,000
(FC)	ORWELL LAKE, MN	797,000	797,000
(N)	PROJECT CONDITION SURVEYS, MN	17,000	17,000
(FC)	RED LAKE RESERVOIR, MN	444,000	444,000
(N)	RESERVOIRS AT HEADWATERS OF MISSISSIPPI RIVER, MN	3,699,000	3,699,000
(N)	SURVEILLANCE OF NORTHERN BOUNDARY WATERS, MN	31,000	31,000

R$OGPOC CORPS OF ENGINEERS - OPERATION AND MAINTENANCE 11:36 9/25/98 PAGE 10

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
	MISSISSIPPI		
(N)	BILOXI HARBOR, MS	10,000	10,000
(N)	CLAIBORNE COUNTY PORT, MS	8,000	8,000
(FC)	EAST FORK, TOMBIGBEE RIVER, MS	120,000	120,000
(N)	GULFPORT HARBOR, MS	2,200,000	2,200,000
(FC)	INSPECTION OF COMPLETED WORKS, MS	114,000	114,000
(N)	MOUTH OF YAZOO RIVER, MS	101,000	101,000
(FC)	OKATIBBEE LAKE, MS	1,700,000	1,700,000
(N)	PASCAGOULA HARBOR, MS	2,900,000	2,900,000
(N)	PEARL RIVER, MS & LA	263,000	263,000
(N)	PROJECT CONDITION SURVEYS, MS	4,000	4,000
(N)	ROSEDALE HARBOR, MS	415,000	415,000
(N)	YAZOO RIVER, MS	15,000	15,000
	MISSOURI		
(N)	CARUTHERSVILLE HARBOR, MO	159,000	159,000
(MP)	CLARENCE CANNON DAM AND MARK TWAIN LAKE, MO	4,445,000	4,445,000
(FC)	CLEARWATER LAKE, MO	2,067,000	2,067,000
(MP)	HARRY S TRUMAN DAM AND RESERVOIR, MO	7,444,000	7,444,000
(FC)	INSPECTION OF COMPLETED WORKS, MO	377,000	377,000
(FC)	LITTLE BLUE RIVER LAKES, MO	777,000	777,000
(FC)	LONG BRANCH LAKE, MO	814,000	814,000
(N)	MISS RIVER BTWN THE OHIO AND MO RIVERS (REG WORKS), MO	13,908,000	13,908,000
(N)	NEW MADRID HARBOR, MO	206,000	206,000
(FC)	POMME DE TERRE LAKE, MO	1,789,000	1,789,000
(N)	PROJECT CONDITION SURVEYS, MO	5,000	5,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, MO	50,000	50,000
(FC)	SMITHVILLE LAKE, MO	1,049,000	1,049,000
(N)	SOUTHEAST MISSOURI PORT, MISSISSIPPI RIVER, MO	280,000	280,000
(MP)	STOCKTON LAKE, MO	3,560,000	3,560,000
(MP)	TABLE ROCK LAKE, MO	5,051,000	5,051,000
(FC)	WAPPAPELLO LAKE, MO	20,000	20,000
	MONTANA		
(MP)	FT PECK DAM AND LAKE, MT	4,671,000	4,671,000
(FC)	INSPECTION OF COMPLETED WORKS, MT	23,000	23,000
(MP)	LIBBY DAM, LAKE KOOCANUSA, MT	1,570,000	1,570,000
(N)	SURVEILLANCE OF NORTHERN BOUNDARY WATERS, MT	67,000	67,000
	NEBRASKA		
(MP)	GAVINS POINT DAM, LEWIS AND CLARK LAKE, NE & SD	7,138,000	7,138,000
(FC)	HARLAN COUNTY LAKE, NE	1,679,000	1,679,000
(FC)	INSPECTION OF COMPLETED WORKS, NE	170,000	170,000
	MISSOURI NATIONAL RECREATIONAL RIVER, NE	---	350,000
(MP)	MISSOURI R MASTER WTR CONTROL MANUAL, NE, IA, KS, MO,	1,900,000	1,900,000
(MP)	MISSOURI RIVER BASIN COLLABORATIVE WATER PLANNING, NE.	200,000	200,000

R$OGPOC CORPS OF ENGINEERS - OPERATION AND MAINTENANCE 11:36 9/25/98 PAGE 11

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	PAPILLION CREEK & TRIBUTARIES LAKES, NE	597,000	597,000
(FC)	SALT CREEK AND TRIBUTARIES, NE	786,000	786,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, NE	113,000	113,000
	NEVADA		
(FC)	INSPECTION OF COMPLETED WORKS, NV	36,000	36,000
(FC)	MARTIS CREEK LAKE, NV & CA	588,000	588,000
(FC)	PINE AND MATHEWS CANYONS LAKES, NV	284,000	284,000
	NEW HAMPSHIRE		
(FC)	BLACKWATER DAM, NH	410,000	410,000
	COCHECHO RIVER, NH	---	1,000,000
(FC)	EDWARD MACDOWELL LAKE, NH	522,000	522,000
(FC)	FRANKLIN FALLS DAM, NH	591,000	591,000
(FC)	HOPKINTON - EVERETT LAKES, NH	964,000	964,000
(FC)	INSPECTION OF COMPLETED WORKS, NH	10,000	10,000
(FC)	OTTER BROOK LAKE, NH	493,000	493,000
(N)	PROJECT CONDITION SURVEYS, NH	126,000	126,000
(FC)	SURRY MOUNTAIN LAKE, NH	485,000	485,000
	NEW JERSEY		
(N)	BARNEGAT INLET, NJ	1,050,000	1,050,000
(N)	COLD SPRING INLET, NJ	390,000	390,000
(N)	DELAWARE RIVER AT CAMDEN, NJ	305,000	305,000
(N)	DELAWARE RIVER, PHILADELPHIA TO THE SEA, NJ, PA & DE	16,650,000	17,400,000
(N)	DELAWARE RIVER, PHILADELPHIA, PA TO TRENTON, NJ	1,000,000	1,000,000
(FC)	INSPECTION OF COMPLETED WORKS, NJ	429,000	429,000
(N)	NEW JERSEY INTRACOASTAL WATERWAY, NJ	2,195,000	2,195,000
(N)	NEWARK BAY, HACKENSACK AND PASSAIC RIVERS, NJ	590,000	590,000
(N)	PROJECT CONDITION SURVEYS, NJ	805,000	805,000
	NEW MEXICO		
(FC)	ABIQUIU DAM, NM	1,287,000	1,287,000
(FC)	COCHITI LAKE, NM	1,944,000	1,944,000
(FC)	CONCHAS LAKE, NM	1,293,000	1,293,000
(FC)	GALISTEO DAM, NM	277,000	277,000
(FC)	INSPECTION OF COMPLETED WORKS, NM	83,000	83,000
(FC)	JEMEZ CANYON DAM, NM	339,000	339,000
(FC)	SANTA ROSA DAM AND LAKE, NM	969,000	969,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, NM	124,000	124,000
(FC)	TWO RIVERS DAM, NM	337,000	337,000
	UPPER RIO GRANDE WATER OPERATIONS MODEL	---	850,000
	NEW YORK		
(FC)	ALMOND LAKE, NY	449,000	449,000

853 159

59

R$OGPOC CORPS OF ENGINEERS - OPERATION AND MAINTENANCE 11:36 9/25/98 PAGE 12

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	ARKPORT DAM, NY	227,000	227,000
(N)	BAY RIDGE AND RED HOOK CHANNELS, NY	75,000	75,000
(N)	BLACK ROCK CHANNEL AND TONAWANDA HARBOR, NY	4,057,000	4,057,000
(N)	BRONX RIVER, NY	700,000	700,000
(N)	BUFFALO HARBOR, NY	1,027,000	1,027,000
(N)	BUTTERMILK CHANNEL, NY	730,000	730,000
(N)	DUNKIRK HARBOR, NY	434,000	434,000
(N)	EAST ROCKAWAY INLET, NY	2,000,000	2,000,000
(FC)	EAST SIDNEY LAKE, NY	384,000	384,000
(N)	EASTCHESTER CREEK, NY	900,000	900,000
(N)	FIRE ISLAND INLET TO JONES INLET, NY	1,650,000	1,650,000
(N)	FLUSHING BAY AND CREEK, NY	75,000	75,000
(N)	HUDSON RIVER, NY	2,380,000	2,380,000
(FC)	INSPECTION OF COMPLETED WORKS, NY	543,000	543,000
(N)	JAMAICA BAY, NY	1,000,000	1,000,000
	MAMARONECK HARBOR, NY	---	1,500,000
(FC)	MT MORRIS LAKE, NY	1,340,000	1,340,000
(N)	NEW YORK AND NEW JERSEY CHANNELS, NY	760,000	760,000
(N)	NEW YORK HARBOR (DRIFT REMOVAL), NY & NJ	4,930,000	4,930,000
(N)	NEW YORK HARBOR (PREVENTION OF OBSTRUCTIVE DEPOSITS)	740,000	740,000
(N)	NEW YORK HARBOR, NY	3,310,000	3,310,000
(N)	OSWEGO HARBOR, NY	345,000	345,000
(N)	PROJECT CONDITION SURVEYS, NY	1,710,000	1,710,000
(N)	ROCHESTER HARBOR, NY	680,000	680,000
(FC)	SOUTHERN NEW YORK FLOOD CONTROL PROJECTS, NY	715,000	715,000
(N)	STURGEON POINT HARBOR, NY	15,000	15,000
(N)	SURVEILLANCE OF NORTHERN BOUNDARY WATERS, NY	538,000	538,000
(N)	WESTCHESTER CREEK, NY	700,000	700,000
(FC)	WHITNEY POINT LAKE, NY	517,000	517,000
	NORTH CAROLINA		
	AVON HARBOR, NC	---	1,000,000
(N)	ATLANTIC INTRACOASTAL WATERWAY, NC	5,454,000	5,454,000
(FC)	B EVERETT JORDAN DAM AND LAKE, NC	1,119,000	1,119,000
(N)	BEAUFORT HARBOR, NC	350,000	350,000
(N)	BOGUE INLET AND CHANNEL, NC	490,000	490,000
(N)	CAPE FEAR RIVER ABOVE WILMINGTON, NC	667,000	667,000
(N)	CAROLINA BEACH INLET, NC	700,000	700,000
(FC)	FALLS LAKE, NC	842,000	842,000
(FC)	INSPECTION OF COMPLETED WORKS, NC	22,000	22,000
(N)	LOCKWOODS FOLLY RIVER, NC	503,000	503,000
(N)	MANTEO (SHALLOWBAG) BAY, NC	4,865,000	4,865,000
(N)	MOREHEAD CITY HARBOR, NC	3,885,000	3,885,000
(N)	NEW RIVER INLET, NC	800,000	800,000
(N)	NEW TOPSAIL INLET AND CONNECTING CHANNELS, NC	575,000	575,000
(N)	PAMLICO AND TAR RIVERS, NC	75,000	75,000
(N)	PROJECT CONDITION SURVEYS, NC	59,000	59,000
(N)	ROANOKE RIVER, NC	75,000	75,000
(FC)	W KERR SCOTT DAM AND RESERVOIR, NC	1,472,000	1,472,000

R$OGPOC CORPS OF ENGINEERS - OPERATION AND MAINTENANCE 11:36 9/25/98 PAGE 13

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(N)	WILMINGTON HARBOR, NC	5,700,000	5,700,000
	NORTH DAKOTA		
(FC)	BOWMAN - HALEY LAKE, ND	179,000	179,000
(MP)	GARRISON DAM, LAKE SAKAKAWEA, ND	9,471,000	9,546,000
(FC)	HOMME LAKE, ND	177,000	177,000
(FC)	INSPECTION OF COMPLETED WORKS, ND	105,000	105,000
(FC)	LAKE ASHTABULA AND BALDHILL DAM, ND	1,206,000	1,206,000
(FC)	PIPESTEM LAKE, ND	409,000	409,000
(FC)	SOURIS RIVER, ND	276,000	276,000
(N)	SURVEILLANCE OF NORTHERN BOUNDARY WATERS, ND	31,000	31,000
	OHIO		
(FC)	ALUM CREEK LAKE, OH	628,000	628,000
(N)	ASHTABULA HARBOR, OH	1,420,000	1,420,000
(FC)	BERLIN LAKE, OH	3,189,000	3,189,000
(FC)	CAESAR CREEK LAKE, OH	1,060,000	1,060,000
(FC)	CLARENCE J BROWN DAM, OH	724,000	724,000
(N)	CLEVELAND HARBOR, OH	6,456,000	6,456,000
(N)	CONNEAUT HARBOR, OH	325,000	325,000
(FC)	DEER CREEK LAKE, OH	720,000	720,000
(FC)	DELAWARE LAKE, OH	680,000	680,000
(FC)	DILLON LAKE, OH	768,000	768,000
(N)	FAIRPORT HARBOR, OH	385,000	385,000
(N)	HURON HARBOR, OH	1,000,000	1,000,000
(FC)	INSPECTION OF COMPLETED WORKS, OH	217,000	217,000
(N)	LORAIN HARBOR, OH	530,000	530,000
	MAHONING RIVER, OH AND PA	---	250,000
(FC)	MASSILLON LOCAL PROTECTION PROJECT, OH	25,000	25,000
(FC)	MICHAEL J KIRWAN DAM AND RESERVOIR, OH	1,032,000	1,032,000
(FC)	MOSQUITO CREEK LAKE, OH	1,234,000	1,234,000
(FC)	MUSKINGUM RIVER LAKES, OH	6,186,000	6,186,000
(FC)	NORTH BRANCH KOKOSING RIVER LAKE, OH	319,000	319,000
(FC)	PAINT CREEK LAKE, OH	595,000	595,000
(N)	PROJECT CONDITION SURVEYS, OH	75,000	75,000
	ROCKY RIVER, OH	---	750,000
(FC)	ROSEVILLE LOCAL PROTECTION PROJECT, OH	30,000	30,000
(N)	SANDUSKY HARBOR, OH	935,000	935,000
(N)	SURVEILLANCE OF NORTHERN BOUNDARY WATERS, OH	166,000	166,000
(N)	TOLEDO HARBOR, OH	3,385,000	3,385,000
(FC)	TOM JENKINS DAM, OH	251,000	251,000
(FC)	WEST FORK OF MILL CREEK LAKE, OH	543,000	543,000
(FC)	WILLIAM H HARSHA LAKE, OH	818,000	818,000
	OKLAHOMA		
(FC)	ARCADIA LAKE, OK	347,000	347,000
(FC)	BIRCH LAKE, OK	635,000	635,000

R$OGPOC CORPS OF ENGINEERS - OPERATION AND MAINTENANCE 11:36 9/25/98 PAGE 14

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(MP)	BROKEN BOW LAKE, OK	1,350,000	1,350,000
(FC)	CANDY LAKE, OK	18,000	18,000
(FC)	CANTON LAKE, OK	1,509,000	1,509,000
(FC)	COPAN LAKE, OK	618,000	618,000
(MP)	EUFAULA LAKE, OK	4,074,000	4,074,000
(MP)	FORT GIBSON LAKE, OK	3,647,000	3,647,000
(FC)	FORT SUPPLY LAKE, OK	696,000	696,000
(FC)	GREAT SALT PLAINS LAKE, OK	240,000	240,000
(FC)	HEYBURN LAKE, OK	651,000	651,000
(FC)	HUGO LAKE, OK	1,285,000	1,285,000
(FC)	HULAH LAKE, OK	433,000	433,000
(FC)	INSPECTION OF COMPLETED WORKS, OK	75,000	75,000
(FC)	KAW LAKE, OK	1,446,000	1,446,000
(MP)	KEYSTONE LAKE, OK	3,367,000	3,367,000
(FC)	OOLOGAH LAKE, OK	1,915,000	1,915,000
(FC)	OPTIMA LAKE, OK	54,000	54,000
(FC)	PENSACOLA RESERVOIR, LAKE OF THE CHEROKEES, OK	36,000	36,000
(FC)	PINE CREEK LAKE, OK	1,112,000	1,112,000
(MP)	ROBERT S KERR LOCK AND DAM AND RESERVOIRS, OK	3,695,000	3,695,000
(FC)	SARDIS LAKE, OK	908,000	908,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, OK	344,000	344,000
(FC)	SKIATOOK LAKE, OK	869,000	869,000
(MP)	TENKILLER FERRY LAKE, OK	3,296,000	3,296,000
(FC)	WAURIKA LAKE, OK	1,393,000	1,393,000
(MP)	WEBBERS FALLS LOCK AND DAM, OK	3,795,000	3,795,000
(FC)	WISTER LAKE, OK	1,201,000	1,201,000
	OREGON		
(FC)	APPLEGATE LAKE, OR	740,000	740,000
(FC)	BLUE RIVER LAKE, OR	233,000	233,000
(MP)	BONNEVILLE LOCK AND DAM, OR & WA	5,111,000	5,111,000
(N)	CHETCO RIVER, OR	383,000	383,000
(N)	COLUMBIA & LWR WILLAMETTE R BLW VANCOUVER, WA & PORTLA	12,122,000	12,122,000
	COLUMBIA AND LOWER WILLAMETTE RIVERS BELOW VANCOUVER, WA AND PORTLAND, ASTORIA BOAT BASIN NORTH BREAKWATER	---	4,000,000
(N)	COLUMBIA RIVER AT THE MOUTH, OR & WA	6,960,000	6,960,000
(N)	COLUMBIA RIVER BETWEEN VANCOUVER, WA AND THE DALLES, O	391,000	391,000
(N)	COOS BAY, OR	4,601,000	4,601,000
(N)	COQUILLE RIVER, OR	421,000	421,000
(FC)	COTTAGE GROVE LAKE, OR	751,000	751,000
(MP)	COUGAR LAKE, OR	855,000	855,000
(N)	DEPOE BAY, OR	9,000	9,000
(MP)	DETROIT LAKE, OR	951,000	951,000
(FC)	DORENA LAKE, OR	399,000	399,000
(FC)	FALL CREEK LAKE, OR	523,000	523,000
(FC)	FERN RIDGE LAKE, OR	905,000	905,000
(MP)	GREEN PETER - FOSTER LAKES, OR	1,245,000	1,245,000
(MP)	HILLS CREEK LAKE, OR	422,000	422,000
(FC)	INSPECTION OF COMPLETED WORKS, OR	180,000	180,000

853 162

62

R$OGPOC CORPS OF ENGINEERS - OPERATION AND MAINTENANCE 11:36 9/25/98 PAGE 15

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(MP)	JOHN DAY LOCK AND DAM, OR & WA	3,936,000	3,936,000
(MP)	LOOKOUT POINT LAKE, OR	1,941,000	1,941,000
(MP)	LOST CREEK LAKE, OR	2,889,000	2,889,000
(MP)	MCNARY LOCK AND DAM, OR & WA	3,304,000	3,304,000
(N)	PORT ORFORD, OR	502,000	502,000
(N)	PROJECT CONDITION SURVEYS, OR	135,000	135,000
(N)	ROGUE RIVER, OR	1,056,000	1,056,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, OR	120,000	120,000
(N)	SIUSLAW RIVER, OR	878,000	878,000
(N)	SKIPANON CHANNEL, OR	175,000	175,000
(N)	SURVEILLANCE OF NORTHERN BOUNDARY WATERS, OR	7,000	7,000
(N)	TILLAMOOK BAY AND BAR, OR	13,000	13,000
(N)	UMPQUA RIVER, OR	1,294,000	1,294,000
(N)	WILLAMETTE RIVER AT WILLAMETTE FALLS, OR	497,000	497,000
(FC)	WILLAMETTE RIVER BANK PROTECTION, OR	499,000	499,000
(FC)	WILLOW CREEK LAKE, OR	590,000	590,000
(N)	YAQUINA BAY AND HARBOR, OR	2,891,000	3,960,000
	PENNSYLVANIA		
(N)	ALLEGHENY RIVER, PA	6,791,000	8,291,000
(FC)	ALVIN R BUSH DAM, PA	659,000	659,000
(FC)	AYLESWORTH CREEK LAKE, PA	223,000	223,000
(FC)	BELTZVILLE LAKE, PA	916,000	916,000
(FC)	BLUE MARSH LAKE, PA	2,236,000	2,236,000
(FC)	CONEMAUGH RIVER LAKE, PA	1,149,000	1,149,000
(FC)	COWANESQUE LAKE, PA	1,512,000	1,512,000
(FC)	CROOKED CREEK LAKE, PA	1,648,000	1,648,000
(FC)	CURWENSVILLE LAKE, PA	672,000	804,000
(FC)	EAST BRANCH CLARION RIVER LAKE, PA	916,000	916,000
(N)	ERIE HARBOR, PA	15,000	15,000
(FC)	FOSTER JOSEPH SAYERS DAM, PA	723,000	723,000
(FC)	FRANCIS E WALTER DAM, PA	688,000	688,000
(FC)	GENERAL EDGAR JADWIN DAM AND RESERVOIR, PA	271,000	271,000
(FC)	INSPECTION OF COMPLETED WORKS, PA	215,000	215,000
(FC)	JOHNSTOWN, PA	288,000	1,388,000
(FC)	KINZUA DAM AND ALLEGHENY RESERVOIR, PA	1,423,000	1,423,000
(FC)	LOYALHANNA LAKE, PA	1,121,000	1,121,000
(FC)	MAHONING CREEK LAKE, PA	1,930,000	1,930,000
(N)	MONONGAHELA RIVER, PA	14,438,000	14,438,000
(N)	PROJECT CONDITION SURVEYS, PA	15,000	15,000
(FC)	PROMPTON LAKE, PA	408,000	408,000
(FC)	PUNXSUTAWNEY, PA	14,000	14,000
(FC)	RAYSTOWN LAKE, PA	3,084,000	4,690,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, PA	56,000	56,000
(N)	SCHUYLKILL RIVER, PA	50,000	50,000
(FC)	SHENANGO RIVER LAKE, PA	2,167,000	2,167,000
(FC)	STILLWATER LAKE, PA	333,000	333,000
(N)	SURVEILLANCE OF NORTHERN BOUNDARY WATERS, PA	66,000	66,000
(FC)	TIOGA - HAMMOND LAKES, PA	1,917,000	1,917,000

