careful to woo foreign investors, said a Moscow-based spokesman for a group of foreign investors in a dispute with Nazdratenko over a Vladivostok-based fishing company. ''To bring the poster boy of corruption along to the United States is just staggering.''

Nazdratenko has repeatedly and forcefully denied allegations in the Russian media of tolerating corruption and organized crime. As the governor of an immense territory with valuable forests and rich fishing grounds north of Japan, Nazdratenko is a political powerhouse and runs his region with little supervision from authorities in faraway Moscow.

In Seattle, Stepashin told business leaders: ''There are good prospects for investment in Russia, so please don't lose any time.''

But Fox, who has lived in Vladivostok for seven years and represents foreigners with more than $100 million invested in the area, says he would like to ask Stepashin: ''Which bits of Russia are you talking about?''

''Everyone knows it is a risky thing to invest in Russia,'' Fox added. ''But it's so outrageous what's being done'' in Vladivostok. ''It's total lawlessness. Is that where Russia is heading?'' Fox asked. ''If so, then there is no sense in spending money there, and Russia is going to go backwards.''

Acknowledging the complaints of many foreign investors, Stepashin told members of a U.S.-Russia business council in Washington last night that ''all investments have to be protected not only in word, but in deed.'' He said, ''We understand that investors have every reason to be weary,'' but added that ''we are dead set on changing our attitude.''

Many of those who have suffered from the fickle nature of Russia's economic system are in Seattle, the first stop in Stepashin's U.S. visit.

Gens estimates that one Vladivostok fishing trawler company, Zao Super, owes tens of millions of dollars to Seattle-area suppliers of nets, fuel, spare parts and maintenance services. Yet the Russian Committee of Fisheries on July 2 transferred most of Zao Super's main assets—the fishing boats—to another company whose major shareholder and chairman is a close associate of Nazdratenko.

Zao Super, which allegedly was told to divert money to Nazdratenko's campaign, has $350 million in debts being renegotiated by the Paris Club, a creditors' group comprised of the governments of leading industrialized nations.

Despite these and other economic problems, Stepashin is widely expected to receive support in Washington for Russia's quest for $4.5 billion in loans from the International Monetary Fund and up to $2 billion from the World Bank. He will meet with officials of those institutions on Wednesday. The IMF funding is important to negotiations on rescheduling Russia's crushing debts. Russia, which has $17 billion in debt payments due this year, already has defaulted on many obligations.

The IMF has been reluctant to support Russia since a combination of capital flight, poor tax collection, weak budget controls, corruption and lumbering state enterprises led to a collapse of the Russian currency, the ruble, in August 1998.

But senior U.S. and IMF officials have been equally reluctant to isolate Russia by cutting off economic assistance.

''We are going ahead with a package which I hope is credible, which I hope will be implemented fully,'' Alassane Quattara, deputy managing director of the IMF, told Reuters. ''The first intentions and the first measures taken by the new government are quite positive. . . . The board knows the parameters, the difficulties and the risks.''

Mr. CAMPBELL. Mr. President, instead of jumping on the bandwagon to pump billions of additional tax dollars into a black hole in Russia, the administration should be pressing the Russian leadership, including Prime Minister Stepashin, to root out the kinds of bribery and corruption described in this article that have an overall chilling effect on much needed foreign investment. Left unchecked, such corruption will continue to undermine Russia's fledgling democracy and the rule of law and further impede moves toward a genuine free market economy.

VA HEALTH CARE SHORTFALLS

Mr. SPECTER. I address the Chair on a subject that is critical to the veterans of the armed forces of our nation, and to the Committee on Veterans' Affairs, which I am privileged to chair: the budget for the health care system of the Department of Veterans Affairs.

Mr. President, I come to the floor of the United States Senate today to draw attention to a sure crisis in VA health care. Congress and the Administration must ask ourselves: what is the crisis, and what may be the acceptable remedy? It seems that the Department of Veterans Affairs must choose among difficult options of providing care for fewer veterans—that is, ''disenroll'' veterans already expecting care from a VA provider or plan; increase waiting times; cut VA staff; lower quality of care; close and consolidate numerous facilities, or Congress must increase VA's budget. For my money, Mr. President, the choice is clear and simple: we must act to increase VA's appropriation, and we must do so now.

Yesterday after years of denial, the Director of the Office of Management and Budget, Mr. Jacob Lew made an amazing discovery—that there are problems in the VA health care system due to funding shortfalls. I ask unanimous consent that the text of OMB Director Jacob Lew's letter of July 26, 1999 be printed in the RECORD.

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

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, July 26, 1999.

Hon. ARLEN SPECTER,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Later this week we plan to send a fully offset budget amendment to add $1 billion to support the Department of Veterans Affairs (VA) medical care system. Since the publication of our budget, we have become increasingly concerned about reports of increased waiting times and other operational problems in the system.

Much has changed since January. As the VA has moved from a largely inpatient system to an outpatient one, we have found that the analysis and execution of these profound shifts are more complex than initially believed. For example, in FY 1999 alone, we expect to open 70 new community-based outpatient clinics from resources previously used for inpatient services. The movement of these resources has proven more difficult this year than in the first years of the transformation of VA. As VA has improved access to care through community clinics and continuity through universal primary care provider teams, additional veterans have sought care in VA. While the net cost of these new users is not fully understood yet, they have stressed parts of the system where management and operational flexibility is minimal. For example, waiting times in primary care have increased in several geographic areas.