R$OGPOC CORPS OF ENGINEERS - OPERATION AND MAINTENANCE 11:36 9/25/98 PAGE 16

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	TIONESTA LAKE, PA	1,437,000	1,437,000
(FC)	UNION CITY LAKE, PA	284,000	284,000
(FC)	WOODCOCK CREEK LAKE, PA	798,000	798,000
(FC)	YORK INDIAN ROCK DAM, PA	566,000	566,000
(FC)	YOUGHIOGHENY RIVER LAKE, PA & MD	1,795,000	1,795,000
	RHODE ISLAND		
(FC)	INSPECTION OF COMPLETED WORKS, RI	5,000	5,000
(N)	PROJECT CONDITION SURVEYS, RI	527,000	527,000
(N)	PROVIDENCE RIVER AND HARBOR, RI	1,143,000	1,143,000
	SOUTH CAROLINA		
(N)	ATLANTIC INTRACOASTAL WATERWAY, SC	3,325,000	3,425,000
(N)	CHARLESTON HARBOR, SC	4,716,000	5,616,000
(N)	COOPER RIVER, CHARLESTON HARBOR, SC	3,211,000	3,211,000
(N)	FOLLY RIVER, SC	230,000	430,000
(N)	GEORGETOWN HARBOR, SC	2,414,000	2,414,000
(FC)	INSPECTION OF COMPLETED WORKS, SC	24,000	24,000
	LITTLE RIVER INLET, SC & NC	---	40,000
	MURRELLS INLET, SC	---	42,000
	PORT ROYAL, SC	---	100,000
(N)	PROJECT CONDITION SURVEYS, SC	40,000	40,000
(N)	SHIPYARD RIVER, SC	270,000	270,000
(N)	TOWN CREEK, SC	340,000	340,000
	SOUTH DAKOTA		
(MP)	BIG BEND DAM, LAKE SHARPE, SD	6,476,000	6,576,000
(FC)	COLD BROOK LAKE, SD	204,000	204,000
(FC)	COTTONWOOD SPRINGS LAKE, SD	184,000	184,000
(MP)	FORT RANDALL DAM, LAKE FRANCIS CASE, SD	7,417,000	7,567,000
(FC)	INSPECTION OF COMPLETED WORKS, SD	14,000	14,000
(FC)	LAKE TRAVERSE, SD & MN	1,440,000	1,440,000
(MP)	MISSOURI R BETWEEN FORT PECK DAM AND GAVINS PT, SD, MT	3,000,000	3,000,000
(MP)	OAHE DAM, LAKE OAHE, SD & ND	8,467,000	9,217,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, SD	70,000	70,000
	TENNESSEE		
(MP)	CENTER HILL LAKE, TN	5,635,000	5,635,000
(MP)	CHEATHAM LOCK AND DAM, TN	4,826,000	4,826,000
(MP)	CORDELL HULL DAM AND RESERVOIR, TN	4,554,000	4,554,000
(MP)	DALE HOLLOW LAKE, TN	3,810,000	3,810,000
(FC)	INSPECTION OF COMPLETED WORKS, TN	18,000	18,000
(MP)	J PERCY PRIEST DAM AND RESERVOIR, TN	3,571,000	3,571,000
(MP)	OLD HICKORY LOCK AND DAM, TN	5,925,000	5,925,000
(N)	PROJECT CONDITION SURVEYS, TN	5,000	5,000
(N)	TENNESSEE RIVER, TN	12,886,000	12,886,000

R$OGPOC CORPS OF ENGINEERS - OPERATION AND MAINTENANCE 11:36 9/25/98 PAGE 17

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(N)	WOLF RIVER HARBOR, TN	285,000	285,000
	TEXAS		
(FC)	AQUILLA LAKE, TX	585,000	585,000
(FC)	ARKANSAS - RED RIVER BASINS CHLORIDE CONTROL - AREA VI	1,090,000	1,090,000
(N)	BARBOUR TERMINAL CHANNEL, TX	909,000	909,000
(FC)	BARDWELL LAKE, TX	1,465,000	1,465,000
(N)	BAYPORT SHIP CHANNEL, TX	1,170,000	1,170,000
(FC)	BELTON LAKE, TX	2,835,000	2,835,000
(FC)	BENBROOK LAKE, TX	2,080,000	2,080,000
(N)	BRAZOS ISLAND HARBOR, TX	1,400,000	1,400,000
(FC)	BUFFALO BAYOU AND TRIBUTARIES, TX	2,175,000	2,175,000
(FC)	CANYON LAKE, TX	2,516,000	2,516,000
	CHANNEL TO LIBERTY, TX	---	600,000
(N)	CHANNEL TO PORT MANSFIELD, TX	1,790,000	1,790,000
(N)	CORPUS CHRISTI SHIP CHANNEL, TX	6,845,000	6,845,000
	CORPUS CHRISTI SHIP CHANNEL (RINCON CANAL), TX	---	275,000
(MP)	DENISON DAM, LAKE TEXOMA, TX	5,895,000	5,895,000
(FC)	ESTELLINE SPRINGS EXPERIMENTAL PROJECT, TX	14,000	14,000
(FC)	FERRELLS BRIDGE DAM, LAKE O' THE PINES, TX	2,584,000	2,584,000
(N)	FREEPORT HARBOR, TX	4,050,000	4,050,000
(N)	GALVESTON HARBOR AND CHANNEL, TX	1,755,000	1,755,000
(N)	GIWW, CHANNEL TO VICTORIA, TX	1,160,000	1,160,000
(N)	GIWW, CHOCOLATE BAYOU, TX	100,000	100,000
(FC)	GRANGER DAM AND LAKE, TX	1,578,000	1,578,000
(FC)	GRAPEVINE LAKE, TX	2,388,000	2,388,000
(N)	GREENS BAYOU CHANNEL, TX	660,000	660,000
(N)	GULF INTRACOASTAL WATERWAY, TX	18,381,000	18,381,000
(FC)	HORDS CREEK LAKE, TX	1,378,000	1,378,000
(N)	HOUSTON SHIP CHANNEL, TX	7,930,000	7,930,000
(FC)	INSPECTION OF COMPLETED WORKS, TX	355,000	355,000
(FC)	JIM CHAPMAN LAKE, TX	3,302,000	3,302,000
(FC)	JOE POOL LAKE, TX	863,000	863,000
(FC)	LAKE KEMP, TX	208,000	208,000
(FC)	LAVON LAKE, TX	3,851,000	3,851,000
(FC)	LEWISVILLE DAM, TX	3,170,000	3,170,000
(N)	MATAGORDA SHIP CHANNEL, TX	110,000	110,000
(N)	MOUTH OF THE COLORADO RIVER, TX	1,770,000	1,770,000
(FC)	NAVARRO MILLS LAKE, TX	1,554,000	1,554,000
(FC)	NORTH SAN GABRIEL DAM AND LAKE GEORGETOWN, TX	1,817,000	1,817,000
(FC)	O C FISHER DAM AND LAKE, TX	893,000	893,000
(FC)	PAT MAYSE LAKE, TX	928,000	928,000
(FC)	PROCTOR LAKE, TX	1,711,000	1,711,000
(N)	PROJECT CONDITION SURVEYS, TX	50,000	50,000
(FC)	RAY ROBERTS LAKE, TX	777,000	777,000
(N)	SABINE - NECHES WATERWAY, TX	7,200,000	7,200,000
(MP)	SAM RAYBURN DAM AND RESERVOIR, TX	4,346,000	4,346,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, TX	222,000	222,000
(FC)	SOMERVILLE LAKE, TX	3,033,000	3,033,000

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CORPS OF ENGINEERS - OPERATION AND MAINTENANCE 11:36 9/25/98 PAGE 18

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	STILLHOUSE HOLLOW DAM, TX	1,888,000	1,888,000
(MP)	TOWN BLUFF DAM, B A STEINHAGEN LAKE, TX	1,612,000	1,612,000
(FC)	WACO LAKE, TX	2,299,000	2,299,000
(FC)	WALLISVILLE LAKE, TX	780,000	780,000
(MP)	WHITNEY LAKE, TX	3,815,000	3,815,000
(FC)	WRIGHT PATMAN DAM AND LAKE, TX	2,605,000	2,605,000
	UTAH		
(FC)	INSPECTION OF COMPLETED WORKS, UT	55,000	55,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, UT	496,000	496,000
	VERMONT		
(FC)	BALL MOUNTAIN LAKE, VT	731,000	731,000
	BURLINGTON HARBOR BREAKWATER, VT	---	875,000
(FC)	INSPECTION OF COMPLETED WORKS, VT	28,000	28,000
(N)	NARROWS OF LAKE CHAMPLAIN, VT & NY	536,000	536,000
(FC)	NORTH HARTLAND LAKE, VT	586,000	586,000
(FC)	NORTH SPRINGFIELD LAKE, VT	680,000	680,000
(FC)	TOWNSHEND LAKE, VT	547,000	547,000
(FC)	UNION VILLAGE DAM, VT	602,000	602,000
	VIRGINIA		
(N)	ATLANTIC INTRACOASTAL WATERWAY, VA	2,300,000	2,300,000
(N)	CHANNEL TO NEWPORT NEWS, VA	45,000	45,000
(N)	CHINCOTEAGUE INLET, VA	800,000	800,000
(FC)	GATHRIGHT DAM AND LAKE MOOMAW, VA	1,602,000	1,602,000
(N)	HAMPTON RDS, NORFOLK & NEWPORT NEWS HBR, VA (DRIFT REM	912,000	912,000
(FC)	INSPECTION OF COMPLETED WORKS, VA	84,000	84,000
(N)	JAMES RIVER CHANNEL, VA	3,333,000	4,100,000
(MP)	JOHN H KERR LAKE, VA & NC	7,950,000	7,950,000
(FC)	JOHN W FLANNAGAN DAM AND RESERVOIR, VA	1,246,000	1,246,000
(N)	NORFOLK HARBOR (PREVENTION OF OBSTRUCTIVE DEPOSITS), V	280,000	280,000
(N)	NORFOLK HARBOR, VA	6,483,000	6,483,000
(FC)	NORTH FORK OF POUND RIVER LAKE, VA	333,000	333,000
(MP)	PHILPOTT LAKE, VA	2,027,000	2,027,000
(N)	POTOMAC RIVER AT ALEXANDRIA, VA	180,000	180,000
(N)	PROJECT CONDITION SURVEYS, VA	723,000	723,000
(N)	RUDEE INLET, VA	794,000	794,000
(N)	THIMBLE SHOAL CHANNEL, VA	159,000	159,000
(N)	WATERWAY ON THE COAST OF VIRGINIA, VA	1,115,000	1,115,000
	WASHINGTON		
(MP)	CHIEF JOSEPH DAM, WA	1,019,000	1,019,000
(N)	COLUMBIA RIVER AT BAKER BAY, WA & OR	3,000	3,000
(N)	COLUMBIA RIVER BETWEEN CHINOOK AND SAND ISLAND, WA	6,000	6,000
(N)	EVERETT HARBOR AND SNOHOMISH RIVER, WA	1,212,000	1,212,000

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CORPS OF ENGINEERS - OPERATION AND MAINTENANCE 11:36 9/25/98 PAGE 19

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(N)	GRAYS HARBOR AND CHEHALIS RIVER, WA	6,900,000	10,900,000
(FC)	HOWARD HANSON DAM, WA	1,421,000	1,421,000
(MP)	ICE HARBOR LOCK AND DAM, WA	2,269,000	2,269,000
(FC)	INSPECTION OF COMPLETED WORKS, WA	175,000	175,000
(N)	LAKE WASHINGTON SHIP CANAL, WA	7,608,000	7,608,000
(MP)	LITTLE GOOSE LOCK AND DAM, WA	1,069,000	1,069,000
(MP)	LOWER GRANITE LOCK AND DAM, WA	2,389,000	2,389,000
(MP)	LOWER MONUMENTAL LOCK AND DAM, WA	1,169,000	1,169,000
(FC)	MILL CREEK LAKE, WA	1,722,000	1,722,000
(FC)	MT ST HELENS, WA	404,000	404,000
(FC)	MUD MOUNTAIN DAM, WA	2,188,000	2,188,000
(N)	PROJECT CONDITION SURVEYS, WA	302,000	302,000
(N)	PUGET SOUND AND TRIBUTARY WATERS, WA	1,013,000	1,013,000
(N)	QUILLAYUTE RIVER, WA	1,213,000	1,213,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, WA	400,000	400,000
(N)	SEATTLE HARBOR, WA	780,000	780,000
(FC)	STILLAGUAMISH RIVER, WA	180,000	180,000
(N)	SURVEILLANCE OF NORTHERN BOUNDARY WATERS, WA	58,000	58,000
(N)	SWINOMISH CHANNEL, WA	457,000	457,000
(FC)	TACOMA, PUYALLUP RIVER, WA	68,000	68,000
(MP)	THE DALLES LOCK AND DAM, WA & OR	1,929,000	1,929,000
(N)	WILLAPA RIVER AND HARBOR, WA	75,000	2,000,000
	SEATTLE HARBOR, EAST WATERWAY CHANNEL DEPENING, WA	---	1,400,000
	TRI-CITIES AREA, WASHINGTON	---	550,000
	WEST VIRGINIA		
(FC)	BEECH FORK LAKE, WV	976,000	976,000
(FC)	BLUESTONE LAKE, WV	1,021,000	1,441,000
(FC)	BURNSVILLE LAKE, WV	1,294,000	1,294,000
(FC)	EAST LYNN LAKE, WV	1,513,000	1,513,000
(N)	ELK RIVER HARBOR, WV	385,000	385,000
(FC)	ELKINS, WV	11,000	11,000
(FC)	INSPECTION OF COMPLETED WORKS, WV	103,000	103,000
(N)	KANAWHA RIVER LOCKS AND DAMS, WV	8,130,000	8,130,000
(FC)	R D BAILEY LAKE, WV	1,484,000	1,484,000
(FC)	STONEWALL JACKSON LAKE, WV	914,000	914,000
(FC)	SUMMERSVILLE LAKE, WV	1,298,000	1,298,000
(FC)	SUTTON LAKE, WV	1,470,000	1,470,000
(N)	TYGART LAKE, WV	2,235,000	2,235,000
	WISCONSIN		
(N)	ASHLAND HARBOR, WI	171,000	171,000
(FC)	EAU GALLE RIVER LAKE, WI	674,000	674,000
(N)	FOX RIVER, WI	2,360,000	3,000,000
(N)	GREEN BAY HARBOR, WI	1,212,000	1,212,000
(N)	GREEN BAY HARBOR, WI (DIKE DISPOSAL)	3,603,000	3,603,000
(FC)	INSPECTION OF COMPLETED WORKS, WI	42,000	42,000
(N)	KEWAUNEE HARBOR, WI	325,000	325,000

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CORPS OF ENGINEERS - OPERATION AND MAINTENANCE 11:36 9/25/98 PAGE 20

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	LA FARGE LAKE, WI	51,000	51,000
(N)	MANITOWOC HARBOR, WI	274,000	274,000
(N)	MILWAUKEE HARBOR, WI	1,629,000	1,629,000
(N)	PORT WASHINGTON HARBOR, WI	201,000	201,000
(N)	PROJECT CONDITION SURVEYS, WI	8,000	8,000
(N)	SHEBOYGAN HARBOR, WI	619,000	619,000
(N)	STURGEON BAY, WI	475,000	475,000
(N)	SURVEILLANCE OF NORTHERN BOUNDARY WATERS, WI	27,000	27,000
	WYOMING		
(FC)	JACKSON HOLE LEVEES, WY	1,506,000	1,506,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, WY	340,000	340,000
	MISCELLANEOUS		
	COASTAL INLET RESEARCH PROGRAM	4,000,000	2,500,000
	CULTURAL RESOURCES (NAGPRA/CURATION)	2,000,000	1,500,000
	DREDGING DATA AND LOCK PERFORMANCE MONITORING SYSTEM	1,075,000	500,000
	DREDGING OPERATIONS AND ENVIRONMENTAL RESEARCH (DOER)	8,000,000	5,000,000
	DREDGING OPERATIONS TECHNICAL SUPPORT (DOTS) PROGRAM	2,000,000	1,500,000
	EARTHQUAKE HAZARDS PROGRAM FOR BUILDINGS AND LIFELINES	2,000,000	1,900,000
	GREAT LAKES SEDIMENT TRANSPORT MODELS	---	500,000
	HARBOR MAINTENANCE FEE DATA COLLECTION	575,000	500,000
	MANAGEMENT TOOLS FOR O&M	600,000	---
	MISSISSIPPI RIVER BASIN MAIN STEM MODEL DEVELOPMENT	2,000,000	1,000,000
	MONITORING OF COASTAL NAVIGATION PROJECTS	2,000,000	1,500,000
	NATIONAL DAM SAFETY PROGRAM	40,000	20,000
	NATIONAL EMERGENCY PREPAREDNESS PROGRAMS (NEPP)	6,000,000	5,500,000
	NATIONAL RECREATION MANAGEMENT SUPPORT (NRMS) PROGRAM	1,850,000	1,000,000
	PERFORMANCE BASED BUDGETING SUPPORT PROGRAM	515,000	415,000
	PROTECT, CLEAR AND STRAIGHTEN CHANNELS (SECTION 3)	50,000	50,000
	RELIABILITY MODELS PROGRAM FOR MAJOR REHABILITATION	675,000	500,000
	REMOVAL OF SUNKEN VESSELS	500,000	500,000
	WATER OPERATIONS TECHNICAL SUPPORT (WOTS) PROGRAM	850,000	750,000
	WATERBORNE COMMERCE STATISTICS	4,400,000	4,000,000
	REDUCTION FOR ANTICIPATED SAVINGS AND SLIPPAGE	-22,918,000	-44,253,000
	TOTAL, OPERATION AND MAINTENANCE	1,603,000,000	1,653,252,000

TITLE II

DEPARTMENT OF THE INTERIOR

CENTRAL UTAH PROJECT

CENTRAL UTAH PROJECT COMPLETION ACCOUNT

The conference agreement appropriates $42,500,000 to carry out the provisions of the Central Utah Project Completion Act instead of $40,948,000 as proposed by the House and $44,948,000 as proposed by the Senate. The amount above the budget request is for Central Utah Project construction.

BUREAU OF RECLAMATION

The summary tables at the end of this title set forth the conference agreement with respect to the individual appropriations, programs, and activities of the Bureau of Reclamation. Additional items of conference agreement are discussed below.

WATER AND RELATED RESOURCES

The conference agreement appropriates $617,045,000 for Water and Related Resources instead of $596,254,000 as proposed by the House and $671,869,000 as proposed by the Senate.

The conference agreement includes $45,990,000 for the Central Arizona Project. The conferees direct that $3,718,000 of the reduction below the budget request be distributed as described in the House report.

The conferees understand that the Department of the Interior has not responded to a request for exemption from the Reclamation Reform Act of 1982 submitted by the Harquahala Valley Irrigation District. The managers urge the Department to respond to this request as expeditiously as possible.

The conference agreement includes $4,900,000 for the American River Division of the Central Valley Project for the Placer County Water Agency permanent replacement pumping facility.

The conference agreement includes $2,250,000 for the Delta Division of the Central Valley Project for construction of the fish screen at the Contra Costa Canal intake at Rock Slough.

Of the amount provided for Miscellaneous Project Programs, Central Valley Project, $5,500,000 is for Refuge Water Supply.

The conference agreement includes $13,776,000 for resources management and development activities of the Sacramento River Division of the Central Valley Project. The conferees that the amount above the budget request be distributed as follows: an addition of $850,000 for the integrated resources management program of the Colusa Basin Drainage District; an addition of $600,000 for the Hamilton City Pumping Plant of the Glenn Colusa Irrigation District; and $400,000 for the Winter-Run Chinook Salmon Captive Broodstock Program.

The conference agreement includes $200,000 in final year funding for the Walker River Basin, Nevada, project.

The conference agreement includes $2,100,000 for the Upper Rio Grande Basin Water Management and Technical Assistance Program in New Mexico. Of this amount, $2,000,000 is for the confirmatory well drilling program described in the Senate report.

The conference agreement includes $200,000 for a feasibility study of the Curry and Roosevelt County portion of the Ute Reservoir Pipeline project.

The conference agreement includes $15,248,000 for the Endangered Species Recovery Implementation program. Of this amount, $700,000 is for endangered species recovery activities in the San Juan River Basin.

The conference agreement includes $6,000,000 for the Reclamation Recreation Management (Title XXVIII) program. Of this amount, $2,500,000 is for projects in Colorado, including the Bonny Reservoir Project; $2,000,000 is for recreation facility improvements in New Mexico, as described in the Senate report; and $1,500,000 is for the Yuma West Wetlands Restoration project.

The conferees have not provided funding for the proposed Unscheduled Maintenance program. The conferees note, however, that generous funding has been provided for facilities operations, maintenance and rehabilitation for Bureau projects throughout the West. The conferees expect the Bureau to efficiently manage these resources and to reorder priorities and utilize its existing reprogramming authority to address unanticipated needs as they arise.

The conferees are aware that, contrary to the Department of the Interior's budget justification, the Department has failed to finalize an implementation plan for the Anadromous Fish Restoration Plan (AFRP) in fiscal year 1999. The conferees believe that the activities carried out under the AFRP should be based on sound science and carried out in a manner that is consistent with and complementary to the activities being undertaken by the CALFED program. Further, without such an implementation plan, the conferees are unable to determine whether or not the activities proposed to be carried out under the AFRP are ecologically justified as well as reasonable and prudent. The conferees direct the Department to provide the relevant committees of the House and Senate, as soon as possible the Department's ARFP implementation plan and an explanation of how each activity expected to be undertaken with funds appropriated in fiscal year 1999 is consistent with such implementation plan.

The Department is directed to conform to the following reprogramming guidelines. The Bureau is permitted to transfer, without prior Congressional approval and without regard to percentage limitation, not more than $5,000,000 in any one case to provide adequate funds for settled contractor claims, increased contractor earnings due to accelerated rates of operations, and real estate deficiency judgments, provided that such reprogramming is necessary to discharge legal obligations of the Bureau of Reclamation.

As to each project within the Resources Management and Development category for which $2,000,000 or more is available at the beginning of the fiscal year, the Bureau is permitted to transfer to such project in that fiscal year no more than fifteen percent of the amount available at the beginning of the fiscal year for such project, without prior Congressional approval. As to each project within the Resources Management and Development category for which less than $2,000,000 is available at the beginning of the fiscal year, the Bureau is permitted to transfer to such project no more than $300,000 in that fiscal year without prior Congressional approval.

The Bureau if further permitted to transfer funds within the Facility Operation, Maintenance and Rehabilitation category without prior Congressional approval and without regard to percentage or dollar limitation.

The Bureau may not transfer, without prior Congressional approval, more than $500,000 from either the Facilities Operation, Maintenance and Rehabilitation category or the Resources Management and Development category to any project in the other category. The Bureau is prohibited from initiating any program, project or activity through an internal reprogramming action.

The conference agreement includes language proposed by the House and Senate providing that, of the total amount provided for Water and Related Resources, $25,800,000 shall be derived by transfer of unexpended balances from the Bureau of Reclamation Working Capital Fund.

The conference agreement includes language providing for the transfer of $45,990,000 to the Lower Colorado River Basin Development Fund instead of $49,908,000 as proposed by the House and $46,218,000 as proposed by the Senate.

The conference agreement includes language proposed by the Senate providing that funds available for expenditure for the Departmental Irrigation Drainage Program may be expended for site remediation on a non-reimbursable basis.

The conference agreement includes language proposed by the Senate to increase the authorized level of appropriations for Indian municipal, rural, and industrial features of the Garrison Unit Diversion project.

The conference agreement includes language proposed by the Senate providing $3,600,000 to complete the McCall Area Wastewater Reclamation and Reuse, Idaho, project.

The conference agreement deletes language proposed by the Senate providing funding to study measures to increase the efficiency of existing water systems developed to serve sugar cane plantations and surrounding communities in the State of Hawaii. Funding for such a study has been included in the General Investigations account of the Corps of Engineers.

The conference agreement deletes language proposed by the Senate waiving the scheduled annual payments for fiscal years 1998 and 1999 under section 208 of Public Law 100–202.

The conference agreement includes language providing $2,800,000 for the Tooele Wastewater Treatment and Reuse Project.

BUREAU OF RECLAMATION LOAN PROGRAM ACCOUNT

The conference agreement appropriates $8,421,000 for the Bureau of Reclamation Loan Program Account instead of $12,425,000 as proposed by both the House and the Senate.

CENTRAL VALLEY PROJECT RESTORATION FUND

The conference agreement appropriates $33,130,000 for the Central Valley Project Restoration Fund as proposed by the House instead of $39,500,000 as proposed by the Senate.

The conference agreement includes language proposed by both the House and Senate which directs the Bureau of Reclamation to assess and collect the full amount of the additional mitigation and restoration payments authorized by section 3407(d) of Public Law 102–575.

CALIFORNIA BAY-DELTA ECOSYSTEM RESTORATION

The conference agreement appropriates $75,000,000 for the California Bay-Delta Ecosystem Restoration program as proposed by the House instead of $65,000,000 as proposed by the Senate.

POLICY AND ADMINISTRATION

The conference agreement appropriates $47,000,000 for Policy and Administration instead of $46,000,000 as proposed by the House and $48,000,000 as proposed by the Senate.

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BUREAU OF RECLAMATION 11:23 9/25/98 PAGE 1

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES RESOURCES MGMT & DEVELOPMENT	BUDGET ESTIMATES FACILITIES OM&R	CONFERENCE ALLOWANCE RESOURCES MGMT & DEVELOPMENT	CONFERENCE ALLOWANCE FACILITIES OM&R
	WATER AND RELATED RESOURCES				
	ARIZONA				
	AK CHIN WATER RIGHTS SETTLEMENT ACT PROJECT	---	7,080,000	---	7,080,000
	CENTRAL ARIZONA PROJECT (LCRBDF)	49,908,000	---	45,990,000	---
	COLORADO RIVER BASIN SALINITY CONTROL, TITLE I	2,407,000	6,966,000	2,407,000	6,966,000
	COLORADO RIVER FRONT WORK AND LEVEE SYSTEM	2,950,000	---	2,950,000	---
	NORTHERN AZ WATER MANAGEMENT AND TECH ASST PROGRAM	650,000	---	---	---
	SALT RIVER PROJECT, HORSE MESA DAM	---	1,500,000	---	1,500,000
	SOUTH/CENTRAL AZ WATER MANAGEMENT & TECH ASST PROGRAM	1,050,000	---	525,000	---
	SOUTHERN ARIZONA WATER RIGHTS SETTLEMENT ACT	3,000,000	---	3,000,000	---
	TUCSON AREA WATER RECLAMATION STUDY	---	---	200,000	---
	TRES RIOS WETLANDS DEMONSTRATION	400,000	---	1,200,000	---
	YUMA AREA PROJECTS	---	22,213,000	---	22,213,000
	CALIFORNIA				
	CACHUMA PROJECT	531,000	6,160,000	531,000	6,160,000
	CALIFORNIA WATER MANAGEMENT AND TECH ASST PROGRAM	1,863,000	---	600,000	---
	CALLEGUAS MUNICIPAL WATER DISTRICT RECYCLING PROJECT	1,300,000	---	---	---
	CENTRAL VALLEY PROJECT:				
	AMERICAN RIVER DIVISION	9,722,000	9,558,000	9,176,000	9,558,000
	CENTRAL VALLEY PROJECT IMPROVEMENT ACT	1,222,000	---	1,222,000	---
	DELTA DIVISION	13,216,000	4,791,000	15,216,000	4,791,000
	EAST SIDE DIVISION	413,000	3,543,000	413,000	3,543,000
	FRIANT DIVISION	2,602,000	2,196,000	2,602,000	2,196,000
	MISCELLANEOUS PROJECT PROGRAMS	15,846,000	2,754,000	15,846,000	2,754,000
	SACRAMENTO RIVER DIVISION	11,926,000	735,000	13,776,000	735,000
	SAN FELIPE DIVISION	692,000	---	692,000	---
	SAN JOAQUIN DIVISION	7,900,000	---	7,900,000	---
	SHASTA DIVISION	4,457,000	8,965,000	4,457,000	8,965,000
	TRINITY RIVER DIVISION	3,653,000	6,759,000	3,653,000	6,759,000
	WATER AND POWER OPERATIONS	1,014,000	5,063,000	1,014,000	5,063,000
	WEST SAN JOAQUIN DIVISION, SAN LUIS UNIT	5,331,000	6,993,000	5,331,000	6,993,000
	YIELD FEASIBILITY INVESTIGATION	2,000,000	---	2,000,000	---
	LONG BEACH/LA COUNTY WATER RECLAMATION PROJECT	1,300,000	---	---	---
	LOS ANGELES AREA WATER RECLAMATION AND REUSE	10,000,000	---	10,000,000	---
	LOWER COLORADO WATER MANAGEMENT AND TECH ASST PROGRAM	500,000	---	150,000	---
	NORTH SAN DIEGO COUNTY AREA WATER RECYCLING PROJECT	1,300,000	---	---	---
	ORANGE COUNTY REGIONAL WATER RECLAMATION PROJECT	1,000,000	---	---	---
	ORLAND PROJECT	---	685,000	---	685,000
	SALTON SEA RESEARCH PROJECT	400,000	---	400,000	---
	SAN DIEGO AREA WATER RECLAMATION PROGRAM	13,000,000	---	13,000,000	---
	SAN GABRIEL BASIN PROJECT	2,500,000	---	2,500,000	---
	SAN JOSE AREA WATER RECLAMATION AND REUSE	3,000,000	---	3,000,000	---
	SOLANO PROJECT	906,000	975,000	906,000	975,000
	SO. CALIF. COMPREHENSIVE WATER RECLAMATION STUDY	200,000	---	200,000	---
	SOUTHERN CALIFORNIA WATER MGMT AND TECH ASST PROGRAM	680,000	---	320,000	---

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BUREAU OF RECLAMATION 11:26 9/25/98 PAGE 2

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES RESOURCES MGMT & DEVELOPMENT	BUDGET ESTIMATES FACILITIES OM&R	CONFERENCE ALLOWANCE RESOURCES MGMT & DEVELOPMENT	CONFERENCE ALLOWANCE FACILITIES OM&R
	COLORADO				
	ANIMAS-LAPLATA PROJECT, SECTIONS 5 & 8	3,000,000	---	3,000,000	---
	COLLBRAN PROJECT	1,206,000	1,039,000	1,206,000	1,039,000
	COLORADO-BIG THOMPSON PROJECT	104,000	7,158,000	104,000	7,158,000
	COLORADO WATER MANAGEMENT AND TECH ASST PROGRAM	733,000	---	300,000	---
	FRUITGROWERS DAM PROJECT	50,000	12,000	50,000	12,000
	FRYINGPAN-ARKANSAS PROJECT	160,000	4,447,000	160,000	4,447,000
	GRAND VALLEY UNIT, CRBSCP	506,000	150,000	506,000	150,000
	LEADVILLE/ARKANSAS RIVER RECOVERY PROJECT	722,000	908,000	720,000	908,000
	LOWER GUNNISON BASIN UNIT, CRBSCP	---	318,000	---	318,000
	MANCOS PROJECT	55,000	18,000	55,000	18,000
	PARADOX UNIT, CRBSCP	---	2,474,000	---	2,474,000
	PINE RIVER PROJECT	76,000	46,000	76,000	46,000
	SAN LUIS VALLEY PROJECT, CLOSED BASIN/CONEJOS	234,000	3,152,000	234,000	3,152,000
	UNCOMPAHGRE PROJECT	79,000	18,000	79,000	18,000
	UPPER COLORADO RIVER BASIN SELENIUM STUDY	440,000	---	440,000	---
	IDAHO				
	BOISE AREA PROJECTS	2,837,000	2,340,000	2,837,000	2,340,000
	COLUMBIA-SNAKE RIVER SALMON RECOVERY PROJECT	13,116,000	---	10,500,000	---
	DRAIN WATER MANAGEMENT STUDY, BOISE PROJECT	50,000	---	50,000	---
	IDAHO WATER MANAGEMENT AND TECH ASST PROGRAM	715,000	---	547,000	---
	MINIDOKA AREA PROJECTS	3,639,000	1,832,000	3,639,000	1,832,000
	MINIDOKA NORTHSIDE DRAINWATER PROJECT	300,000	---	300,000	---
	MCCALL AREA WASTEWATER RECLAMATION AND REUSE	---	---	3,600,000	---
	KANSAS				
	EQUUS BEDS GROUNDWATER RECHARGE DEMONSTRATION PROJECT	---	---	500,000	---
	KANSAS WATER MANAGEMENT AND TECH ASST PROGRAM	613,000	---	515,000	---
	WICHITA PROJECT	---	188,000	---	188,000
	MONTANA				
	FORT PECK RURAL WATER SYSTEM	---	---	1,500,000	---
	FORT PECK RESERVATION, MR&I WATER SYSTEM	---	---	360,000	---
	HUNGRY HORSE PROJECT	---	770,000	---	770,000
	MILK RIVER PROJECT	250,000	479,000	250,000	479,000
	MONTANA WATER MANAGEMENT AND TECH ASST PROGRAM	863,000	---	315,000	---
	ROCKY BOYS INDIAN WTR RIGHTS SETTLEMENT STUDY	1,000,000	---	1,000,000	---

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BUREAU OF RECLAMATION

11:23 9/25/98 PAGE 3

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES RESOURCES MGMT & DEVELOPMENT	BUDGET ESTIMATES FACILITIES OM&R	CONFERENCE ALLOWANCE RESOURCES MGMT & DEVELOPMENT	CONFERENCE ALLOWANCE FACILITIES OM&R
	NEBRASKA				
	MIRAGE FLATS PROJECT	44,000	22,000	44,000	22,000
	NEBRASKA WATER MANAGEMENT AND TECH ASST PROGRAM	337,000	---	180,000	---
	NEVADA				
	CARSON RIVER BASIN GROUNDWATER STUDY, NV	---	---	100,000	---
	LAKE TAHOE REGIONAL WETLANDS DEVEL., NV	---	---	500,000	---
	LAS VEGAS SHALLOW AQUIFER DESALINATION, NV	---	---	2,300,000	---
	NEWLANDS PROJECT	5,360,000	344,000	5,360,000	344,000
	SOUTHERN NEVADA/UTAH WATER MGMT AND TECH ASST PROGRAM	125,000	---	---	---
	SPARKS WATER RECLAMATION AND REUSE	---	---	250,000	---
	WALKER RIVER BASIN	---	---	200,000	---
	WASHOE PROJECT	1,021,000	590,000	1,008,000	590,000
	NEW MEXICO				
	CARLSBAD PROJECT	845,000	490,000	845,000	490,000
	MIDDLE RIO GRANDE PROJECT	2,015,000	8,929,000	2,015,000	8,929,000
	PECOS RIVER BASIN WATER SALVAGE PROJECT	---	178,000	---	178,000
	RIO GRANDE PROJECT	685,000	2,972,000	685,000	2,972,000
	SAN JUAN RIVER BASIN WATER MGMT AND TECH ASST PROGRAM	171,000	---	100,000	---
	SAN JUAN GALLUP-NAVAJO WATER SUPPLY	---	---	150,000	---
	SAN JUAN RIVER GALLUP, MT. TAYLOR MINE	---	---	200,000	---
	SOUTHERN NM/WEST TX WATER MGMT AND TECH ASST PROGRAM	225,000	---	200,000	---
	UPPER RIO GRANDE BSN WATER MGMT AND TECH ASST PROGRAM	356,000	---	2,100,000	---
	UTE RESERVOIR PIPELINE	---	---	200,000	---
	VELARDE COMMUNITY DITCH PROJECT	3,995,000	---	3,995,000	---
	NORTH DAKOTA				
	DAKOTA TRIBES WATER MANAGEMENT AND TECH ASST PROGRAM	165,000	---	165,000	---
	DAKOTA WATER MANAGEMENT AND TECH ASST PROGRAM	362,000	---	250,000	---
	GARRISON DIVERSION UNIT, P-SMBP	20,402,000	3,712,000	22,402,000	3,712,000
	OKLAHOMA				
	ARBUCKLE PROJECT	---	140,000	---	140,000
	MCGEE CREEK PROJECT	---	493,000	---	493,000
	MOUNTAIN PARK PROJECT	---	193,000	---	193,000
	NORMAN PROJECT	---	126,000	---	126,000
	OKLAHOMA WATER MANAGEMENT AND TECH ASST PROGRAM	367,000	---	255,000	---
	WASHITA BASIN PROJECT	---	599,000	---	599,000
	W.C. AUSTIN PROJECT	---	223,000	---	223,000
	OREGON				
	CENTRAL OREGON IRRIG. SYS. CONSERVATION FEASIBILITY	125,000	---	125,000	---
	CROOKED RIVER PROJECT	116,000	318,000	116,000	318,000

R$BGPOC BUREAU OF RECLAMATION 11:23 9/25/98 PAGE 4

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES RESOURCES MGMT & DEVELOPMENT	BUDGET ESTIMATES FACILITIES OM&R	CONFERENCE ALLOWANCE RESOURCES MGMT & DEVELOPMENT	CONFERENCE ALLOWANCE FACILITIES OM&R
	DESCHUTES ECOSYSTEM RESTORATION PROJECT	1,000,000	---	500,000	---
	DESCHUTES PROJECT	105,000	115,000	100,000	115,000
	GRANDE RONDE WATER OPTIMIZATION STUDY	50,000	---	50,000	---
	KLAMATH PROJECT	5,429,000	354,000	5,429,000	354,000
	OREGON WATER MANAGEMENT AND TECH ASST PROGRAM	910,000	---	525,000	---
	ROGUE RIVER BASIN PROJECT, TALENT DIVISION	93,000	1,105,000	93,000	1,105,000
	TUALATIN PROJECT	13,000	96,000	13,000	96,000
	UMATILLA BASIN PROJECT, PHASE III STUDY	200,000	---	200,000	---
	UMATILLA PROJECT	331,000	1,815,000	331,000	1,815,000
	SOUTH DAKOTA				
	MID-DAKOTA RURAL WATER PROJECT	10,000,000	---	15,000,000	---
	MNI WICONI PROJECT	26,717,000	4,627,000	26,717,000	4,627,000
	RAPID CITY WASTEWATER REUSE STUDY	100,000	---	100,000	---
	RAPID VALLEY PROJECT	---	16,000	---	16,000
	TEXAS				
	CANADIAN RIVER PROJECT	---	92,000	---	92,000
	NUECES RIVER PROJECT	---	324,000	---	324,000
	EL PASO-LAS CRUCES REGIONAL SUSTAINABLE WATER PROJ	---	---	200,000	---
	EL PASO WATER RECLAMATION & REUSE	---	---	750,000	---
	PALMETTO BEND PROJECT	---	504,000	---	504,000
	SAN ANGELO PROJECT	---	2,017,000	---	2,017,000
	TEXAS WATER MANAGEMENT AND TECH ASST PROGRAM	325,000	---	400,000	---
	UTAH				
	CENTRAL UTAH PROJECT, BONNEVILLE	800,000	451,000	800,000	451,000
	HYRUM PROJECT	38,000	23,000	38,000	23,000
	MOON LAKE PROJECT	11,000	19,000	11,000	19,000
	NAVAJO SANDSTONE AQUIFER RECHARGE STUDY	---	---	100,000	---
	NEWTON PROJECT	33,000	9,000	33,000	9,000
	NORTHERN UTAH WATER MANAGEMENT AND TECH ASST PROGRAM	278,000	---	260,000	---
	OGDEN RIVER PROJECT	47,000	12,000	47,000	12,000
	PROVO RIVER PROJECT	265,000	197,000	241,000	197,000
	SCOFIELD PROJECT	40,000	3,000	40,000	3,000
	SOUTHERN UTAH WATER MANAGEMENT AND TECH ASST PROGRAM	403,000	---	200,000	---
	STRAWBERRY VALLEY PROJECT	84,000	3,000	84,000	3,000
	TOOELE WASTEWATER TREATMENT & REUSE PROJECT	800,000	---	2,800,000	---
	WEBER BASIN PROJECT	1,445,000	3,525,000	1,427,000	3,525,000
	WEBER RIVER PROJECT	210,000	7,000	210,000	7,000
	WASHINGTON				
	COLUMBIA BASIN PROJECT	3,865,000	6,749,000	3,712,000	6,749,000
	WASHINGTON WATER MANAGEMENT AND TECH ASST PROGRAM	395,000	---	200,000	---
	YAKIMA PROJECT	204,000	9,764,000	204,000	9,764,000
	YAKIMA RIVER BASIN WTR ENHANCEMENT PROJECT	8,980,000	---	8,980,000	---

R$BGPOC

BUREAU OF RECLAMATION 11:23 9/25/98 PAGE 5

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES RESOURCES MGMT & DEVELOPMENT	BUDGET ESTIMATES FACILITIES OM&R	CONFERENCE ALLOWANCE RESOURCES MGMT & DEVELOPMENT	CONFERENCE ALLOWANCE FACILITIES OM&R
	WYOMING				
	KENDRICK PROJECT	4,000	2,660,000	4,000	2,660,000
	NORTH PLATTE PROJECT	84,000	1,126,000	84,000	1,126,000
	SHOSHONE PROJECT	34,000	845,000	34,000	845,000
	WYOMING WATER MANAGEMENT AND TECH ASST PROGRAM	300,000	---	150,000	---
	VARIOUS				
	COLORADO RIVER BASIN SALINITY CONTROL, T. II BASINWIDE	12,300,000	---	12,300,000	---
	COLORADO RIVER STORAGE PROJECT, SEC. 5	1,931,000	902,000	1,931,000	902,000
	COLORADO RIVER STORAGE, SECT. 8, REC, FISH & WILDLIFE	3,682,000	---	3,476,000	---
	COLORADO RIVER WATER QUALITY IMPROVEMENT	75,000	---	75,000	---
	DEPARTMENT IRRIGATION DRAINAGE PROGRAM	3,505,000	---	3,103,000	---
	EFFICIENCY INCENTIVES PROGRAM	5,250,000	---	3,000,000	---
	ENDANGERED SPECIES RECOVERY IMPLEMENTATION	15,007,000	---	15,248,000	---
	ENVIRONMENTAL PROGRAM ADMINISTRATION	1,993,000	---	1,979,000	---
	EXAMINATION OF EXISTING STRUCTURES	---	3,898,000	---	3,898,000
	FEDERAL BUILDING SEISMIC SAFETY PROGRAM	---	281,000	---	281,000
	GENERAL PLANNING ACTIVITIES	2,247,000	---	1,700,000	---
	LAND RESOURCES MANAGEMENT	6,129,000	---	6,129,000	---
	LOWER COLORADO RIVER OPERATIONS PROGRAM	6,603,000	---	5,752,000	---
	MISCELLANEOUS FLOOD CONTROL OPERATIONS	24,000	950,000	24,000	950,000
	NATIONAL FISH & WILDLIFE FOUNDATION	1,500,000	---	1,500,000	---
	NATIVE AMERICAN AFFAIRS	8,905,000	---	7,680,000	---
	NEGOTIATION & ADMINISTRATION OF WATER MARKETING	884,000	---	662,000	---
	OPERATION & MAINTENANCE PROGRAM MANAGEMENT	85,000	464,000	85,000	464,000
	PICK-SLOAN MISSOURI BASIN - OTHER PROJECTS	2,668,000	23,678,000	2,450,000	23,678,000
	POWER PROGRAM SERVICES	1,023,000	550,000	1,023,000	550,000
	PUBLIC ACCESS AND SAFETY PROGRAM	371,000	9,000	371,000	9,000
	RECLAMATION LAW ADMINISTRATION	4,873,000	---	4,696,000	---
	RECLAMATION RECREATION MANAGEMENT - TITLE 28	4,440,000	---	6,000,000	---
	RECREATION & FISH & WILDLIFE PROG. ADMININISTRATION	1,891,000	---	1,891,000	---
	SAFETY OF DAMS:				
	DEPARTMENT DAM SAFETY PROGRAM	---	1,500,000	---	1,500,000
	SAFETY OF DAMS EVALUATION & MODIFICATION	---	56,550,000	---	47,763,000
	SCIENCE AND TECHNOLOGY:				
	APPLIED SCIENCE AND TECHNOLOGY DEVELOPMENT	6,140,000	---	3,242,000	---
	DESALINATION RESEARCH DEVELOPMENT PROGRAM	1,300,000	---	2,500,000	---
	GROUNDWATER RECHARGE	250,000	---	250,000	---
	HYDROELECTRIC INFRASTR. PROTECTION & ENHANCE	700,000	---	700,000	---
	TECHNOLOGY ADVANCEMENT	300,000	---	285,000	---
	WATERSHED/RIVER SYSTEMS MANAGEMENT	1,500,000	---	1,000,000	---
	SITE SECURITY	---	5,000,000	---	5,000,000
	SOIL & MOISTURE CONSERVATION	144,000	---	144,000	---
	TITLE XVI WATER RECLAMATION & REUSE STUDY	2,100,000	---	---	---
	UNITED STATES/MEXICO BORDER ISSUES	100,000	---	100,000	---
	UNSCHEDULED MAINTENANCE	---	1,500,000	---	---
	WATER MANAGEMENT CONSERVATION PROGRAM	7,551,000	---	6,000,000	---

R$BGPOC BUREAU OF RECLAMATION 11:30 9/25/98 PAGE 6

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES RESOURCES MGMT & DEVELOPMENT	BUDGET ESTIMATES FACILITIES OM&R	CONFERENCE ALLOWANCE RESOURCES MGMT & DEVELOPMENT	CONFERENCE ALLOWANCE FACILITIES OM&R
	WETLANDS DEVELOPMENT	7,296,000	---	5,700,000	---
	UNDISTRIBUTED REDUCTION BASED ON ANTICIPATED DELAYS	---	-30,093,000	---	-39,050,000
	WORKING CAPITAL FUND TRANSFER	-25,800,000	---	-25,800,000	---
	TOTAL, WATER AND RELATED RESOURCES	396,863,000	243,261,000	393,028,000	224,017,000
	LOAN PROGRAM				
	CALIFORNIA				
	CASTROVILLE IRRIGATION WATER	2,600,000	---	2,600,000	---
	CHINO BASIN DESALINATION	2,114,000	---	2,114,000	---
	SALINAS VALLEY	1,700,000	---	1,700,000	---
	SAN SEVAINE PROJECT	781,000	---	781,000	---
	TEMESCAL VALLEY PROJECT	801,000	---	801,000	---
	OREGON				
	MILLTOWN HILL, DOUGLAS COUNTY	4,004,000	---	---	---
	VARIOUS				
	LOAN ADMINISTRATION	425,000	---	425,000	---
	TOTAL, LOAN PROGRAM	12,425,000	---	8,421,000	---

TITLE III

DEPARTMENT OF ENERGY

The summary tables at the end of this title set forth the conference agreement with respect to the individual appropriations, programs, and activities of the Department of Energy. Additional items of conference agreements are discussed below.

REPROGRAMMINGS

The conference agreement does not provide the Department of Energy with any internal reprogramming flexibility in fiscal year 1999 unless specifically identified by the House, Senate, or conference agreement. Any reallocation of new or prior year budget authority or prior year deobligations must be submitted to the House and Senate Committees on Appropriations in advance in writing and may not be implemented prior to approval by the Committees.

DEPARTMENT OF ENERGY CONSTRUCTION STANDARDS

The Department is directed to ensure that all nuclear facilities for which construction begins in the year 2000 and beyond, with the exception of those defense nuclear facilities and naval reactor facilities deemed by the Secretary of Energy to be critical to national security needs, are constructed in accordance with Nuclear Regulatory Commission (NRC) licensing standards. The Department should ensure that this requirement does not result in a program requirement to meet two separate sets of standards (both DOE and NRC), but should ensure a smooth transition for meeting NRC standards.

DEPARTMENT OF ENERGY REPORTING REQUIREMENTS

The conferees agree with the House report language which directs the Department to take certain actions and provide to the House and Senate Committees on Appropriations reports on the computer security and year 2000 computer problem, the Department of Energy organizational structure, the functional support cost system, and augmenting Federal staff.

CONTRACTOR TRAINING

The conferees agree with the House report language on excessive contractor training costs. The conferees are also aware of a recent Inspector General report indicating that the Department was not acquiring hazardous materials training in the most cost-effective manner. The conferees direct the Department to use the most cost-effective alternatives available to meet all training needs at Departmental sites.

INAPROPRIATE USE OF APPROPRIATED FUNDS

Both the House and Senate included language citing the inappropriate use of funds by the Department. In response to congressional concerns, the Department conducted an internal review entitled: *A Review of the Department of Energy's Discretionary Financial Assistance Programs* which was prepared by the Deputy Assistant Secretary for Procurement and Assistance Management. This September 1997 report documented various shortcomings in the Department's procedures for awarding funds to certain outside groups, particularly to certain groups funded by the Office of Energy Efficiency and Renewable Energy. The conferees support the recommendations of the Department's report including the introduction of merit review and competitive procedures, and education of Department employees, contractors and financial recipients with regard to lobbying restrictions. All of these concerns have also been documented in a separate report prepared by the investigative staff of the Committee on Appropriations of the House of Representatives. The conferees commend the Department for taking an interest in these long-standing problems and fully support the Department's internal efforts to correct procedures and improve management of these programs.

After careful consideration of the House and Senate positions, the conferees have decided that the following language should guide the Department of Energy's work with industry associations. The conferees conclude that, as a general rule, appropriated funds should not be used to underwrite the operating expenses of industry associations. The restriction should not be broadly interpreted by the Department to prevent the Department from securing the services of an association for appropriate discrete tasks. In the funding of specific tasks carried out by industry associations, the Department is directed to use merit review procedures and to observe government-wide rules for financial assistance, including rules governing the payment of overhead expenses.

Financial assistance activities for information dissemination and outreach activities conducted by industry associations shall be competed, and these awards shall be processed by Headquarters Procurement Operations or the Chicago or Idaho Operations Offices. The Department is expected to make substantial progress in fiscal year 1999 in the use of broad area solicitations and other appropriate mechanisms to facilitate increased competition for discretionary financial assistance. Any non-competitive financial assistance awards in excess of $5,000 made by the Office of Energy Efficiency and Renewable Energy to trade associations or other not-for-profit groups for information dissemination or outreach activities from funds provided in this bill must be reviewed by the Assistant Secretary of Energy Efficiency and Renewable Energy. The Department shall apply these mechanisms to the extent practicable to any follow-on tasks or expansion of existing tasks under financial assistance agreements for information dissemination and outreach.

The conferees also share the Department's concerns about the structure of the Golden field office organization. In particular, the conferees are concerned about organizational arrangements under which contracting personnel report directly to project and administrative managers. While a ''teaming'' concept may be appropriate under certain circumstances, the conferees support the Department's statements that an independent financial assistance and contracting organization would provide clearer lines of authority and professional accountability to ensure sound grant processing and award decisions. Accordingly, the conferees direct that the financial assistance and contracting organization at the Golden field office be reorganized as an independent organization, separate from the organizations which it supports. This direction is consistent with the recommendation of the Department's procurement executive.

The conferees also support the Department's recommendation that the Department educate Department employees, contractors and recipients of Federal funds about statutory lobbying prohibitions. The conferees are very concerned about the lack of understanding of existing statutes including the Simpson-Craig amendment to the Lobbying Disclosure Act of 1995. This provision prohibits the award of Federal grants, contracts and financial assistance to 501(c)(4) organizations which engage in lobbying activities. The Department issued guidance in December 1997 to contractors and Departmental employees on lobbying prohibitions. The Department is directed to ensure that all program offices are aware of this guidance, and take all necessary steps to ensure its implementation.

COMPETING WITH PRIVATE SECTOR COMPANIES

The Department of Energy's laboratories are prohibited from competing with the private sector by numerous statutes and regulations including the Atomic Energy Act of 1954 and provisions in the Federal Acquisition Regulation regarding Federally Funded Research and Development Centers.

The conferees have received complaints that the Department of Energy has failed to enforce these provisions at the laboratories and other facilities, and that adequate recourse is not available to those that allege harm.

The conferees direct the Secretary of Energy to assess the statutory and regulatory limitations on laboratories and other Departmental entities allegedly competing with the private sector, and to ascertain what grievance mechanisms are available to the private sector. The Secretary is directed to provide this information to the Committees by March 1, 1999, and make such information readily available to the private sector.

GENERAL REDUCTIONS NECESSARY TO ACCOMMODATE SPECIFIC PROGRAM DIRECTIONS

In the event that specific program guidance contained in the House, Senate, or conference reports requires a general reduction of available funding, such reductions shall not be applied disproportionately against any program, project, or activity.

ENERGY SUPPLY

The conference agreement appropriates $727,091,000 instead of $882,834,000 as proposed by the House of $786,854,000 as proposed by the Senate. The conference report includes $3,000 for official reception and representation expenses for transparency activities as proposed by the House, instead of $25,000 as proposed by the Senate. The conference report has provided funding on an annual basis as recommended by the House instead of two-year funding as provided by the Senate. The conference report does not include bill language stipulating certain amounts for various solar and renewable programs as provided in the Senate bill. The conference report does not include the $1,500,000 provided in the Senate bill for expenses related to the U.S. membership in the Nuclear Energy Agency.

SOLAR AND RENEWABLE RESOURCES TECHNOLOGIES

The conference agreement appropriations $365,905,000 instead of $351,405,000 as proposed by the House or $415,292,000 as proposed by the Senate.

Solar Building technology research.—The conference agreement includes $2,900,000, instead of $2,200,000 as proposed by the House or $3,860,000 as proposed by the Senate. The conferees have provided $100,000 to improve computer models that predict the reliability of solar systems made of new materials. The remainder of the funds are provided for technology development.

Photovoltaic systems research and development.—The conference agreement includes $69,683,000 as proposed by the House instead of $75,849,000 as proposed by the Senate. The conferees have provided $2,883,000 for research to be managed by the Office of Science, the same as the amount in the budget request. Within the $66,800,000 provided to the Office of Energy Efficiency and Renewable Energy, the conferees have provided $27,000,000 for advanced materials and devices, $16,000,000 for systems engineering and reliability, $11,000,000 for fundamental research, $9,000,000 for manufacturing research and development and $1,500,000 for the PV Building Opportunities program. Within available funds, the conferees have included $1,500,000 to support ongoing photovoltaic research done by the Southeast and Southwest

regional experiment stations. The conferees agree with the observations made in the House report, but have not included a prohibition regarding the Department's participation in the Million Solar Roofs Initiative. The conferees have included $1,500,000 for work on financing mechanisms, measurement and evaluation, technical standards and infrastructure such as net metering capability in support of the partnership.

Solar thermal energy systems.—The conference agreement includes $17,000,000, instead of $17,100,000 as proposed by the House or $21,618,000 as proposed by the Senate. The conferees have provided $5,500,000 for thermal systems research, $5,000,000 for dish/engine development, $3,200,000 for power tower development, $1,000,000 for the SOLMAT initiative and $1,000,000 for systems and markets/industrial assistance. The conferees direct that the Department submit its plan to complete its participation in the Solar Two project with submission of the fiscal year 2000 budget request.

Biomass/biofuels research and developments.—The conference agreement includes $99,949,000, instead of $100,799,000 as proposed by the House or $104,033,000 as proposed by the Senate. The conferees have provided $27,199,000 for research to be managed by the Office of Science, the same as the amount in the budget request.

The conference agreement includes $31,000,000 for power systems of which $15,000,000 is provided for rural development, $2,500,000 is provided for co-firing biomass with coal, $750,000 for the Plunas county ethanol project, and $1,000,000 is provided for demonstration of black liquor gasification. The recommendation includes $41,750,000 for transportation of which $4,000,000 is included for the Sacramento Valley ehtanol project. The conference agreement also includes $1,750,000 for the Gridley project which, combined with amounts provided in previous fiscal years, results in a total of $5,000,000 available for the Gridley project. The conferees urge the Department to complete the Jennings, Lousiana, plant and Vermont gasifier projects as agreed upon with its partners.

The conference agreement includes $300,000 for the Vermont methane energy production proposal and $100,000 to evaluate the amount, distribution and best method of extraction and utilization of methane gas from the Sunrise Mountain landfill in Nevada.

The recommendation also includes $2,500,000 for the Consortium for Plant Biotechnology Research, $4,600,000 for feedstock development and $2,500,000 for regional biomass each of which is to be equally derived from the power systems and transportation programs. The conferees have also provided $3,000,000 for accelerated demonstration of Federally-sponsored research for renewable energy production and environmental remediation projects at the Michigan Biotechnology Institute. The Institute will work with the Department to identify and manage projects related to the mission of the Office of Energy Efficiency and Renewable Energy. Proposals will be subject to merit review and competition.

Wind energy research and development.—The conference agreement includes $33,483,000, as proposed by the House, instead of $38,548,000 as proposed by the Senate. The conferees have provided $283,000 for research to be managed by the Office of Science, the same as the amount in the budget request. Within the $33,200,000 provided to the Office of Energy Efficiency and Renewable Energy, $10,700,000 is for applied research, $16,400,000 is for turbine research, $3,000,000 is for industry support and utility analysis, $1,300,000 is for operations at the National Wind Technology Center; and a minimum of $1,700,000, the amount requested, is for certification and standards activities. The conferees have been assured that the certification program will be in place in fiscal year 1999. The conferees welcome the attainment of one of the goals of the wind energy program. In the event that funding requirements for certification exceed the amount requested, the Department may reduce funding for other non-Energy Research wind activities to supplement the $1,700,000 provided for certification.

Renewable energy production incentive.—The conference agreement includes $4,000,000, as proposed by the Senate instead of $5,000,000 as proposed by the House.

Solar program support.—The conference agreement does not include funding for this new spending program proposed by the Administration. This is consistent with the proposal of the House. The Senate proposed $7,000,000 for this program. The conferees have provided $1,500,000 for electricity restructuring activities as part of the amount provided below for program direction.

International solar energy.—The conference agreement includes $3,750,000 instead of $500,000 as proposed by the House or $5,088,000 as proposed by the Senate. Within this amount, $2,500,000 is exclusively for the U.S. Initiative on Joint Implementation. Of this amount, $1,250,000 is to be provided expeditiously to International Utility Efficiency Partnerships, Inc. (IUEP). IUEP shall competitively award projects continuing its leadership role in reducing carbon dioxide emissions using market-based mechanisms. The Department shall consolidate any international projects funded from other solar programs under the $1,250,000 provided for joint implementation activities to be managed by the Department.

No funds provided in this or any prior Act are to be made available for the America's 21st Century or CORECT programs. The conferees have also provided $1,250,000 for the Federal Energy Technology Center for design and siting analysis for an electron scrubbing demonstration project.

Solar technology transfer.—The conference agreement does not include funding for this new spending program proposed by the Administration. This is consistent with the proposal of the House. The Senate proposed $680,000 for this program.

National Renewable Energy Laboratory (NREL).—The conference agreement includes $2,000,000 as proposed by the House instead of $5,000,000 as proposed by the Senate. The conferees have provided $1,000,000 for infrastructure and general purpose equipment. The remaining $1,000,000 is to be made available following submission of a program plan by the winner of the competition for the management and operating contract at NREL.

Geothermal technology development.—The conference agreement includes $28,500,000 instead of $27,500,000 as proposed by the House or $31,250,000 as proposed by the Senate. The conferees have provided $11,000,000 for exploration and production technology, $5,000,000 for drilling technology and $6,000,000 for energy conversion technology.

The conferees have provided $6,500,000 for the geothermal heat pump deployment program as proposed by the House, a $5,500,000 increase over the amount proposed by the Senate. The conferees note that fiscal year 1999 is the last year of funding for this program.

Hydrogen research and development.—The conference agreement includes $24,008,000 instead of $18,008,000 as proposed by the House or $32,008,000 as proposed by the Senate. The conferees have provided $3,008,000 for research to be managed by the Office of Science, the same as the amount in the budget request. The conferees have provided $2,225,000 for the Hydrogen Fuel Cell Power and Refueling Station in Nevada and $350,000 for the Montana Trade Port Authority in Billings, Montana, to complete a resource assessment and feasibility study on construction of a solid waste hydrogen fuel cell manufacturing facility. The conference agreement does not include the Senate proposal to provide $250,000 for gasification of switchgrass for use in fuel cells.

Hydropower.—The conference agreement includes $2,000,000 as proposed by the House instead of $4,000,000 as proposed by the Senate and an increase of $1,250,000 over the amount provided last year. The amount provided is exclusively for cost-shared research and development of ''fish-friendly'' turbines.

Renewable Indian energy resources.—The conference agreement includes $3,500,000 instead of $4,000,000 as proposed by the Senate or no funds as proposed by the House. The conferees have provided $1,000,000 for the Pyramid Creek hydroelectric project, $1,000,000 for a diesel backup system at Sitka, Alaska; $1,000,000 for the Power Creek hydroelectric project and $500,000 for hydroelectric and transmission projects partially funded in fiscal year 1998.

Electric energy systems and storage.—The conference agreement includes $39,500,000 instead of $38,000,000 as proposed by the House or $42,500,000 as proposed by the Senate. The conferees have provided $32,500,000 for high-temperature superconducting research and development, $4,500,000 for energy storage systems and $2,500,000 to support a national laboratory/utility industry partnership to conduct research on reliability of the nation's electricity infrastructure including the impact of electricity restructuring on safety and reliability.

Federal buildings/remote power initiative.—The conference agreement includes $4,000,000 instead of $5,000,000 as proposed by the House and Senate. The conferees understand that the Department has been successful in identifying and funding proposals that met the criteria established last year by the Congress. The conferees direct that the funding for these programs be equally divided. Projects funded under the remote power and Federal buildings programs are required to meet a twenty-five year payback period.

Program direction.—The conference agreement includes $17,100,000 instead of $15,600,000 as proposed by the House or $16,326,000 as proposed by the Senate. The Office of Energy Efficiency and Renewable Energy continues to lead the Department in the ratio of salaries and expenses to program dollars. All funding for support service contractors and Assistant Secretary/cross-cutting activities is provided in program direction. The conference agreement includes $1,500,000 for electricity restructuring activities. The Department is directed to prepare and submit a program plan to the Committees on Appropriations describing this new program. The proposal should identify a discrete role the Department would play that would not be duplicative of services provided by the private sector, state governments or other Federal agencies. Within the amount provided, the conferees have included funds for technical assistance to states undergoing restructuring, including $150,000 in support of restructuring activities of the California Energy Commission. The conferees support the Department's efforts to continue its work with electric utilities to facilitate voluntary, cost-effective means to reduce emissions from power generation and approve the use of limited funding from program direction for this purpose.

NUCLEAR ENERGY

The conference agreement appropriates $283,966,000 instead of $227,769,000 as proposed by the House or $308,662,000 as proposed by

the Senate. The conferees have provided $19,000,000 for the nuclear energy research initiative instead of $24,000,000 as recommended by the Senate or $5,000,000 as recommended by the House. The conferees have not included funding for the nuclear energy plant optimization program for which the Senate provided $10,000,000 and the House provided no funds.

Advanced radioisotope power systems.—The conference agreement includes $37,000,000 instead of $40,500,000 as provided by the Senate and $35,000,000 as provided by the House. The conferees continue to be concerned about the lack of interest the Department has shown in streamlining management, reducing the infrastructure, and reducing the extensive level of support service contractors in this program. The Department is directed to prepare a plan to streamline and reduce costs for this program. The plan is to be included with the fiscal year 2000 budget request.

University reactor fuel assistance and support.—The conference agreement includes $11,000,000 instead of $10,000,000 as provided by the Senate and $12,000,000 as provided by the House. The conferees have provided $4,500,000 for the nuclear engineering education research grant program and $1,000,000 each for the university graduate fellowship and industry matching programs. The conferees note that the Department has recommended a 50% increase for Historically Black Colleges and Universities over the amount set aside in fiscal year 1997 and a new start to begin a pre-college nuclear science and technology program. The conferees include funding for these two programs at the same levels provided in fiscal year 1997.

Termination costs.—The conference agreement provides $85,000,000 instead of $81,150,000 as recommended by the House or no funding under this heading as recommended by the Senate. The Senate provided funding for these activities in two other budget lines: Facilities and Nuclear technology research and development. The conference agreement provides funding for these activities consistent with how funds have been provided in fiscal year 1998. The conferees have provided a total of $45,000,000 for electrometallurgical-related activities including $20,000,000 for nuclear technology research and development.

Fast Flux Text Facility.—The conference agreement includes a new line item for this facility. The conferees have provided $30,000,000 instead of $31,200,000 recommended by the House in the Non-Defense Environmental Management account or $28,100,000 recommended by the Senate in the Facilities program included in the Energy Supply account.

Uranium programs.—The conference agreement includes $49,000,000 instead of $53,518,000 as proposed by the House or $55,362,000 as proposed by the Senate. The recommendation reflects the elimination of increases requested in the budget request and acceptance of decreases.

The conferees urge the Secretary to implement a program to begin the stabilization and disposal of depleted uranium hexafluoride stockpiles located at the Paducah, Kentucky, and Portsmouth, Ohio gaseous diffusion plants, and at Oak Ridge, Tennessee. The conferees urge the Secretary of Engery to develop a plan consistent with the intent of Public Law 105–204.

The conferees are aware that the Department has signed a memorandum of agreement with the United States Enrichment Corporation (USEC) to transfer $50,000,000 from USEC in the exchange for accepting the disposal of depleted uranium hexafluoride stockpiles, and an additional $16,000,000 to cover the costs of storing USEC-generated depleted uranium hexafluoride canistes. The conferees direct the Secretary to provide the House and Senate Committees on Appropriations with an accounting of how the Department intends to use this additional funding within 90 days of enactment of this legislation.

The conference agreement does not include language proposed by the House requiring submission of a report on the status of safeguards at the gaseous diffusion plants.

Isotope support.—The conference agreement includes $21,500,000 instead of $14,000,000 as proposed by the House or $22,450,000 as proposed by the Senate. The Department is directed to submit its plan for privatizing the molybdenum-99 production activities to the Committees on Appropriations no later than December 31, 1998.

Program direction.—The conferees have provided $24,700,000 which includes all direct and indirect funding for Office of Nuclear Energy employees, including those transferred to the Office of Nonproliferation and National Security. The conferees have included $3,700,000 for all support service contracts in accordance with Departmental budget rules. The conferees have not stipulated the amount to be provided for employees transferred to the Office of Nonproliferation and National Security.

The conferees note that the Department has requested $1,005,000 for travel which represents approximately $5,500 per employee of the Office of Nuclear Energy. The conferees believe this amount to be excessive. In particular, the conferees are concerned about the unprecedented level of travel undertaken by the current Director of International Nuclear Safety Programs (formerly, the Director of Nuclear Energy). The conferees have not included any travel funds for the Director in fiscal year 1999. Any changes to the amounts provided require submission and approval of a reprogramming request.

ENVIRONMENT, SAFETY AND HEALTH

The conference agreement includes $50,398,000 instead of $46,000,000 recommended by the House or $56,000,000 recommended by the Senate. The conferees have reduced the funding for support service contractors by $5,000,000 instead of $10,000,000 recommended by the House or no reduction as recommended by the Senate.

The Department is currently conducting pilot projects to determine the impacts of external regulation on various facilities. However, several of the pilot projects have included only the Nuclear Regulatory Commission (NRC) and not the Occupational Safety and Health Administration (OSHA) or affected State and local authorities. Since there are many issues involving the interface between NRC and OSHA and other State and local authorities as well as with DOE, the usefulness of these pilots to determine the full impacts of external regulation is limited. The Department is directed to include all affected regulatory authorities in all future pilot projects. The conferees have provided funding to support OSHA participation in these pilot projects.

ENERGY SUPPORT ACTIVITIES

Technical information management program.—The conference agreement includes $8,600,000 instead of $9,100,000 as proposed by the House or $8,100,000 as proposed by the Senate.

Transfer of funds to the Occupational Safety And Health Administration.—The conference agreement includes $1,000,000 to be transferred to the Occupational Safety and Health Administration (OSHA) for conducting pilot programs and other activities necessary to simulate the transition of regulatory authority over occupational safety and health at DOE facilities to OSHA.

With the funding provided, OSHA is to participate in all DOE external regulation pilot projects. OSHA has declined to participate in several of the earlier pilot projects due to limited resources. This has severely limited the usefulness of the pilots.

Field offices.—The conference agreement provides $104,127,000 instead of $85,000,000 as proposed by the House or $95,000,000 as proposed by the Senate. The conferees have provided funding for Federal employees at the Idaho field office in this account as proposed by the Senate.

Oak Ridge landlord.—The conference agreement includes $11,000,000 as proposed by the House instead of $12,500,000 as proposed by the Senate. The reduction from the budget request reflects the availability of $1,500,000 as a result of the reprogramming approved by the Committees on Appropriations on March 16, 1998.

FUNDING ADJUSTMENTS

The conference report includes two funding adjustments. The $47,905,000 adjustment represents the funding provided for renewable energy research programs managed by the Office of Energy Research and funded in the Science account. The conferees have included a prior year balance adjustment of $50,000,000 as proposed by the Senate instead of $31,535,000 as proposed by the House. The conferees have not included the general reduction of $10,795,000 as proposed by the Senate.

NON-DEFENSE ENVIRONMENTAL MANAGEMENT

The conference agreement appropriates $431,200,000 instead of $466,700,000 as proposed by the House and $418,254,000 as proposed by the Senate.

The conferees have provided funding for the Fast Flux Test Facility (FFTF) at Richland, Washington, in the Energy Supply account as proposed by the Senate, rather than in this account as proposed by the House.

The conference agreement provides an additional $5,700,000 to accelerate cleanup at the Brookhaven National Laboratory. The conferees are aware of several smaller sites and laboratories that could benefit from additional funds and urge the Department to seek additional funding in fiscal year 2000 to accelerate the cleanup of these sites.

URANIUM ENRICHMENT DECONTAMINATION AND DECOMMISSIONING FUND

The conference agreement appropriates $220,200,000 instead of $225,000,000 as proposed by the House and $196,827,000 as proposed by the Senate.

The conferees understand that an increase in the authorization for the Federal reimbursement for thorium mill tailings is necessary to raise the ceiling from $65,000,000 to $140,000,000. The conferees support this necessary increase in the Federal reimbursement for thorium mill tailings.

SCIENCE

The conference agreement appropriates $2,682,860,000 for Science instead of $2,399,500,000 as proposed by the House and $2,634,207,000 as proposed by the Senate. The conference agreement deletes language proposed by the Senate earmarking funds for the University of Nevada Las Vegas.

High energy physics.—The conference agreement provides $696,500,000 for high energy physics. This is the amount provided by the House and represents a $3,000,000 increase over the budget request for facilities operations and a $2,500,000 increase for research and technology over the amount requested by the Administration. The increase is provided for maximum use of university and laboratory-based user facilities.

Nuclear physics.—The conference agreement provides $335,100,000 for nuclear physics. This is the amount provided by the House and represents a $2,500,000 increase

over the amount requested by the Administration. The increase is provided for maximum use of university and laboratory-based user facilities.

Biological and environmental research.—The conference agreement includes $443,600,000 instead of $405,900,000 as recommended by the House or $407,600,000 as recommended by the Senate. The conferees have included $3,000,000 in addition to the amount in the budget request for the low-dose effects program for which an additional $5,000,000 is provided in the Defense Environmental Management account. The conferees have provided $10,500,000 only for the Institute of Molecular Biology and Medicine, to continue microbial genomics research initiated in fiscal year 1998. The conferees have also provided $8,000,000 to Sacramento County as the Local Redevelopment Authority for medical research and educational development at the McClellan nuclear reactor center, in conjunction with the University of California—Davis.

The conferees have provided $1,000,000 for the Gallo Institute of the Cancer Institute of New Jersey for regional prostate cancer research, education and treatment initiatives to develop model outreach and early diagnosis and intervention strategies, focusing on one of the highest incidence regions in the nation and of prostate cancer in minority men. The conference agreement also includes $1,000,000 to begin planning for the marine mammal research and education center at the National Energy Laboratory in Hawaii. The conferees have also provided $2,500,000 for the bone marrow transplantation/radioimmunotherapy demonstration project at the City of Hope National Medical Center in California.

The conference report includes $10,000,000 for the creation of a program to develop technologies using advanced functional brain imaging methodologies, including magnetoencephalography, for conduct of basic research in mental illness and neurological disorders. The conference report includes $2,000,000 for the State University (New York), Stony Brook, to create a comprehensive cancer institute to serve as a focal point (in conjunction with regional cancer centers, the Brookhaven National Laboratory and the Cold Springs Harbor Laboratory) for a concentrated, multi-disciplinary approach to basic and clinical research, detection and molecular analysis of cancer, and development of new diagnostics and therapies targeting cancer. The conference report includes $1,000,000 for the design, planning and construction of an interdisciplinary science facility at the University of Alabama Tuscaloosa. The conference report includes $1,000,000 for the continued construction of the Highlands University Science Center in New Mexico. The conference report includes $7,000,000 to be evenly divided between the West Virginia University National Education and Technology Center and the University of South Carolina Medical Center to support the utilization of Positron Emission Tomography.

Basic energy sciences.—The conference agreement includes $809,100,000 instead of $779,100,000 as recommended by the House or $836,100,000 as recommended by the Senate. The conferees have included $7,000,000 for the Experimental Program to Stimulate Competitive Research, the same as the House-approved level and $3,000,000 less than the amount provided by the Senate. The conference agreement also includes $500,000 for research related to identification of trace element isotopes in environmental samples to be done at the University of Nevada Las Vegas.

Spallation Neutron Source.—The recommendation includes $130,000,000 to begin construction of a new spallation neutron source. The conferees have provided $101,400,000 for line-item construction costs and $28,600,000, the amount of the budget request, for related research and development. The total amount provided is a reduction of $27,000,000 from the budget request and an increase of $107,000,000 over the current fiscal year.

Computational and technology research.—The conference agreement includes $143,000,000 instead of $138,640,000 as recommended by the House or $150,000,000 as recommended by the Senate. The conferees support the House provision regarding funding for the Next Generation Internet initiative. However, the conferees have provided $5,000,000 more than the amount provided by the House for improved utilization of the Department's existing computing infrastructure. Funding is provided for unique Internet tools for technologies that will not be available in the commercial marketplace in any reasonable timeframe and to maintain existing connections to the university community that are supported in the present research network.

FUSION ENERGY SCIENCES

The conferees have provided a total of $229,750,000 for fusion energy sciences, a $1,590,000 increase over the amount in the budget request. The conference agreement includes $223,300,000 for the fusion energy sciences program. Funding for this program has been provided in the Science account as recommended by the Senate instead of the Energy Supply account as recommended by the House. The conferees have provided up to $6,450,000 for all program direction expenses related to the fusion program within the $49,800,000 provided in the Science account for program direction. The conferees note that the Department continues to emphasize tokamak development at the expense of other promising technologies. The conferees continue to be very supportive of the increased emphasis on innovative confinement concepts and university-based experiments. The conferees encourage the Secretary to provide sufficient resources for these efforts. In particular, special emphasis should be placed on funding operations, upgrades, and enhanced design work on both existing and proposed alternative concept experiments at the proof-of-principle level, including an increase for inertial confinement.

International Thermonuclear Experimental Reactor (ITER).—The conferees note that the ITER agreement expired on July 21, 1998. For the past several years, Congress has been clear that the U.S. commitment to ITER extended only through fiscal year 1998. The Department is directed not to sign an extension of this agreement without the written consent of the authorizing and appropriations committees of the House and Senate. The conferees understand and support the value of international collaboration. The Department is encouraged to consider the possibility of utilizing the existing international fusion center in San Diego in future collaborations.

The conferees note that the description of ITER and ITER-related activities in the budget request is not comparable to the classification of these activities in fiscal year 1998, but support the orderly completion of research and development of components that can be completed in fiscal year 1999. For example, the conferees fully expect the Department to meet its commitment to the delivery and testing of the central solenoid model coil.

The conferees have included $12,200,000 as directly related to completion of ITER-related activities, including funds to complete research and development in the base technology program and to provide for orderly ITER closeout costs. The Department must submit a reprogramming request if requirements exceed the $12,200,000 provided.

Tokamak Fusion Test Reactor (TFTR).—In fiscal year 1997, Congress terminated funding for the TFTR. The conferees note that TFTR has ceased operation and that many parts of the TFTR facility will be re-used for the new National Spherical Torus Experiment. Currently, the Department is spending approximately $4,000,000 annually for care-taking of the remaining TFTR components. The Department has no immediate plans for the decommissioning of the TFTR unit, proposing to continue care-taking expenses indefinitely. The conferees have been made aware of decommissioning proposals to complete decommissioning in three years, with estimated savings of $25,000,000. The conferees direct the Department to prepare a reasonable, timely and cost-effective decommissioning plan and to submit a plan to begin decommissioning in the fiscal year 2000 budget request. The Department shall consult with the Princeton Plasma Physics Laboratory throughout the development of this plan.

University and Science Education.—The conferees have adopted the House provision to provide funding for the Laboratory Cooperative, National Science Bowl and Albert Einstein Distinguished Educator Fellowships programs within the amount provided for program direction. Consistent with action taken over the last two fiscal years, the conferees have not included funding for grade school curriculum development programs and other education initiatives included in the Department of Energy's budget request. The conferees continue to support the various programs offered through the nation's laboratories. The conferees encourage the Department to seek opportunities to support work such as that performed by the Science and Technology Alliance.

PROGRAM DIRECTION

The recommendation is $49,800,000, instead of $43,100,000 as proposed by the House or $37,600,000 as proposed by the Senate. The conferees have provided $45,300,000 for standard program direction activities including up to $6,450,000 for salaries and expenses for the Office of Fusion Energy Sciences. The conferees have also provided an additional $4,500,000 to fund the Laboratory Cooperative, National Science Bowl, and Albert Einstein Distinguished Educator Fellowships programs as proposed by the House. The conferees take this action to establish a legitimate funding mechanism for these activities.

FUNDING ADJUSTMENTS

The conference agreement includes four funding adjustments. The $7,600,000 adjustment represents previously appropriated funds the Department has identified as surplus. The funds were provided as part of the closeout costs related to cancellation of the Superconducting Super Collider. The $13,500,000 adjustment represents an estimate of the policy-related work requested as part of the Climate Change Technology Initiative. This adjustment is to be made exclusively to the Basic Energy Sciences and Biological and Environmental Research programs. The conference agreement includes a $13,000,000 prior year balance adjustment as proposed by the Senate instead of no adjustment as proposed by the House. The conference agreement also includes a $5,700,000 general reduction. To the extent practicable, the conferees direct that general reductions are not applied to operation of user facilities. The conferees have not included the general reduction of $42,353,000 as proposed by the Senate.

NUCLEAR WASTE DISPOSAL

The conference agreement appropriates $169,000,000 instead of $160,000,000 as proposed by the House and $190,000,000 as proposed by the Senate. The conference agreement changes the name of this account to ''Nuclear Waste Disposal'', and provides $165,000,000 to be derived from the Nuclear Waste Fund to continue the repository program.

The conference agreement provides $4,000,000 to be appropriated from the General Fund for a civilian research and development program to conduct a study of accelerator transmutation of waste (ATW) technology. The Department is to establish, in coordination with its laboratories, a road map for the development of ATW technology. The road map should identify the technical issues that must be resolved, a proposed time schedule and program to resolve these issues, and the estimated cost of such a program. The road map should also consider and propose collaborative efforts with other countries developing ATW technology and other programs developing accelerator technology. In addition, the report should include an assessment of the institutional challenges of this program, the impact this technology could have on the civilian spent nuclear fuel program, areas of development which could have benefits to other ongoing programs, and the estimated capital and operational life cycle costs to treat civilian spent nuclear fuel.

The conference agreement includes $250,000 for the State of Nevada instead of $4,875,000 as proposed by the Senate and no funds as proposed by the House. This funding will be provided to the Department of Energy which will reimburse the State for actual expenditures on appropriate scientific oversight responsibilities conducted pursuant to the Nuclear Waste Policy Act of 1982. These funds may not be used for salaries and expenses for State employees in the oversight office.

The conference agreement includes $5,540,000 for affected units of local government as proposed by the Senate instead of no funds as proposed by the House. Funding for the affected local governments is to be allocated in the same proportion as was provided to each affected local government in fiscal year 1998.

The conference agreement includes $500,000 for the University of Nevada-Las Vegas to manage data from scientific studies of Yucca Mountain. No funds have been earmarked to study canister aging and corrosion. The conference agreement includes a 10 percent reduction from the budget request for the management and administrative support service contractors at the Yucca Mountain Office and Headquarters. The House had proposed reducing all support service contracts by 10 percent.

Consistent with the requirement in Public Law 104–206, the conferees reiterate the importance of the timely completion of the Viability Assessment of the Yucca Mountain site and expect the Department to provide this assessment to the President and Congress during 1998. The Viability Assessment is a significant prerequisite to the national decision to accept high-level radioactive waste and spent fuel at a Federal facility.

DEPARTMENTAL ADMINISTRATION

The conference agreement appropriates $200,475,000 for Departmental Administration instead of $175,365,000 as proposed by the House and $234,755,000 as proposed by the Senate. Funding of $37,627,000 is to be transferred to this account from Other Defense Activities. Revenues of $136,530,000 are estimated to be received in fiscal year 1999, resulting in a net appropriation of $63,945,000.

The conference agreement includes bill language proposed by the House providing additional amounts for cost of work for others provided that such increases are offset by revenue increases of the same or greater amount.

The conferees have provided $35,000 for official reception and representation expenses of the Department of Energy as proposed by the Senate instead of $5,000 as proposed by the House. The conferees expect the Department to be prudent in the use of these funds and to submit a report to the House and Senate Committees on Appropriations providing a detailed description of each expenditure from this account in fiscal year 1999.

The conference agreement provides reprogramming authority of $500,000 or 5 percent, whichever is less, within the Departmental Administration account without submission of a reprogramming to be approved by the House and Senate Committees on Appropriations. No individual program account may be increased or decreased by more than this amount during the fiscal year using this reprogramming authority. This should provide the needed flexibility to manage this account. Congressional notification within 30 days of the use of this reprogramming authority is required. Transfers which would result in increases or decreases in excess of $500,000 or 5 percent to an individual program account during the fiscal year require prior notification and approval from the House and Senate Committees on Appropriations.

The conferees direct the Department to develop guidelines for its overseas employees based on the guidelines in effect for employees of the Department of State.

INSPECTOR GENERAL

The conference agreement appropriates $29,000,000 for the Inspector General instead of $29,500,000 as proposed by the House and $27,500,000 as proposed by the Senate.

WEAPONS ACTIVITIES

The conference agreement appropriates $4,400,000,000 instead of $4,142,100,000 as proposed by the House and $4,445,700,000 as proposed by the Senate.

The conference agreement includes language proposed by the Senate providing that funding for any ballistic missile defense program undertaken by the Department of Energy for the Department of Defense must be provided in accordance with procedures established for Work for Others by the Department of Energy.

Stockpile stewardship.—The conference agreement supports funding for activities in the core stockpile stewardship program with the following specific adjustments. The accelerated strategic computing initiative (ASCI) program has been reduced by $23,200,000 resulting in a total program level of $305,900,000. The agreement includes the additional $10,000,000 proposed by the House for the inertial fusion program to further development of high average power lasers.

Testing capabilities and readiness.—Up to $6,000,000 is available for continued development and procurement of a dual stage gas gun to be located at the Nevada Test Site. The conferees are aware of the memorandum of agreement between the Department and the Nevada university and community college system and urge the Department to find mutually beneficial projects which can be conducted under this agreement.

Technology transfer.—The conference agreement provides $45,000,000 for the technology transfer program. Any necessary program reductions should be applied proportionally.

Construction projects.—At the request of the Department, the conferees have reallocated $1,800,000 provided by the House and Senate for project 99–D–107, the joint computational engineering laboratory, to operating expenses for the accelerated strategic computing initiative. Construction of the laboratory is now planned to begin in fiscal year 2001.

The conference agreement provides a total of $15,000,000 for new construction projects in fiscal year 1999. The budget request for new construction starts was $25,300,000. The conferees acknowledge the need for some new construction funding, but remain concerned that the Department has not yet resolved its serious project management deficiencies. Thus, none of the funds may be obligated for a project until an independent assessment validating the cost and schedule for the specific project has been completed and provided to the House and Senate Committees on Appropriations.

Stockpile management.—For core stockpile management activities, the conference agreement provides $1,986,803,000, which includes the following adjustments to the budget request. Additional funding of $6,500,000 is provided for handling uranium materials and infrastructure upgrades at the Y–12 plant in Oak Ridge, Tennessee; $12,000,000 is provided to support advanced manufacturing and other capital investment needs at the Kansas City plant; $17,500,000 is provided to support scheduled workload requirements and other stockpile management requirements at the Pantex plant in Amarillo, Texas; and $5,000,000 is provided to support infrastructure and maintenance needs at the Savannah River Site.

None of the funds provided for new construction project starts may be obligated until an independent assessment validating the cost and schedule for the specific project has been completed and provided to the House and Senate Committees on Appropriations.

Tritium.—A total of $167,000,000, an increase of $10,000,000 over the budget request, is provided for continued research and development on a new source of tritium.

Program direction.—For program direction funding, the conference agreement provides $250,000,000, a reduction of $10,500,000 from the budget request. The conferees believe that further savings can be achieved through efficiencies from realignment efforts proposed in the Institute for Defense Analysis report on the Department's management structure for weapons activities. The conference agreement includes $7,000,000 for the Los Alamos schools and $3,000,000 for the Los Alamos Educational Foundation.

Funding adjustments.—The conference agreement includes the use of $82,536,000 of prior year balances instead of $305,436,000 as proposed by the House and $50,000,000 as proposed by the Senate.

DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT

The conference agreement appropriates $4,310,227,000 for Defense Environmental Restoration and Waste Management instead of $4,358,554,000 as proposed by the House and $4,293,403,000 as proposed by the Senate. Additional funding of $1,038,240,000 is contained in the Defense Facilities Closure Projects account and $228,357,000 in the Defense Environmental Management Privatization account, for a total of $5,576,824,000 provided for all defense environmental management activities.

Site/Project Completion.—The conference agreement provides $1,052,741,000 for sites and projects to be completed by 2006. The conference agreement provides an additional $5,000,000 to process tritium-contaminated heavy water currently being stored at the Savannah River Site. The conferees recognize the importance of this project and appreciate this innovative way of doing business. The conferees urge the Department to do what is necessary in future years to bring this project to a successful conclusion.

Funding of $5,000,000 has been provided for cleanup activities related to TA–21 at the

Los Alamos National Laboratory. The Department is directed to prepare a detailed project plan for the cleanup of TA–21 project which includes the cost and schedule for each of the activities to be conducted, have the plan independently assessed, and submit the plan with the fiscal year 2000 budget request.

At the request of the Department, the conference agreement moves $4,512,000 from project 96–D–408, waste management upgrades, to project 93–D–187, high-level waste removal from waste tanks, at the Savannah River Site.

The conferees remain concerned about the high cost of temporary storage and management of low-level wastes that are ready for permanent disposal and believe that available technologies demonstrated and certified by the Department's Environmental Management program as cost-effective alternatives should, to the extent appropriate, receive priority funding to dispose of these wastes. The conferees are aware of the Department's efforts to replace costly programs like the Interim Waste Management Facilities for low-level mixed waste at Oak Ridge, Tennessee, and other sites, and encourage the Department to implement promptly replacement programs and alternatives.

Post 2006 Completion.—The conference agreement includes an additional $7,000,000 for research and treatment of high level waste at Idaho; $3,000,000 to support operational needs at the Waste Isolation Pilot Project; $5,000,000 to reimburse the State of New Mexico; $25,000,000 to support modifications to the Defense Waste Processing Facility in-tank precipitation process; and $15,000,000 for increased tank farm operations and reactor decommissioning at the Hanford site. The conference agreement also includes $5,500,000 for the hazardous materials management and emergency response training facility at Hanford.

The conference agreement does not include the proposal by the House for submission by the Department of a report on transportation of hazardous materials.

The conferees recognize that universities in South Carolina, Georgia, and Louisiana have provided valuable technological and research assistance to the Department's environmental cleanup program, and recommend that the Department continue using these institutions where possible.

The conference reports accompanying the fiscal year 1997 and 1998 Energy and Water Development Appropriations Acts urged the Department's Offices of Waste Management and Technology Development to undertake jointly research and development focused on higher risk, high pay-off modular in-can vitrification technology as an alternative or backup to achieve satisfactory cleanup results at a significantly lower cost. The conferees are aware of the Department's recent award of a contract in compliance with these recommendations and strongly urge the Department to continue to fund this important research and development work in fiscal year 1999 to ensure that its potential for lower cost cleanup may be determined at the earliest possible date.

The conference agreement includes $350,000 to cover the cost of an on-line tritium monitor for the City of Savannah, Georgia.

Health effects studies.—The conferees have provided $12,000,000 for worker and public health effects studies, instead of $15,000,000 as proposed by the House and $10,000,000 as proposed by the Senate. These funds are to be managed by the Office of Environment, Safety, and Health. Demands for funding by various groups to conduct worker and public health studies at each Department of Energy site are increasing. The conferees agree that all funding for Health and Human Services (HHS) managed studies, either through the Center for Disease Control and Prevention or the Agency for Toxic Substances and Disease Registry shall be incorporated into a single memorandum of understanding with HHS, and that DOE and HHS will prepare a consolidated and coherent strategy which includes a public health agenda for each DOE site. All DOE-funded health studies and proposals shall be independently peer-reviewed, and consistent with the public health agenda for each site.

The conferees have deferred without prejudice funding to initiate the proposed Hanford Medical Monitoring program, but within the health effects studies funding have allocated $2,000,000 for the Department to initiate a public information and education program.

Science and Technology Development.—The conference agreement provides $247,000,000 for the technology development program including $8,500,000 to support the Department's efforts to deploy cost-effective new technologies. Deployment of new technologies is a strategic activity affecting virtually all environmental management programs and sites, and should be strongly supported as a complex-wide program, not another initiative established and maintained in isolation in the technology development organization.

The conferees urge the Department to continue research on hazardous materials in aquatic environments that supports the technology focus areas in mixed waste characterization, treatment, and disposal of subsurface contaminants.

The conference agreement includes $2,000,000 for the national pilot program for electronics recovery and recycling; up to $2,000,000 to use a technology that will safely and effectively destroy the asbestos removed from Federal facilities during the decontamination and decommissioning process; and $4,500,000 for the Diagnostic Instrumentation and Analysis Laboratory (DIAL).

Environmental science program.—The conference agreement provides $47,000,000 for the environmental basic research science program, an increase of $15,000,000 over the budget request which had included no funding for new proposals in fiscal year 1999. This increase includes $5,000,000 for proposals to determine the biological effects of exposure to low doses of ionizing radiation. These proposals are to be coordinated with the program being conducted by the Office of Energy Research.

Risk Policy.—The conference agreement includes $4,000,000 for the Consortium for Risk Evaluation and Stakeholder Participation (CRESP) and $2,000,000 for the Consortium for Environmental Risk Evaluation (CERE).

Program direction.—The conferees have provided $337,073,000 for the program direction account. The recommendation does not include the transfer of the Federal employees at the Idaho Operations Office. The reduction of $9,126,000 from the budget request should be applied to support service contracts, travel, and other lower priority activities at Headquarters and in the field.

Economic development.—The conference agreement maintains the current policy that no cleanup funds are to be used for economic development activities. The conferees have provided $29,900,000 in the worker and community transition program which was established and authorized to fund such activities, and expect all economic development activities to be funded from that program.

DEFENSE FACILITIES CLOSURE PROJECTS

The conference agreement appropriates $1,038,240,000 for the Defense Facilities Closure Projects account as proposed by the House instead of $1,048,240,000 as proposed by the Senate. The conferees expect the Department to request adequate funds to keep each of these projects on a schedule for closure by 2006.

DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION

The conference agreement provides $228,357,000 for the environmental management privatization program instead of $286,857,000 as proposed by the House and $241,857,000 as proposed by the Senate. The conference agreement includes $100,000,000 for the tank waste remediation system (TWRS) project as proposed by the House. The remaining projects and the use of prior year balances are funded at the levels recommended by the Senate.

OTHER DEFENSE ACTIVITIES

The conference agreement appropriates $1,696,676,000 for Other Defense Activities instead of $1,761,260,000 as proposed by the House and $1,658,160,000 as proposed by the Senate. Details of the conference agreement are provided below.

NONPROLIFERATION AND NATIONAL SECURITY

The conference agreement provides $701,600,000 for nonproliferation and national security programs instead of $696,600,000 as proposed by the House and $696,300,000 as proposed by the Senate.

The conferees agree that the nonproliferation and verification research and development program currently executed at the nuclear weapons laboratories looks much like a static, generally unfocussed, level of effort research program. The conferees direct the Department to initite an external review of the projects being conducted, their progress to date, and their value to the overall needs of the program.

The conferees have deleted the bill language included by the Senate for the Initiatives for Proliferation Prevention (IPP) program and the nuclear cities initiative. However, from within available funds and prior year balances, the conference agreement includes $25,000,000 for IPP and $15,000,000 for the nuclear cities initiative.

The conference agreement includes an additional $1,000,000 for a study of the vulnerabilities of security equipment; $2,000,000 for the procurement of safety locks to meet Federal specifications; and $500,000 for the continued development of the Raman spectroscopy technology.

No funds have been provided for development of the dielectric wall accelerator technology or for assistance to the Russian nuclear weapons dismantlement program to develop an emergency response capability.

Counterintelligence.—The conference agreement includes a total of $15,641,000 to support the Department's new counterintelligence program. This is an increase of $8,000,000 over the budget request. Needs in excess of this amount have been identified for computer security activities, but the conferees believe the Department should look to currently available computer resources to see if funds can be reallocated to these higher priority activities. If not, the Department should submit a reprogramming or supplemental budget request for fiscal year 1999.

Program direction.—The conference agreement provides $86,900,000 for the program direction account. Reductions should be applied to the use of management and administration support service contractors throughout the organization and lower priority activities. None of these funds may be used to support the employees transferred from the Nuclear Energy office in fiscal year 1999. All funding for these employees has been provided in the Nuclear Energy program direction account.

The conference agreement includes $600,000 for operation of the Department of Energy's

Moscow office. Collaborative efforts between the Department of Energy and the Russian Ministry of Atomic Energy on implementation of the Highly Enriched Uranium Agreement, plutonium disposition, and weapons dismantlement is one of the Department's highest priorities, and that effort should receive the full administrative support of the Department.

ENVIRONMENT, SAFETY AND HEALTH (DEFENSE)

The conference agreement provides $91,500,000 for defense-related environment, safety and health activities instead of $94,000,000 as proposed by the House and $89,000,000 as proposed by the Senate. The reduction of $2,500,000 from the budget request should be applied to the use of support service contractors.

The conferees have provided $53,456,000 for worker and public health effects studies to be managed by the Office of Environment, Safety, and Health. This amount includes the budget request of $41,456,000 in this account and $12,000,000 in the Defense Environmental Management program. The conferees agree that all funding for Health and Human Services (HHS) managed studies, either through the Center for Disease Control and Prevention or the Agency for Toxic Substances and Disease Registry shall be incorporated into a single memorandum of understanding with HHS, and that DOE and HHS will prepare a consolidated and coherent strategy which includes a public health agenda for each DOE site. The agencies are directed to report to the Committees on Appropriations on the status of the implementation of the public health agenda by December 31, 1998. The final public health agenda for each site shall be provided to the Committees no later than September 30, 1999. The conferees strongly endorse the concept of peer-reviewed health effects studies, and direct that all DOE-funded health studies shall be independently peer-reviewed, and consistent with the public health agenda for each site.

WORKER AND COMMUNITY TRANSITION

The conference agreement provides $29,900,000 for the worker and community transition program instead of $29,800,000 as proposed by the House and $40,000,000 as proposed by the Senate. Since there are no significant program funding decreases in the Department of Energy in fiscal year 1999, the conferees have reduced the funding allocated for enhanced severance benefits and local assistance grants. The conferees direct that no other Departmental funds be used to provide enhanced severance payments and other benefits under the provisions of Section 3161 of the National Defense Authorization Act of Fiscal Year 1993.

The conferees direct that none of the funds provided for this program be used for additional severance payments and benefits for Federal employees of the Department of Energy. Federal employees are covered by a multitude of laws which control employee benefits and protections during the downsizing of Federal agencies.

FISSILE MATERIALS DISPOSITION

The conference agreement provides the budget request of $168,960,000 for fissile materials disposition, but reallocates $5,000,000 from the pit disassembly and conversion facility project to operating expenses.

The conferees have not included the bill language proposed by the Senate earmarking $5,000,000 for a joint U.S.-Russian development program of advanced reactor technology to dispose of Russian excess weapons-derived plutonium. However, the conference agreement includes $5,000,000 for the joint U.S.-Russian development of gas reactor technology to dispose of excess weapons-derived plutonium. Of this funding, $2,000,000 is available for work to be performed in the United States by the Department of Energy and other U.S. contractors, and $3,000,000 is to be expended for work in Russia. The $3,000,000 shall be made available for work in Russia on the gas reactor technology on the condition and only to the extent that the Russian Federation matches these contributions with either comparable funding or contributions-in-kind.

The conferees have provided funds for this program in part because of the possibility that other countries will contribute to this effort. The conferees expect the Department and U.S. contractors to make every effort to gain commitments from other countries in this regard, and to seek private sector funding for continued future funding of this effort. Future support for this effort is contingent upon agreement on a U.S.-Russian agreement on the disposition of excess weapons-derived plutonium. The Department should report to the House and Senate Committees on Appropriations at the end of fiscal year 1999 on the progress which has been made in this program, the status of the matching funds or in-kind contributions from the Russian Federation and other countries, and the success of efforts to procure private sector funding for this effort.

The conferees have deleted bill language proposed by the Senate which limited the design and procurement activities for the mixed oxide fuel fabrication facility. The Department of Energy should proceed with preparations for plutonium disposition to include the design and licensing of key disposition facilities as well as qualification of mixed oxide fuel. The United States, however, should not proceed unilaterally to dispose of excess plutonium without parallel progress on the Russian side. No funds have been provided to initiate actual construction of plutonium disposition facilities without such an agreement.

NUCLEAR ENERGY (DEFENSE)

Due to severe funding constraints, the conference agreement provides $30,000,000 for the international nuclear safety program to improve the safety of Soviet-designed nuclear reactors, a decrease of $5,000,000 from the budget request.

NATIONAL SECURITY PROGRAMS ADMINISTRATIVE SUPPORT

The conference agreement provides $37,627,000 for national security programs administrative support instead of $75,000,000 as proposed by the House and no funding as proposed by the Senate.

NAVAL REACTORS

The conference agreement provides $670,189,000, instead of $681,500,000 as proposed by the House and $665,500,000 as proposed by the Senate. An additional $4,689,000 over the budget request has been provided to continue test reactor inactivation efforts and environmental cleanup activities.

DEFENSE NUCLEAR WASTE DISPOSAL

The conference agreement provides $189,000,000 instead of $190,000,000 as proposed by the House and $185,000,000 as proposed by the Senate. Funding proposed by the Senate for the accelerator transmutation of waste program has been included in the non-defense portion of this bill.

POWER MARKETING ADMINISTRATIONS

ALASKA POWER ADMINISTRATION

The conference agreement does not include additional funding for the Alaska Power Administration as proposed by the House instead of $5,000,000 as proposed by the Senate. Unobligated balances of the Alaska Power Administration shall be available to pay any remaining obligations of the Administration. The conferees encourage the Department to reprogram any further unobligated balances.

The managers expect more than just a perfunctory report to Congress on the asset sales. Basic factual information should include: final sales price, terms of the sale, and identification of assets sold, as well as copies of primary sales documents. In addition, the report should include information on unexpected problems encountered and how those problems were resolved, lessons learned that could have improved the asset sales process, and any information that might be relevant to similar asset sales. The managers expect to receive the report prior to the end of fiscal year 1999, as stipulated in the authorizing legislation.

BONNEVILLE POWER ADMINISTRATION

The conferees take no position on the extension of the current levels of funding for mitigation of fish and wildlife impacts. The conference agreement does not include language proposed by the Senate pertaining to the authority of the Administrator to sell Federal power to an entity formed by existing regional public body and cooperative customers of Bonneville.

Independent Scientific Review Panel.—The conferees recommend that, with regard to Columbia Basin fish and wildlife projects, programs, or measures proposed in a Federal agency budget to be reimbursed by the Bonneville Power Administration, the Independent Scientific Review Panel should annually review such proposals, determine whether the proposals are consistent with the criteria in Section 4(h)(10)(D) of the Pacific Northwest Electric Power Planning and Conservation Act, make any recommendations that the Panel considers appropriate to make the project, program, or measure meet the criteria in that Section, and transmit the recommendations to the Northwest Power Planning Council no later than April 1 of each year. These Panel recommendations should be available to the public and should be subject to public comment.

The conferees further recommend that the Panel recommendations should be fully considered by the Northwest Power Planning Council when making its final recommendations of projects proposed by Federal agencies and reimbursed by the Bonneville Power Administration.

The conferees direct the Panel to submit its recommendations to the House and Senate Committees on Appropriations and relevant authorizing Committees no later than May 15 of each year. If the Northwest Power Planning Council does not incorporate a recommendation of the Panel in its recommendations, the Council should explain in writing its reasons for not accepting Panel recommendations.

SOUTHEASTERN POWER ADMINISTRATION

The conference agreement includes $7,500,000, a reduction of $1,000,000 from the amount provided by the House and Senate. The conferees have recently been made aware of an additional $1,500,000 that will be available in fiscal year 1999 from funds carried over from fiscal year 1998.

SOUTHWESTERN POWER ADMINISTRATION

The conference agreement includes $26,000,000, as proposed by the Senate instead of $24,710,000 as proposed by the House.

WESTERN AREA POWER ADMINISTRATION

The conference agreement includes $203,000,000, instead of $205,000,000 as provided by the House or $212,018,000 as provided by the Senate.

FALCON AND AMISTAD FUND

The conference agreement includes $1,010,000, the same amount recommended by the Senate instead of $970,000 as provided by the House.

FEDERAL ENERGY REGULATORY COMMISSION

The conference agreement includes $167,500,000 instead of $166,500,000 as recommended by the House or $168,898,000 as recommended by the Senate. The conferees have provided the Commission with an increase of $5,359,000 over the current fiscal year.

GENERAL PROVISIONS

DEPARTMENT OF ENERGY

SEC. 301. The conference agreement includes a provision proposed by the House and Senate that none of the funds may be used to award a management and operating contract unless such contract is awarded using competitive procedures, or the Secretary of Energy grants, on a case-by-case basis, a waiver to allow for such a deviation. At least 60 days before such action, the Secretary of Energy must submit to the House and Senate Committees on Appropriations a report notifying the Committees of the waiver and setting forth the reasons for the waiver. Section 301 does not preclude extension of a contract awarded using competitive procedures.

SEC. 302. The conference agreement includes a provision proposed by the House and Senate that none of the funds may be used to award, amend, or modify a contract in a manner that deviates from the Federal Acquisition Regulation, unless the Secretary of Energy grants, on a case-by-case basis, a waiver to allow for such a deviation. At least 60 days before such action, the Secretary of Energy must submit to the House and Senate Committees on Appropriations a report notifying the Committees of the waiver and setting forth the reasons for the waiver.

SEC. 303. The conference agreement includes a provision proposed by the House and Senate that none of the funds may be used to prepare or implement workforce restructuring plans or provide enhanced severance payments and other benefits and community assistance grants for Federal employees of the Department of Energy under section 3161 of the National Defense Authorization Act of Fiscal Year 1993, Public Law 102–484.

SEC. 304. The conference agreement includes a provision proposed by the House and Senate that none of the funds may be used to augment the $29,900,000 made available for obligation for severance payments and other benefits and community assistance grants authorized under the provisions of section 3161 of the National Defense Authorization Act of Fiscal Year 1993, Public Law 102–484.

SEC. 305. The conference agreement includes a provision proposed by the House and Senate that none of the funds may be used to prepare or initiate Requests for Proposals for a program if the program has not been funded by Congress in the current fiscal year. This provision precludes the Department from initiating activities for new programs which have been proposed in the budget request, but which have not yet been funded by Congress.

SEC. 306. The conference agreement includes a provision proposed by the House and Senate that permits the transfer and merger of unexpended balances of prior appropriations with appropriation accounts established in this bill.

SEC. 307. The conference agreement includes a provision allowing the Secretary of Energy to enter into multiyear contracts without obligating the estimated costs associated with any necessary cancellation or termination of the contract. This provides the Department of Energy with the same flexibility provided to the Department of Defense.

SEC. 308. The conference agreement modifies language proposed by the Senate that limited the types of waste that could be disposed of in the Waste Isolation Pilot Plant in New Mexico. None of the funds may be used to dispose of transuranic waste in excess of 20 percent plutonium by weight for the aggregate of any material category. At the Rocky Flats site, this provision applies to the five material categories addressed in the ''Final Environmental Impact Statement on Management of Certain Plutonium Residues on Scrub Alloy Stored at the Rocky Flats Environmental Technology Site'', Table S–2, Notice of Intent Categories.

SEC. 309. The conference agreement modifies language proposed by the Senate changing the name of the Office of Energy Research. The name of the office has been changed to ''Science'' instead of ''Science Research'' as proposed by the Senate.

SEC. 310. The conference agreement modifies language proposed by the Senate pertaining to maintenance of security at the DOE uranium enrichment plants. Costs of implementing this provision will be allocated between the Department of Energy and the United States Enrichment Corporation.

SEC. 311. The conference agreement modifies language proposed by the House in title V and requires the Department of Energy to include all appropriate regulatory entities when conducting pilot projects to simulate external regulation at Departmental facilities.

The Department is directed not to initiate any pilot projects to simulate external regulation of Departmental facilities which do not include the Nuclear Regulatory Commission (NRC), the Occupational Safety and Health Administration (OSHA), and the appropriate State and local entities. The Department has been conducting pilot projects to simulate the external regulation of its facilities. However, the pilot projects to date have included only the NRC, and not OSHA, or the appropriate State and local regulatory entities which could also have oversight of worker safety and health at Departmental facilities. The Department has touted its successful pilot project at the Lawrence Berkeley National Laboratory, but the pilot project was completely inadequate because it did not include the participation of OSHA or State and local entities. Thus, the pilot project failed to address many of the issues involving the interactions among all of these entities and the Department of Energy. Obvious questions were left unanswered in the pilot project.

The conferees direct the Department to address all of the issues involving OSHA and State and local regulation of worker safety and health at the Lawrence Berkeley National Laboratory in conjunction with NRC regulation. The Department should provide a report to the Committees on Appropriations by March 31, 1999, on the results of the comprehensive pilot project. Additionally, the Department is directed to initiate in fiscal year 1999 a pilot project for a multi-program non-defense laboratory such as Argonne National Laboratory or Brookhaven National Laboratory which includes a large accelerator project. The Department should not conduct simulations of external regulation at sites with weapons activities responsibilities.

SEC. 312. The conference agreement includes a provision delaying until September 30, 1999, the obligation of $57,000,000 in the Atomic Energy Defense Activities, Weapons Activities appropriation account.

Provisions not adopted by the conferees

The conference agreement deletes language proposed by the House limiting the ability of Department of Energy facilities and laboratories to compete with the private sector. This provision has been addressed in report language.

The conference agreement deletes language proposed by the House limiting economic assistance payments to the State of New Mexico until the Waste Isolation Pilot Plant commences disposal operations.

The conference agreement deletes language proposed by the Senate permitting the Bonneville Power Administration to sell at wholesale rates to joint operating entities.

The conference agreement deletes language proposed by the Senate providing offsetting funding reductions in various appropriation accounts.

CONFERENCE RECOMMENDATIONS

The conference agreement's detailed funding recommendations for programs in title III are contained in the following table.

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Department of Energy (in thousands)

11:14 9/25/98 PAGE 1

	Budget Estimate	Conference
ENERGY SUPPLY		
SOLAR AND RENEWABLE RESOURCES TECHNOLOGIES		
Solar energy		
Solar building technology research	5,000	2,900
Photovoltaic energy systems	78,800	66,800
Photovoltaic energy research	2,883	2,883
Subtotal, Photovoltaic	81,683	69,683
Solar thermal energy systems	22,500	17,000
Biomass/biofuels energy systems		
Power systems	42,900	31,000
Transportation	46,891	41,750
Subtotal, Biomass/biofuels energy systems	89,791	72,750
Biomass/biofuels energy research	27,199	27,199
Subtotal, Biomass	116,990	99,949
Wind energy systems	43,500	33,200
Wind energy research	283	283
Subtotal, Wind	43,783	33,483
Renewable energy production incentive program	4,000	4,000
Solar program support	14,000	---
International solar energy program	8,800	3,750
Solar technology transfer	1,360	---
National renewable energy laboratory	5,000	2,000
Solar photoconversion (ER)	14,532	14,532
Total, Solar Energy	317,648	247,297

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Department of Energy (in thousands)

11:14 9/25/98 PAGE 2

	Budget Estimate	Conference
Geothermal		
Geothermal technology development	33,000	28,500
Hydrogen research	24,000	21,000
Hydrogen energy research	3,008	3,008
Total, Hydrogen	27,008	24,008
Hydropower	4,000	2,000
Renewable Indian energy resources	---	3,500
Electric energy systems and storage		
Transmission reliability	---	2,500
High temperature superconducting R&D	32,000	32,500
Energy storage systems	6,000	4,500
Climate challenge	500	---
Total, Electric energy systems and storage	38,500	39,500
Federal building/Remote power initiative	---	4,000
Program direction	17,000	17,100
TOTAL, SOLAR AND RENEWABLE RESOURCES TECHNOLOGIES	437,156	365,905

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Department of Energy (in thousands)

11:14 9/25/98 PAGE 3

	Budget Estimate	Conference
NUCLEAR ENERGY		
Nuclear energy R&D		
Advanced radioisotope power system	40,500	37,000
Nuclear technology R&D	25,000	---
Test reactor area landlord	4,634	4,000
Construction		
99-E-200 Test reactor area electrical utility upgrade, Idaho National Engineering Laboratory, ID	341	341
95-E-201 Test reactor area fire and life safety improvements, Idaho National Engineering Laboratory, ID	2,425	2,425
Subtotal, Construction	2,766	2,766
Subtotal, Test reactor area landlord	7,400	6,766
University reactor fuel assistance and support	10,000	11,000
Nuclear energy research initiative	24,000	19,000
Total, Nuclear energy R&D	106,900	73,766
Fast flux test facility (FFTF)	---	30,000
Facilities	96,150	---
Termination costs	---	85,000
Uranium programs	66,700	49,000
Isotope support	16,450	15,500
Construction		
99-E-201 Isotope production facility (LANL)	6,000	6,000
Total, Isotope support	22,450	21,500
Nuclear energy plant optimization	10,000	---
Program direction	23,550	24,700
TOTAL, NUCLEAR ENERGY	325,750	283,966

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Department of Energy (in thousands)

11:14 9/25/98 PAGE 4

	Budget Estimate	Conference
ENVIRONMENT, SAFETY AND HEALTH		
Environment, safety and health	37,602	32,000
Program direction	38,398	18,398
TOTAL, ENVIRONMENT, SAFETY AND HEALTH	76,000	50,398
ENERGY RESEARCH		
Fusion energy sciences program	228,160	---
ENERGY SUPPORT ACTIVITIES		
Technical information management program	2,340	1,600
Program direction	7,500	7,000
Total, Technical information management program	9,840	8,600
Transfer to OSHA for external regulation pilot projects	---	1,000
Field office management	104,541	104,127
Oak Ridge Landlord	12,500	11,000
TOTAL, ENERGY SUPPORT ACTIVITIES	126,881	124,727
Subtotal, Energy supply	1,193,947	824,996
Renewable energy research program	-47,905	-47,905
Use of prior year balances	-17,000	-50,000
TOTAL, ENERGY SUPPLY	1,129,042	727,091

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Department of Energy (in thousands)

11:14 9/25/98 PAGE 5

	Budget Estimate	Conference
NON-DEFENSE ENVIRONMENTAL MANAGEMENT		
Site closure	254,344	254,344
Site/project completion	97,248	102,948
Post 2006 completion	83,908	83,908
Science and technology	26,500	---
Use of prior year balances	-10,000	-10,000
TOTAL, NON-DEFENSE ENVIRONMENTAL MANAGEMENT	452,000	431,200
URANIUM ENRICHMENT DECONTAMINATION AND DECOMMISSIONING FUND		
Decontamination and decommissioning	242,000	190,200
Uranium/thorium reimbursement	35,000	30,000
Use of prior year balances	-5,000	---
TOTAL, URANIUM ENRICHMENT DECONTAMINATION AND DECOMMISSIONING	272,000	220,200

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Department of Energy (in thousands) 11:14 9/25/98 PAGE 6

	Budget Estimate	Conference
SCIENCE		
High energy physics		
Research and technology	213,365	215,865
Facility operations	456,635	459,635
Construction		
99-G-306 Wilson hall safety improvements, Fermilab	6,700	6,700
98-G-304 Neutrinos at the main injector, Fermilab	14,300	14,300
Subtotal, Construction	21,000	21,000
Subtotal, Facility operations	477,635	480,635
Total, High energy physics	691,000	696,500
Nuclear physics	315,980	318,480
Construction		
91-G-300 Relativistic heavy ion collider (BNL)	16,620	16,620
Total, Nuclear physics	332,600	335,100
Biological and environmental research	392,600	443,600
Basic energy sciences		
Materials sciences	417,216	417,216
Chemical sciences	209,582	209,582
Engineering and geosciences	44,413	44,413
Energy biosciences	32,489	32,489
Construction		
99-E-334 Spallation neutron source (ORNL)	128,400	101,400
96-E-300 Combustion research facility, Phase II, SNL/L	4,000	4,000
Subtotal, Construction	132,400	105,400
Total, Basic energy sciences	836,100	809,100

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Department of Energy (in thousands)

11:14 9/25/98 PAGE 7

	Budget Estimate	Conference
Other energy research		
Computational and technology research	160,640	143,000
Energy research analyses	1,000	1,000
Multiprogram energy labs - facility support		
Multiprogram general purpose facilities		
Infrastructure support	1,160	1,160
Construction		
MEL-001 Multiprogram energy laboratory infrastructure projects, various locations	14,924	14,924
94-E-363 Roofing improvements (ORNL)	4,908	4,908
Subtotal, Construction	19,832	19,832
Subtotal, Multiprogram gen. purpose facilities	20,992	20,992
Environment, safety and health		
Construction		
96-E-333 Multiprogram energy laboratories upgrades, various locations	268	268
Subtotal, Multiprogram energy labs - fac. suppor	21,260	21,260
Total, Other energy research	182,900	165,260
Fusion energy sciences program	---	223,300
University science education programs		
Laboratory cooperative science centers	15,000	---
Program direction	39,860	49,800
Subtotal, Science	2,490,060	2,722,660
Use of prior year SSC balances	-7,600	-7,600
Use of other prior year balances	-12,000	-13,000
General reduction	---	-5,700
General reduction for policy papers for CCTI	---	-13,500
TOTAL, SCIENCE	2,470,460	2,682,860

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Department of Energy (in thousands)

11:14 9/25/98 PAGE 8

	Budget Estimate	Conference
DEPARTMENTAL ADMINISTRATION		
Administrative operations		
Salaries and expenses		
Office of the Secretary	4,251	4,175
Board of contract appeals	---	715
Chief financial officer	---	22,350
Contract reform	---	3,200
Congressional and intergovernmental affairs	---	4,900
Economic impact and diversity	---	4,700
Field management	---	7,500
General counsel	---	19,250
Human resources and administration	---	97,000
Policy office	---	14,000
Public affairs	---	3,500
Subtotal, Salaries and expenses	4,251	181,290
General management - personnel compensation and benefits	106,210	---
General management - other expenses	77,578	---
Program support		
Minority economic impact	1,880	1,700
Policy analysis and system studies	500	350
Consumer affairs	19	---
Public affairs	38	---
Environmental policy studies	2,500	2,000
Scientific and technical training	500	450
Information management	8,000	8,000
Subtotal, Program support	13,437	12,500
Total, Administrative operations	201,476	193,790
Cost of work for others	44,312	44,312
Subtotal, Departmental Administration	245,788	238,102
Transfer from other defense activities	---	-37,627
Total, Departmental administration (gross)	245,788	200,475
Miscellaneous revenues	-136,530	-136,530
TOTAL, DEPARTMENTAL ADMINISTRATION (net)	109,258	63,945

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P$36AGPO Department of Energy (in thousands) 11:14 9/25/98 PAGE 9

	Budget Estimate	Conference
OFFICE OF INSPECTOR GENERAL		
Office of Inspector General.....	29,500	29,000

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Department of Energy (in thousands) 11:14 9/25/98 PAGE 10

	Budget Estimate	Conference
ATOMIC ENERGY DEFENSE ACTIVITIES		
WEAPONS ACTIVITIES		
Stockpile stewardship		
Core stockpile stewardship	1,505,832	1,482,632
Construction		
99-D-102 Rehabilitation of maintenance facility (LLNL), Livermore, CA	6,500	---
99-D-103 Isotope sciences facility (LLNL), Livermore, CA	4,000	---
99-D-104 Protection of real property (roof reconstruction, Phase II) (LLNL), Livermore, CA	7,300	---
99-D-105 Central health physics calibration facility (LANL), Los Alamos, NM	3,900	---
99-D-106 Model validation and system certification test center (SNL), Albuquerque, NM	1,600	---
99-D-107 Joint computational engineering laboratory (JCEL, SNL), Albuquerque, NM	1,800	---
99-D-108 Renovate existing roadways, Nevada test site, NV	2,000	---
FY 1999 new construction project funding	---	15,000
97-D-102 Dual-axis radiographic hydrotest facility (LANL), Los Alamos, NM	36,000	36,000
96-D-102 Stockpile stewardship facilities revitalization (Phase VI), various locations	20,423	20,423
96-D-103 ATLAS, Los Alamos National Laboratory	6,400	6,400
96-D-104 Processing and environmental technology laboratory (SNL)	18,920	18,920
96-D-105 Contained firing facility addition (LLNL)	6,700	6,700
Subtotal, Construction	115,543	103,443
Subtotal, Core stockpile stewardship	1,621,375	1,586,075

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Department of Energy (in thousands)

11:14 9/25/98 PAGE 11

	Budget Estimate	Conference
Inertial fusion	213,800	223,800
Construction		
96-D-111 National ignition facility - TBD	284,200	284,200
Subtotal, Inertial fusion	498,000	508,000
Technology transfer/education		
Technology transfer	60,000	45,000
Education	9,000	9,000
Subtotal, Technology transfer/education	69,000	54,000
Total, Stockpile stewardship	2,188,375	2,148,075
Stockpile management	1,935,803	1,986,803
Construction		
99-D-122 Rapid reactivation,various locations	11,200	11,200
99-D-123 Replace mechanical utility systems, Y-12, Oak Ridge, TN	1,900	1,900
99-D-125 Replace boilers and controls, Kansas City plant, Kansas City, MO	1,000	1,000
99-D-127 Stockpile management restructuring initiative, Kansas City plant, Kansas City, MO	13,700	13,700
99-D-128 Stockpile management restructuring initiative, Pantex consolidation, Amarillo, TX	1,108	1,108
99-D-132 SMRI nuclear material safeguards and security upgrade project (LANL), Los Alamos, NM	9,700	9,700
98-D-123 Stockpile mgmt. restructuring initiative Tritium factory modernization and consolidation, Savannah River, SC	27,500	27,500
98-D-124 Stockpile mgmt. restructuring initiative Y-12 consolidation, Oak Ridge, TN	10,700	10,700
97-D-122 Nuclear materials storage facility renovation (LANL), Los Alamos, NM	9,164	2,500

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Department of Energy (in thousands)

11:14 9/25/98 PAGE 12

	Budget Estimate	Conference
97-D-123 Structural upgrades, Kansas City plant, Kansas City, KS	6,400	6,400
96-D-122 Sewage treatment quality upgrade (STQU) Pantex plant	3,700	3,700
95-D-102 Chemistry and metallurgy research (CMR) upgrades project (LANL)	16,000	5,000
93-D-122 Life safety upgrades, Y-12 plant	3,250	3,250
Subtotal, Construction	115,322	97,658
Total, Stockpile management	2,051,125	2,084,461
Program direction	260,500	250,000
Subtotal, Weapons activities	4,500,000	4,482,536
Use of prior year balances	---	-82,536
TOTAL, WEAPONS ACTIVITIES	4,500,000	4,400,000

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Department of Energy (in thousands)

11:14 9/25/98 PAGE 13

	Budget Estimate	Conference
DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MGMT.		
Site/project completion		
Operation and maintenance	848,090	858,090
Construction		
99-D-402 Tank farm support services, F&H area, Savannah River site, Aiken, SC	2,745	2,745
99-D-404 Health physics instrumentation laboratory (INEL), ID	950	950
98-D-401 H-tank farm storm water systems upgrade, Savannah River, SC	3,120	3,120
98-D-453 Plutonium stabilization and handling system for PFP, Richland, WA	26,814	26,814
98-D-700 Road rehabilitation (INEL), ID	7,710	7,710
97-D-450 Savannah River nuclear material storage, Savannah River Site, Aiken, SC	79,184	79,184
97-D-470 Regulatory monitoring and bioassay laboratory, Savannah River site, Aiken, SC	7,000	7,000
96-D-406 Spent nuclear fuels canister storage and stabilization facility, Richland, WA	38,680	38,680
96-D-408 Waste management upgrades, Kansas City plant and Savannah River	4,512	---
96-D-464 Electrical & utility systems upgrade, Idaho chemical processing plant (INEL), ID	11,544	11,544
96-D-471 CFC HVAC/chiller retrofit, Savannah River site, Aiken, SC	8,000	8,000
95-D-456 Security facilities consolidation, Idaho chemical processing plant (INEL), ID	485	485

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Department of Energy (in thousands)

11:14 9/25/98 PAGE 14

	Budget Estimate	Conference
92-D-140 F&H canyon exhaust upgrades Savannah River, SC	3,667	3,667
86-D-103 Decontamination and waste treatment facility (LLNL), Livermore, CA	4,752	4,752
Subtotal, Construction	199,163	194,651
Total, Site/project completion	1,047,253	1,052,741
Post 2006 completion		
Operation and maintenance	2,194,107	2,261,107
Uranium enrichment D&D fund contribution	398,088	398,088
Construction		
99-D-403 Privatization Phase I infrastructure support, Richland, WA	14,800	14,800
97-D-402 Tank farm restoration and safe operations, Richland, WA	22,723	22,723
96-D-408 Waste management upgrades, Richland, WA	171	171
94-D-407 Initial tank retrieval systems, Richland, WA	32,860	32,860
93-D-187 High-level waste removal from filled waste tanks, Savannah River, SC	10,702	15,214
Subtotal, Construction	81,256	85,768
Total, Post 2006 completion	2,673,451	2,744,963
Science and technology	193,000	247,000
Program direction	346,199	337,073
Subtotal, Defense environmental management	4,259,903	4,381,777
Use of prior year balances/general reduction	---	-71,550
TOTAL, DEFENSE ENVIRON. RESTORATION AND WASTE MGMT	4,259,903	4,310,227

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P$36AGPO Department of Energy (in thousands) 11:14 9/25/98 PAGE 15

	Budget Estimate	Conference
DEFENSE FACILITIES CLOSURE PROJECTS		
Closure projects.....	1,006,240	1,038,240
DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION		
Privatization initiatives, various locations.....	516,857	228,357
TOTAL, DEFENSE ENVIRONMENTAL MANAGEMENT.....	5,783,000	5,576,824

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P$36AGPO

Department of Energy (in thousands)

11:14 9/25/98 PAGE 16

	Budget Estimate	Conference
OTHER DEFENSE ACTIVITIES		
Other national security programs		
Nonproliferation and national security		
Verification and control technology		
Nonproliferation and verification, R&D	210,000	210,000
Arms control	256,900	256,900
Intelligence	33,600	41,600
Subtotal, Verification and control technology	500,500	508,500
Emergency management	23,700	21,000
Nuclear safeguards and security	53,200	55,200
Security investigations	30,000	30,000
Program direction - NN	88,900	86,900
Subtotal, Nonproliferation and national security	696,300	701,600
Environment, safety and health (Defense)	69,231	66,731
Program direction - EH	4,769	24,769
Subtotal, Environment, safety & health (Defense)	74,000	91,500
Worker and community transition	41,000	26,000
Program direction - WT	4,000	3,900
Subtotal, Worker and community transition	45,000	29,900
Fissile materials disposition	111,372	116,372
Program direction - MD	4,588	4,588
Construction		
99-D-141 Pit disassembly and conversion Facility, Various locations	25,000	20,000
99-D-143 Mixed oxide fuel fabrication facility, Various locations	28,000	28,000
Subtotal, Construction	53,000	48,000
Subtotal, Fissile materials disposition	168,960	168,960

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P$36AGPO Department of Energy (in thousands) 11:14 9/25/98 PAGE 17

	Budget Estimate	Conference
Nuclear energy (Defense)		
International nuclear safety:		
Soviet designed reactors	35,000	30,000
National Security programs administrative support	---	37,627
Office of hearings and appeals	2,400	2,400
Total, Other national security programs	1,021,660	1,061,987
Naval reactors		
Naval reactors development	623,600	628,289
Construction		
GPN-101 General plant projects, various locations	9,000	9,000
98-D-200 Site laboratory facility upgrade, various locations	7,000	7,000
90-N-102 Expended core facility dry cell project, Naval Reactors Facility, ID	5,800	5,800
Subtotal, Construction	21,800	21,800
Subtotal, Naval reactors development	645,400	650,089
Program direction	20,100	20,100
Total, Naval reactors	665,500	670,189
Subtotal, Other defense activities	1,687,160	1,732,176

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Department of Energy (in thousands)

11:14 9/25/98 PAGE 1

	Budget Estimate	Conference
Use of prior year balances	---	-15,500
Offset to user organizations	-20,000	-20,000
TOTAL, OTHER DEFENSE ACTIVITIES	1,667,160	1,696,676
DEFENSE NUCLEAR WASTE DISPOSAL		
Defense nuclear waste disposal	190,000	189,000
TOTAL, ATOMIC ENERGY DEFENSE ACTIVITIES	12,140,160	11,862,500
POWER MARKETING ADMINISTRATIONS		
SOUTHEASTERN POWER ADMINISTRATION		
Operation and maintenance		
Operation and maintenance/program direction	4,370	4,370
Purchase power and wheeling	6,130	6,130
Subtotal, Operation and maintenance	10,500	10,500
Use of prior year balances	-2,000	-3,000
TOTAL, SOUTHEASTERN POWER ADMINISTRATION	8,500	7,500
SOUTHWESTERN POWER ADMINISTRATION		
Operation and maintenance		
Operating expenses	2,722	2,722
Purchase power and wheeling	59	59
Program direction	16,402	16,402
Construction	6,817	6,817
TOTAL, SOUTHWESTERN POWER ADMINISTRATION	26,000	26,000

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Department of Energy (in thousands)

11:14 9/25/98 PAGE 19

	Budget Estimate	Conference
WESTERN AREA POWER ADMINISTRATION		
Operation and maintenance		
Construction and rehabilitation	20,802	20,802
System operation and maintenance	36,469	36,469
Purchase power and wheeling	53,886	53,886
Program direction	107,383	107,383
Utah mitigation and conservation	5,036	5,036
Subtotal, Operation and maintenance	223,576	223,576
Use of prior year balances	-8,141	-20,576
TOTAL, WESTERN AREA POWER ADMINISTRATION	215,435	203,000
FALCON AND AMISTAD OPERATING AND MAINTENANCE FUND		
Operation and maintenance	1,010	1,010
TOTAL, POWER MARKETING ADMINISTRATIONS	250,945	237,510
FEDERAL ENERGY REGULATORY COMMISSION		
Federal energy regulatory commission	168,898	167,500
FERC revenues	-168,898	-167,500
TOTAL, FEDERAL ENERGY REGULATORY COMMISSION	---	---
NUCLEAR WASTE DISPOSAL		
Repository program	129,511	112,000
Program direction	60,489	53,000
Subtotal from Nuclear Waste Disposal Fund	190,000	165,000
Civilian research and development	---	4,000
TOTAL, NUCLEAR WASTE DISPOSAL	190,000	169,000
GRAND TOTAL, DEPARTMENT OF ENERGY	17,043,365	16,423,306

TITLE IV

INDEPENDENT AGENCIES

APPALACHIAN REGIONAL COMMISSION

The conference agreement includes $66,400,000 for the Appalachian Regional Commission instead of $65,900,000 as proposed by the House and $67,000,000 as proposed by the Senate.

DENALI COMMISSION

The conference agreement includes language proposed by the Senate appropriating $20,000,000 for the Denali Commission, amended to subject the appropriation to authorization enacted by law.

DEFENSE NUCLEAR FACILITIES SAFETY BOARD

The conference agreement appropriates $16,500,000 for the Defense Nuclear Facilities Safety Board as proposed by the House instead of $17,500,000 as proposed by the Senate.

NUCLEAR REGULATORY COMMISSION

SALARIES AND EXPENSES

The conference agreement includes $465,000,000 instead of $462,700,000 as recommended by the House or $466,000,000 as recommended by the Senate. The conferees have provided $17,000,000, to be derived from the Nuclear Waste Fund, for the Commission's ongoing work to characterize Yucca Mountain as a potential site for a permanent nuclear waste repository. The conference agreement also includes $3,200,000 for regulatory reviews and other assistance provided to the Department of Energy.

The conferees concur with the concerns raised by both the House and Senate with regard to the Nuclear Regulatory Commission and have provided the Commission with buyout authority.

OFFICE OF THE INSPECTOR GENERAL

The conference agreement includes $4,800,000, the same amount provided by the House and Senate.

NUCLEAR WASTE TECHNICAL REVIEW BOARD

The conference agreement appropriates $2,600,000 as proposed by the House and Senate.

TENNESSEE VALLEY AUTHORITY

The conference agreement deletes language proposed by the Senate appropriating $70,000,000 for the Tennessee Valley Authority.

No funding is provided for Land Between the Lakes.

If the Chairman of the Tennessee Valley Authority Board of Directors determines and certifies in writing to the Congress and the Director of the Office of Management and Budget that the elimination of appropriated funds is the primary reason which would cause the TVA Board to increase power rates, the Chairman of the Tennessee Valley Authority, the Secretary of the Army, and the Director of the Office of Management and Budget shall jointly submit to Congress a report with recommendations regarding whether a transfer of Federal stewardship responsibilities along the Tennessee River to the U.S. Army Corps of Engineers would be in the best interest of Tennessee Valley ratepayers by preventing or mitigating the need for such a rate increase, and if so, shall submit a legislative proposal to transfer these functions to the U.S. Army Corps of Engineers. This report shall be submitted at least six months prior to the institution of the proposed rate increase.

The conferees acknowledge TVA's traditional role in controlling aquatic vegetation growth along the Tennessee River and its tributaries. Accordingly, the conferees urge TVA to continue these efforts in Jackson County and Marshall County, Alabama with internally generated revenues.

TITLE V

GENERAL PROVISIONS

SEC. 501. The conference agreement includes a provision proposed by both the House and Senate directing that none of the funds in this Act or any prior appropriations Act may be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before Congress, other than to communicate to Members of Congress as described in section 1913 of title 18, United States Code.

SEC. 502. The conference agreement includes language proposed by both the House and Senate regarding the purchase of American-made equipment and products, and prohibiting contracts with persons falsely labeling products as made in America.

SEC. 503. The conference agreement includes language proposed by both the House and Senate which provides that none of the funds made available by this Act may be used to determine the final point of discharge for the interceptor drain for the San Luis Unit of the Central Valley Project until development by the Secretary of the Interior and the State of California of a plan, which shall conform to the water quality standards of the State of California as approved by the Administrator of the Environmental Protection Agency, to minimize any detrimental effect of the San Luis drainage waters. The language also provides that the costs of the Kesterson Reservoir Cleanup Program and the San Joaquin Valley Drainage Program shall be classified as reimbursable or non-reimbursable by the Secretary of the Interior as described in the Bureau of Reclamation report entitled, ''Repayment Report, Kesterson Reservoir Cleanup Program and San Joaquin Valley Drainage Program, February 1995'' and that any future obligation of funds for drainage service or drainage studies for the San Luis Unit shall be fully reimbursable by San Luis Unit beneficiaries pursuant to Reclamation law.

SEC. 504. The conference agreement includes a provision proposed by both the House and Senate prohibiting the restart of the High Flux Beam Reactor.

SEC. 505. The conference agreement includes a provision proposed by both the House and Senate providing a one-year extension of the authority of the Nuclear Regulatory Commission to collect fees and charges to offset appropriated funds.

SEC. 506. The conference agreement includes language proposed by the House providing permanent authority for the Nuclear Regulatory Commission (NRC) to expend funds for various purposes for which the Committees on Appropriations have been providing annual authorization. The conference agreement also includes buyout authority for NRC employees through December 31, 2000.

SEC. 507. The conference agreement includes language transferring funds between two accounts in the District of Columbia Appropriations Act, 1998.

The National Capitol Revitalization and Self-Government Improvement Act of 1997 (Public Law 105–33), enacted as part of the Balanced Budget Act of 1997, called for the Federal government to assume responsibility for financing the District of Columbia Courts and the newly created trustees for offender supervision and corrections. In order to facilitate transition to these new responsibilities, the District of Columbia Appropriations Act for fiscal year 1998 (Public Law 105–100) provided the requested $108,000,000 to finance Court operations and the requested $20,000,000 to the new District of Columbia Offender Supervision, Defender and Court Services Agency to finance the adult probation function which was transferred from the Courts.

The conferees understand that the District of Columbia Courts have deferred paying court-appointed attorneys for services rendered because of a shortage of funds. The conferees have approved a transfer of $1,700,000 from the District of Columbia Offender Services Trustee to the District of Columbia Courts. The transferred funds are to be used solely for the purpose of reimbursing court-appointed attorneys, in addition to any other funds for that purpose currently available or which may become available at a later date.

SEC. 508. The conference agreement includes language designating the wetlands located in Yolo County, California, and known as the Yolo Basin Wetlands, as the ''Vic Fazio Yolo Wildlife Area.''

SEC. 509. The conference agreement includes language dedicating to United States Senator Dale Bumpers nine areas in the State of Arkansas' National Wilderness Preservation System, and renaming the Arkansas Wilderness Act of 1984 as the ''Dale Bumpers Wilderness Resources Protection Act.''

Provisions not adopted by the conferees

The conference agreement deletes language proposed by the Senate prohibiting the award of funds to institutions not in compliance with certain requirements regarding campus access for units of the Senior Reserve Officer Training Corps and Federal military recruitment personnel.

The conference agreement deletes language proposed by the Senate prohibiting the use of funds to enter into or renew contracts with entities failing to comply with statutory reporting requirements concerning the employment of certain veterans.

The conference agreement deletes language proposed by the Senate pertaining to the Animas-La Plata project in Colorado and New Mexico.

The conference agreement deletes language proposed by the House repealing section 505 of Public Law 102–377, the Fiscal Year 1993 Energy and Water Development Appropriations Act, and section 208 of Public Law 99–349, the Urgent Supplemental Appropriations Act, 1986.

The conference agreement deletes a provision proposed by the House implementing external regulation of environment, safety and health activities at the Lawrence Berkeley National Laboratory. A provision requiring the Department to include all appropriate regulatory entities when conducting pilot projects to simulate external regulation at Departmental facilities has been included in title III.

TITLE VI

DENALI COMMISSION

The conference agreement deletes language proposed by the Senate establishing and authorizing the Denali Commission.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1999 recommended by the Committee of Conference, with comparisons to the fiscal year 1998 amount, the 1999 budget estimates, and the House and Senate bills for 1999 follow:

New budget (obligational) authority, fiscal year 1998	$21,261,907,000
Budget estimates of new (obligational) authority, fiscal year 1999	21,720,462,000
House bill, fiscal year 1999	21,077,465,000
Senate bill, fiscal year 1999	21,373,861,000
Conference agreement, fiscal year 1999	21,332,135,000

Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1998	+70,228,000
Budget estimates of new (obligational) authority, fiscal year 1999	−388,327,000
House bill, fiscal year 1999	+254,670,000
Senate bill, fiscal year 1999	−41,726,000

JOSEPH MCDADE,
HAROLD ROGERS,
JOE KNOLLENBERG,
ROD FRELINGHUYSEN,
MIKE PARKER,
SONNY CALLAHAN,
JAY DICKEY,
BOB LIVINGSTON,
VIC FAZIO,
PETER J. VISCLOSKY,
CHET EDWARDS,
ED PASTOR,
DAVID OBEY,
Managers on the Part of the House.

PETE DOMENICI,
THAD COCHRAN,
SLADE GORTON,
MITCH MCCONNELL,
R.F. BENNETT,
CONRAD BURNS,
LARRY CRAIG,
TED STEVENS,
HARRY REID,
ROBERT BYRD,
FRITZ HOLLINGS,
PATTY MURRAY,
HERB KOHL,
BYRON L. DORGAN,
DANIEL INOUYE,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. YATES (at the request of Mr. GEPHARDT) after 5 p.m., September 24, 1998, on account of illness in the family.

Mr. YATES (at the request of Mr. GEPHARDT) after 1 p.m. today, on account of illness in the family.

Mr. UNDERWOOD (at the request of Mr. GEPHARDT) for today through 12 noon on Wednesday, September 30, on account of official business.

Mr. SAXTON (at the request of Mr. ARMEY) for today after 3:30 p.m. and for the balance of the week on account of personal reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. MEEK of Florida) to revise and extend their remarks and include extraneous material:)

Mr. CONYERS, for 5 minutes, today.

Ms. BROWN of Florida, for 5 minutes, today.

Mr. MINGE, for 5 minutes, today.

Mr. POMEROY, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

(The following Members (at the request of Mr. WELLER) to revise and extend their remarks and include extraneous material:)

Mr. PAPPAS, for 5 minutes, today.

Mr. WELLER, for 5 minutes, today.

Mr. STEARNS, September 28 and 29, for 5 minutes each.

Mr. HUNTER, for 5 minutes, today.

The following Member (at his own request) to revise and extend his remarks and include extraneous material:

Mr. FOX of Pennsylvania, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BOB SCHAFFER of Colorado, and to include therein extraneous material, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $7,858.

(The following Members (at the request of Mrs. MEEK of Florida) and to include extraneous material:)

Mr. KIND.
Mr. DAVIS of Illinois.
Mr. RODRIGUEZ.
Mr. MILLER of California.
Mr. MCGOVERN.
Ms. SANCHEZ.
Mr. VISCLOSKY.
Ms. JACKSON-LEE of Texas.
Mr. VENTO.
Mr. LIPINSKI.
Mr. CLAY.
Mr. THOMPSON.
Mr. KUCINICH.
Ms. PELOSI.
Mrs. MALONEY of New York.
Mr. HAMILTON.
Mr. LANTOS.
Ms. DELAURO.
Mr. PAYNE.
Mr. FARR of California.
Mr. BORSKI.
Mr. NADLER.

(The following Members (at the request of Mr. WELLER) and to include extraneous material:)

Mr. GILMAN.
Mr. CALVERT.
Mr. FRELINGHUYSEN.
Mr. PORTMAN.
Mr. SMITH of New Jersey.
Mr. PAPPAS.
Mr. SMITH of Michigan.
Mr. SCARBOROUGH.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2071. An act to extend a quarterly financial report program administered by the Secretary of Commerce; to the Committee on Government Reform and Oversight.

ADJOURNMENT

Mr. FOX of Pennsylvania. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 22 minutes p.m.), under its previous order, the House adjourned until tomorrow, Saturday, September 26, 1998, at 9 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

11257. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's ''Major'' final rule—Solid Wood Packing Material From China [APHIS Docket No. 98–087–1] (RIN: 0579–AB01) received September 18, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11258. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule—Karnal Bunt; Movement From Regulated Areas [Docket No. 96–016–32] (RIN: 0579–AA83) received September 21, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11259. A letter from the Director, Regulations Policy and Management Staff, Office of Policy, Food and Drug Administration, transmitting the Administration's final rule—Removal of Regulations Regarding Certification of Drugs Composed Wholly or Partly of Insulin; Confirmation of Effective Date [Docket No. 98N–0210] received September 8, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11260. A letter from the Director, Regulations Policy and Management Staff, Office of Policy, Food and Drug Administration, transmitting the Administration's final rule—Removal of Regulations Regarding Certification of Antibiotic Drugs; Confirmation of Effective Date [Docket No. 98N–0211] received September 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11261. A letter from the Director, Regulations Policy and Management Staff, Office of Policy, Food and Drug Administration, transmitting the Administration's final rule—Obstetric and Gynecologic Devices; Reclassification and Classification of Medical Devices Used for In Vitro Fertilization and Related Assisted Reproduction Procedures [Docket No. 97N–0335] received September 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11262. A letter from the Executive Director, Committee For Purchase From People Who Are Blind Or Severely Disabled, transmitting the Committee's final rule—Procurement List Additions—September 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

11263. A letter from the Secretary of the Interior, transmitting a report to Congress on a gift of Land in La Paz County, Arizona, pursuant to Public Law 101–628; to the Committee on Resources.

11264. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Claims Based on Exposure to Ionizing Radiation (Prostate Cancer and Any Other Cancer) (RIN: 2900–AI00) received September 21, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

11265. A letter from the Senior Attorney, Federal Register Certifying Officer, Financial Management Service, transmitting the Service's final rule—Offset of Federal Benefit Payments to Collect Past-due, Legally Enforceable Nontax Debt (RIN: 1510–AA74)

received August 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11266. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Determination of Issue Price in the Case of Certain Debt Instruments Issued for Property [Revenue Ruling 98–50] received September 21, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11267. A letter from the Secretary of Agriculture, transmitting the Department's final rule—Designation of Rural Empowerment Zones and Enterprise Communities (RIN: 0503–AA18) received Agust 3, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11268. A letter from the Acting Assistant Secretary of Defense, Department of Defense, transmitting a report to ensure that, on and after September 30, 2007, all military technician positions are held only by dual status military technicians; to the Committee on National Security.

11269. A letter from the Secretary of Defense, transmitting a report to Congress about an event-based decision for the F–22 aircraft program; to the Committee on National Security.

11270. A letter from the Secretary of Housing and Urban Development, transmitting an interim report on the evaluation of HUD's lead-based paint hazard control grant program; to the Committee on Banking and Financial Services.

11271. A letter from the President and Chairman, John F. Kennedy Center for the Performing Arts, transmitting the 1997 Annual Report of operations for the John F. Kennedy Center for the Performing Arts and the National Symphony Orchestra, pursuant to 20 U.S.C. 761(c); to the Committee on Education and the Workforce.

11272. A letter from the Acting Secretary of Energy, transmitting the fourteenth Annual Report on the activities and expenditures of the Office of Civilian Radioactive Waste Management, pursuant to 42 U.S.C. 10224(c); to the Committee on Commerce.

11273. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a copy of Transmittal No. 23–98 which constitutes a Request for Final Approval for the Memorandum of Agreement between the U.S. and Italy for the Joint Strike Fighter (JSF), pursuant to 22 U.S.C. 2767(f); to the Committee on International Relations.

11274. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing license agreement with Japan [Transmittal No. DTC 110–98], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

11275. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing license agreement with the United Kingdom [Transmittal No. DTC 107–98], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

11276. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing license agreement with Spain [Transmittal No. DTC 105–98], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

11277. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing license agreement with the United Kingdom [Transmittal No. DTC 93–98], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

11278. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing license agreement with Turkey [Transmittal No. DTC 89–98], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

11279. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed license for the export of defense articles or defense services sold commercially to Greece [Transmittal No. DTC 97–98], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

11280. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing license for the export of major defense equipment sold under a contract to Turkey [Transmittal No. DTC 98–98], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

11281. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a report on the drawdown of up to $70,000,000 of articles and services from the inventory and resources of the Department of Defense, military education and training, Department of Transportation, Department of the Treasury, Department of Justice and the Department of State for the purposes and under the authorities of Chapter 8 of part I of the FAA, pursuant to 22 U.S.C. 2318(a)(1); to the Committee on International Relations.

11282. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of the President's determination and justification for the request for appropriations to meet unexpected needs for urgent refugees, displaced persons, conflict victims, and other persons at risk due to the Kosovo crisis. (Presidential Determination No. 98–34), pursuant to 22 U.S.C. 2601(c)(3); to the Committee on International Relations.

11283. A communication from the President of the United States, transmitting Progress toward a negotiated settlement of the Cyprus question covering the period June 1 to July 31, 1998, pursuant to 22 U.S.C. 2373(c); to the Committee on International Relations.

11284. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the forty-sixth report on the extent and disposition of United States contributions to international organizations for fiscal year 1997, pursuant to 22 U.S.C. 262a; to the Committee on International Relations.

11285. A letter from the Director, United States Information Agency, transmitting a copy of the Broadcasting Board of Governors' 1997 Annual Report, pursuant to 22 U.S.C. 6204; to the Committee on International Relations.

11286. A letter from the Administrator, General Services Administration, transmitting a report of the results of the 1998 investigations of the cost of operating privately owned vehicles to Government employees while on official business, pursuant to 5 U.S.C. 5707(b)(1); to the Committee on Government Reform and Oversight.

11287. A letter from the Executive Director, State Justice Institute, transmitting the report in compliance with the Inspector General Act and the Federal Managers' Financial Integrity Act, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

11288. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report to outline changes to NASA's initial FY 1998 Operating Plan, submitted on January 12, 1998; to the Committee on Science.

11289. A letter from the Acting Assistant Attorney General and Assistant Secretary of Defense, Department of Justice, and Department of Defense, transmitting a report to Congress on a joint study of the number and extent of thefts from military arsenals of firearms, explosives, and other materials that are potentially useful to terrorists; jointly to the Committees on National Security and the Judiciary.

11290. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification that the President proposes to exercise his authority under section 610(a) of the Foreign Assistance Act of 1961, as amended (the ''Act''), to authorize that $3,000,000 of funds made available for section 23 of the Arms Export Control Act and $4,945,800 of funds made available for the establishment and functioning of the court proposed to be set up in The Netherlands for the trial of suspects in the Pan Am 103 bombing case, pursuant to 22 U.S.C. 2364(a)(1); jointly to the Committees on International Relations and Appropriations.

11291. A letter from the Secretary of Transportation, transmitting a report to Congress on effects of the Anti Car Theft Act of 1992 on trends in motor vehicle theft and recovery; jointly to the Committees on the Judiciary and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BLILEY: Committee on Commerce. H.R. 4321. A bill to protect consumers and financial institutions by preventing personal financial information from being obtained from financial institutions under false pretenses; with an amendment (Rept. 105–701 Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Florida: Committee on Conference. Conference report on H.R. 4103. A bill making appropriations for the Department of Defense for the fiscal year ending September 30, 1999, and for other purposes (Rept. 105–746). Ordered to be printed.

Mr. GOSS: Permanent Select Committee on Intelligence. H.R. 3829. A bill to amend the Central Intelligence Agency Act of 1949 to provide a process for agency employees to submit urgent concerns to Congress, and for other purposes; (Rept. 105–747 Pt. 1). Ordered to be printed.

Mr. BLILEY: Committee on Commerce. H.R. 4081. A bill to extend the deadline under the Federal Power Act applicable to the construction of a hydroelectric project in the State of Arkansas (Rept. 105–748). Referred to the Committee of the Whole House on the State of the Union.

Mr. MCDADE: Committee on Conference. Conference report on H.R. 4060. A bill making appropriations for energy and water development for the fiscal year ending September 30, 1999, and for other purposes (Rept. 105–749). Ordered to be printed.

Mr. GOODLING: Committee of Conference. Conference report on H.R. 6. A bill to extend the authorization of programs under the Higher Education Act of 1965, and for other purposes (Rept. 105–750). Ordered to be printed.

DISCHARGE OF COMMITTEE

Pursuant to clause 5 of rule X the Committee on the Judiciary discharged from further consideration. H.R. 4321 referred to the Committee of the Whole House on the State of the Union.

Pursuant to clause 5 of rule X the Committee on the Judiciary discharged

from further consideration. H.R. 4393 referred to the Committee of the Whole House on the State of the Union.

REPORTED BILL SEQUENTIALLY REFERRED

Under clause 5 of rule X, the following action was taken by the Speaker:

H.R. 3929. Referred to the Committees on the Judiciary and National Security for a period ending not later than Oct. 9, 1998 for consideration of such provisions of the bill and amendment as fall within their jurisdiction pursuant to clause 1(j) and (k), rule X, respectively.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 3829. Referral to the Committee on Government Reform and Oversight extended for a period ending not later than October 9, 1998.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of Rule X and clause 4 of Rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. ALLEN (for himself, Mr. TURNER, Mr. TIERNEY, Mr. WAXMAN, Mr. BERRY, Mr. BARRETT of Wisconsin, Mr. BROWN of Ohio, Mr. STUPAK, Mr. WEYGAND, Mr. STARK, Ms. KILPATRICK, Mr. KUCINICH, Mr. SANDERS, Mr. CUMMINGS, Mr. SERRANO, Mr. THOMPSON, Mr. POMEROY, Mr. JOHNSON of Wisconsin, Mr. FRANK of Massachusetts, Mr. SANDLIN, Ms. STABENOW, Mr. YATES, Mr. BORSKI, Mr. FROST, Mr. DAVIS of Illinois, Mrs. THURMAN, Mr. KIND of Wisconsin, and Mr. ABERCROMBIE):

H.R. 4627. A bill to provide for substantial reductions in the price of prescription drugs for Medicare beneficiaries; to the Committee on Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. MALONEY of New York (for herself, Mr. SHAYS, Ms. DEGETTE, Mr. FROST, Mr. GUTIERREZ, Mrs. JOHNSON of Connecticut, Ms. KILPATRICK, Mr. LANTOS, Ms. JACKSON-LEE of Texas, Ms. MCCARTHY of Missouri, Mr. MCDERMOTT, Mr. MEEHAN, Mrs. MORELLA, Mr. NADLER, and Ms. NORTON):

H.R. 4628. A bill to ensure a woman's right to breastfeed her child on any portion of Federal property where the woman and her child are otherwise authorized to be; to the Committee on Government Reform and Oversight.

By Mr. BECERRA (for himself, Mr. BERMAN, Mr. MARTINEZ, Ms. MILLENDER-MCDONALD, Mr. ROGAN, Mr. SHERMAN, Mr. WAXMAN, Mr. TORRES, Ms. ROYBAL-ALLARD, Mr. STOKES, Mr. MATSUI, Mr. DIXON, Mr. KUCINICH, Ms. WATERS, and Ms. HARMAN):

H.R. 4629. A bill to make effective beginning in 1999 the empowerment zones designated after August 5, 1997, and before February 8, 1998; to the Committee on Ways and Means.

By Mr. DEFAZIO (for himself and Mr. SMITH of Oregon):

H.R. 4630. A bill to provide for the conveyance of certain Bureau of Land Management lands in Douglas County, Oregon, containing a county park and certain adjacent lands to the county government; to the Committee on Resources.

By Mr. FARR of California (for himself and Mr. FOLEY):

H.R. 4631. A bill to create employment opportunities and to promote economic growth in the United States by establishing a public-private partnership between the United States travel and tourism industry and every level of government to work to make the United States the premiere travel and tourism destination in the world, and for other purposes; to the Committee on Commerce.

By Mr. FRANKS of New Jersey:

H.R. 4632. A bill to require Federal regulation of online privacy protections to apply to all Federal agencies; to the Committee on Commerce, and in addition to the Committee on Government Reform and Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. FRELINGHUYSEN:

H.R. 4633. A bill to extend the deadline under the Federal Power Act for FERC Project No. 9401, the Mt. Hope Waterpower Project; to the Committee on Commerce.

By Mr. GILCHREST (for himself, Mr. BOEHLERT, Mrs. TAUSCHER, Mr. FORBES, Mrs. KELLY, Mr. SHAYS, Mrs. LOWEY, Mr. GOSS, Mr. BILBRAY, Mr. CARDIN, Mr. SAXTON, Mr. BENTSEN, Mr. LAMPSON, and Mr. GREENWOOD):

H.R. 4634. A bill to catalyze restoration of estuary habitat through more efficient financing of projects and enhanced coordination of Federal and non-Federal restoration programs, and for other purposes; to the Committee on Transportation and Infrastructure, and in addition to the Committee on Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MINGE:

H.R. 4635. A bill to authorize States and political subdivisions of States to control the management of municipal solid waste generated within their jurisdictions, and to exempt States and political subdivisions of States from civil liability with respect to the good faith passage, implementation, and enforcement of flow control ordinances prior to May 16, 1994; to the Committee on Commerce.

By Mr. SMITH of Michigan:

H.R. 4636. A bill to amend the Internal Revenue Code of 1986 to expand the types of crop payments for which a farmer may defer inclusion in income until the next taxable year; to the Committee on Ways and Means.

By Mr. SMITH of Michigan:

H.R. 4637. A bill to amend the Internal Revenue Code of 1986 to allow an interest deduction for contingent interest on a shared appreciation mortgage; to the Committee on Ways and Means.

By Mr. SMITH of Michigan:

H.R. 4638. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for the cost of groceries purchased by employees and prepared into meals by employers for the convenience of employers; to the Committee on Ways and Means.

By Mr. SMITH of Michigan:

H.R. 4639. A bill to amend the Internal Revenue Code of 1986 to treat income from certain leases as income from rental real estate activities in which the taxpayer actively participates; to the Committee on Ways and Means.

By Mr. SMITH of Michigan:

H.R. 4640. A bill to amend the Internal Revenue Code of 1986 to provide that disposition of property produced by a qualified family-owned business does not trigger additional estate tax; to the Committee on Ways and Means.

By Mr. SMITH of Michigan:

H.R. 4641. A bill to amend the Internal Revenue Code of 1986 to defer certain prepaid farm expenses incurred by reason of a change in business operations attributable to the enactment of the Agricultural Market Transition Act; to the Committee on Ways and Means.

By Mr. SMITH of Michigan:

H.R. 4642. A bill to amend the Internal Revenue Code of 1986 to allow a 100 percent deduction for health insurance costs of self-employed individuals; to the Committee on Ways and Means.

By Mr. SMITH of Michigan (for himself and Mr. BOB SCHAFFER):

H.R. 4643. A bill to amend the Internal Revenue Code of 1986 to treat lands which are contiguous to a principal residence and which were farmed for 5 years before the sale of the principal residence as part of such residence; to the Committee on Ways and Means.

By Mr. SMITH of Michigan:

H.R. 4644. A bill to permit farmers the option of declaring the taxable year in which production flexibility contract payments and crop insurance payments are included in gross income; to the Committee on Ways and Means.

By Mr. SMITH of Michigan:

H.R. 4645. A bill to extend permanently chapter 12 of title 11, United States Code, and to amend the Internal Revenue Code of 1986 to facilitate the bankruptcy and debt restructuring process relating to farmers; to the Committee on the Judiciary, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. LINDER:

H.J. Res. 130. A joint resolution designating Monday, January 3, 2000, as the day for the observance of the New Year's Day holiday in that year; to the Committee on Government Reform and Oversight.

By Mr. FRELINGHUYSEN:

H. Con. Res. 330. Concurrent resolution expressing the sense of the Congress that official mail sent by Government agencies at taxpayer expense should be subject to certain uniform standards; to the Committee on Government Reform and Oversight.

By Mrs. LOWEY (for herself and Mr. ENGEL):

H. Res. 555. A resolution recognizing the suffering and hardship endured by American civilian prisoners of war during World War II; to the Committee on Government Reform and Oversight.

By Ms. MCKINNEY:

H. Res. 556. A resolution expressing the sense of the House of Representatives that the people of the Republic of Mozambique and President Joaquim Alberto Chissano are to be congratulated for their commitments to democracy, peace, and economic reform in their country and throughout southern Africa, and that it is in the interest of both the United States and the Republic of Mozambique to maintain and enhance continued close relations; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

396. The SPEAKER presented a memorial of the House of Representatives of the State

of Illinois, relative to House Resolution No. 547 urging the passage and enactment of HR. 1951 and S. 1391 to lift the United States' embargo for humanitarian reasons and that the delivery of food and medicine to the Cuban people be allowed; and that such an adjustment in our foreign policy reflects America's humanitarianism that transcends political ideology; to the Committee on International Relations.

397. Also, a memorial of the Senate of the Commonwealth of Massachusetts, relative to Senate Resolution 2305 memorializing the Untited States Congress to provide funding to build a veterans' rehabilitation hospital in Worcester County; to the Committee on Veterans' Affairs.

398. Also, a memorial of the Legislature of the State of Texas, relative to House Concurrent Resolution No. 211 requesting the Congress of the United States to pass legislation that would increase the volume caps; to the Committee on Ways and Means.

399. Also, a memorial of the House of Representatives of the State of Oklahoma, relative to House Resolution 1002 memorializing the Congress of the United States and the President of the United States to take all action necessary to ensure that our foreign markets for trade, specifically agriculture trade, stay stable and open for the United States goods; jointly to the Committees on International Relations and Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 135: Mr. BACHUS.
H.R. 253: Mr. MASCARA.
H.R. 303: Mr. BARTON of Texas.
H.R. 457: Mr. HASTINGS of Washington.
H.R. 465: Mr. MOLLOHAN.
H.R. 598: Mr. GEJDENSON.
H.R. 857: Mr. REGULA and Mr. BRADY of Texas.
H.R. 1283: Mrs. MINK of Hawaii and Mr. MICA.
H.R. 1329: Mr. BROWN of Ohio and Mr. KING of New York.
H.R. 1542: Mr. GEKAS.
H.R. 1628: Mr. FILNER.
H.R. 1858: Mr. BRADY of Pennsylvania.
H.R. 2090: Mr. FOLEY, Mr. FRANKS of New Jersey, Mr. DEUTSCH, Mr. ENGLISH of Pennsylvania, Mr. BRADY of Pennsylvania, Mr. MARKEY, Mr. GUTIERREZ, and Mr. DAVIS of Illinois.
H.R. 2199: Mr. GUTIERREZ.
H.R. 2327: Mr. MICA.
H.R. 2397: Mrs. LINDA SMITH of Washington, Mr. JOHNSON of Wisconsin, Mr. HYDE, Mr. BEREUTER, Mr. MCINTYRE, Mr. FOX of Pennyslvania, Mr. CHAMBLISS, Mr. MEEHAN, and Mr. YOUNG of Florida.
H.R. 2549: Mr. ALLEN.
H.R. 2560: Mr. REDMOND, Mr. PICKERING, Mr. MORAN of Kansas, Mr. HULSHOF, Mr. WATKINS, Mr. CAMP, Mrs. FOWLER, Mr. HOSTETTLER, Mr. UPTON, Mr. DUNCAN, Mr. GILCHREST, and Mr. PORTMAN.
H.R. 2754: Mr. MEEKS of New York, Mr. MOLLOHAN, Ms. NORTON, Ms. KAPTUR, and Mr. UNDERWOOD.
H.R. 2789: Ms. LOFGREN, Mr. HILLIARD, Mr. KLECZKA, Mr. WEXLER, and Mr. SCHUMER.
H.R. 2819: Ms. SANCHEZ.
H.R. 2821: Mr. LEWIS of Georgia.
H.R. 2882: Mr. BOUCHER.
H.R. 2914: Mrs. CAPPS and Mr. TURNER.
H.R. 2938: Mr. THOMPSON.
H.R. 2968: Mr. REDMOND.
H.R. 2990: Mr. FOSSELLA, Mr. DICKEY, and Mr. BRADY of Pennsylvania.
H.R. 3008: Mr. BONIOR.
H.R. 3066: Mr. DAVIS of Illinois.
H.R. 3270: Mrs. CAPPS.
H.R. 3281: Ms. LOFGREN.
H.R. 3342: Mr. DOYLE.
H.R. 3514: Mr. BERMAN and Mr. JEFFERSON.
H.R. 3553: Mr. LAMPSON, Mr. PALLONE, and Mrs. MCCARTHY of New York.
H.R. 3572: Mrs. MCCARTHY of New York, Mr. FARR of California, Mr. PICKETT, Mr. STENHOLM, Mr. BLAGOJEVICH, and Mr. GREEN.
H.R. 3637: Mrs. CAPPS.
H.R. 3659: Mr. RADANOVICH, Mr. MCCRERY, Mr. SNOWBARGER, Mr. HUNTER, Mr. HINOJOSA, Mr. PACKARD, and Mrs. CAPPS.
H.R. 3667: Mr. RAMSTAD, Ms. DUNN of Washington, Mr. WICKER, Mr. PICKERING, Mr. CUNNINGHAM, Mr. HUTCHINSON, Mr. DICKEY, and Mr. PRICE of North Carolina.
H.R. 3780: Mr. SAM JOHNSON of Texas and Mr. WATKINS.
H.R. 3802: Mr. STARK.
H.R. 3831: Mr. CASTLE, Mr. HORN, and Mr. HOYER.
H.R. 3834: Mr. SAXTON.
H.R. 3870: Mr. MINGE and Mr. MCINTYRE.
H.R. 3879: Ms. GRANGER.
H.R. 3919: Mr. ADERHOLT.
H.R. 3949: Mr. PARKER.
H.R. 4028: Mr. KIND of Wisconsin and Mr. REDMOND.
H.R. 4121: Ms. KAPTUR, Ms. DELAURO, and Mr. MASCARA.
H.R. 4153: Mr. SNYDER, Ms. STABENOW, Mr. KILDEE, and Mrs. CAPPS.
H.R. 4154: Mr. CHRISTENSEN, Mrs. EMERSON, Mr. RYUN, Mr. BARTLETT of Maryland, Mr. SAM JOHNSON of Texas, Mr. DOOLITTLE, Mr. SUNUNU, Mr. BURTON of Indiana, and Mr. MCINTYRE.
H.R. 4189: Mr. STARK and Ms. ESHOO.
H.R. 4203: Ms. KAPTUR, Mr. MENENDEZ, and Mr. HILLIARD.
H.R. 4204: Mr. ENGLISH of Pennsylvania and Mr. ADERHOLT.
H.R. 4206: Mr. PICKETT.
H.R. 4214: Mr. BARRETT of Wisconsin, Mr. BERMAN, and Mrs. THURMAN.
H.R. 4242: Mr. GOODLATTE.
H.R. 4258: Mr. SNOWBARGER.
H.R. 4332: Mr. NETHERCUTT, Mr. THOMPSON, and Mr. ENGLISH of Pennsylvania.
H.R. 4339: Mr. REDMOND.
H.R. 4340: Mr. CASTLE, Mr. WELDON of Pennsylvania, Mr. GILCHREST, Mr. QUINN, Mrs. KELLY, Mr. COOKSEY, Mr. FRANKS of New Jersey, and Mr. KASICH.
H.R. 4350: Mr. LUTHER.
H.R. 4369: Mr. PAUL and Mrs. LINDA SMITH of Washington.
H.R. 4403: Mr. BACHUS.
H.R. 4404: Mr. HINOJOSA and Mr. PICKETT.
H.R. 4415: Mr. BORSKI.
H.R. 4433: Mr. LANTOS.
H.R. 4476: Ms. KILPATRICK, Mr. HILLIARD, and Ms. FURSE.
H.R. 4536: Mr. BROWN of Ohio, Mr. YATES, Mr. PASTOR, Mr. PASCRELL, Mr. LUTHER, and Mr. PICKETT.
H.R. 4552: Mr. FROST, Ms. DELAURO, Mr. MARTINEZ, Mr. WEYGAND, Mr. WAXMAN, Mr. STARK and Mr. KENNEDY of Rhode Island.
H.R. 4573: Mrs. JOHNSON of Connecticut and Mr. WATTS of Oklahoma.
H.R. 4574: Mr. UNDERWOOD.
H.R. 4577: Ms. CARSON.
H.R. 4581: Mr. DEFAZIO.
H.R. 4590: Mr. LAZIO of New York, Mr. UPTON, Mr. HILLIARD, and Ms. FURSE.
H.R. 4591: Mrs. THURMAN.
H.R. 4594: Mr. PAXON.
H.R. 4597: Mr. DAVIS of Florida, Mr. PALLONE, Ms. WOOLSEY, Ms. ESHOO, and Mr. PASCRELL.
H.R. 4611: Mr. BECERRA.
H.R. 4621: Ms. CARSON and Mr. UPTON.
H. Con. Res. 112: Mr. PALLONE.
H. Con. Res. 154: Mr. HINCHEY.
H. Con. Res. 160: Mr. LUTHER.
H. Con. Res. 229: Mr. MANTON.
H. Con. Res. 258: Mr. CUMMINGS, Ms. KILPATRICK, Mr. STARK, Mr. WEYGAND, and Mr. BURTON of Indiana.
H. Con. Res. 283: Mr. WATTS of Oklahoma.
H. Res. 479: Ms. ESHOO and Mrs. MALONEY of New York.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1995: Mr. METCALF.
H.R. 4095: Mr. NADLER.
H.R. 4567: Mr. NORWOOD and Mr. STENHOLM.