The nationwide enrollment of veterans for medical care services was required for the first time in 1999. It was decided in this first year to open enrollment to all veterans, including higher-income non-service disabled veterans who were traditionally treated on a space-available basis only. As of April 30, we have provided treatment to almost 2.7 million veterans, 0.4 million of whom are new users of the system.

The resources needed for this mixture of complex dynamics are greater than expected when the President's FY 2000 budget was prepared. We will be requesting $800 million in additional funds to ensure quality and reduce waiting times that have grown significantly over the last few months. To ensure proper funding for spinal cord injury and homelessness, the Department will forward to the Congress a detailed description of how it will allocate a portion of these additional funds to these two areas.

Waiting times are also aggravated by an infrastructure not conducive to rapid change. VA is saddled with an infrastructure that no longer meets geographical and treatment needs. Recently, GAO reported that VA is spending $1 million per day on unneeded, outmoded facilities. We will be requesting $100 million for construction activities that will begin to ease the immediate problem and to plan for the long-range solution. We hope to work with the Congress over the next few months to address this critical issue on a broad and sweeping basis.

The additional resources we are requesting are also necessary to meet the critical challenge of providing long-term care. The overwhelming response to the introduction in Congress of the so called ''Millennium Bill'' combined with the President's commitment to long-term care for all Americans has convinced us that we must increase available funds immediately to meet these needs of our veterans. As our veterans population ages, the need for long-term care is increasing. We are committed to providing a range of home- and community-based care for those high-priority veterans who do not have access to such services. While we have concerns with the mandatory approach of the Millennium Bill, we do agree with the intent of the Bill. Consequently, we will be including in our request $100 million for long-term non-institutional community-based care, targeted to VA's top priority category of veterans with disabilities of 50% or greater.

At the same time that we add resources to the system, we need to ensure that we are on target to provide care of the highest quality, and that we are not overburdening the system. We will therefore be discontinuing the enrollment of category 7 veterans until such time as we feel confident that we can accommodate these veterans in the system without adverse consequences for service-disabled and lower-income veterans. All veterans currently enrolled in the system will continue to receive care. We believe that this action is necessary to ensure that quality is maintained, that wait times are reduced, and that we adhere to congressional guidance. The House Committee on Veterans Affairs issued report language along with the VA enrollment law stating that ''VA may not enroll or otherwise attempt to treat so many patients as to result either in diminishing the quality

of care to an unacceptable level or unreasonably delaying the timeliness of VA's care delivery.''

We are convinced that through these aggressive steps VA will be able to provide better care, and more timely care to the veterans that are in most need. We look forward to working with you, the other members of your respective committees, and the Congress as a whole to make these proposals a reality.

Sincerely,

JACOB J. LEW,
Director.

Mr. SPECTER. OMB postures—implausibly—that much has changed since January 1999, but veterans organizations in their Independent Budget have been warning Congress and the Administration for the past three years running that VA health care is in dire straits. On April 30 of this year, 50 of my colleagues joined Senator ROCKEFELLER and me in signing a letter to the Chairman and Ranking Member of the Appropriations Committee, requesting that VA health care be supplemented with $1.7 billion for Fiscal Year 2000. My discussions with VA officials lead me to believe that, while such a supplement will not eliminate VA's problems, these funds will go a long way to easing its crisis and will back-fill gaps that we have permitted to occur based solely on resource shortages. In his July 26 letter, Director Lew refers to the need for $100 million in new health-related construction; as Chairman of the authorizing committee for VA major construction, I cannot reply, not having seen a proposal for sites or specific justifications. He also admits that so-called ''category 7'' veterans cannot continue to be enrolled in VA care for fear that quality of care for higher priority poor and service-disabled veterans will suffer. While I concur with Director Lew's premise that we do no harm to those already enrolled in VA health care, I must reserve judgment until I see the basis for this conclusion about the middle class veteran. The Administration is proposing $1 billion is emergency funding, but I believe, as I have since last year, that this level still would be insufficient overall.

Mr. President, as to more recent developments even than OMB's late-coming realization of need, I appreciate the work of the House Appropriations Sub-Committee last evening to add $1 billion in additional spending to the VA health care appropriation for the new year. Like my counterparts in the House, I want to help the system help veterans, as we all do. I want to do so with great care, as we all do. However, as I said earlier about the Administration's $1 billion, I say that the House's $1 billion is only enough to push the problem down the road a little further. We need to solve the problem, not push it down the road. We can do that with a substantial increase of $1.7 billion in the Medical Care appropriation for Fiscal Year 2000—a supplement that would take VA health care funding to the unprecedented level of $19 billion—and let us join together to see what kind of sustained funding level VA truly needs to carry out its important and vital mission for America's veterans. I proposed then, and remind the Senate now, that $1.7 billion is needed to keep VA's head above water.

America's veterans put a human face on freedom. Veterans agreed to put their lives on the line, or certainly they were prepared to do so, to defend the very freedoms all of us enjoy. Most of them sought nothing in return. They served honorably, then returned to civilian life. However, some of these veterans whom we turned to for assistance in our time of need have now turned to the nation in their time of need. I am referring specifically to those who were disabled during their service to the nation and those who for one reason or another have been left behind in this competitive economy and cannot sustain themselves. For these people in particular we established the Department of Veterans Affairs and its many programs for veterans and their families.

We have given VA a mission, one most astutely described by President Abraham Lincoln during his second inaugural address when the President said, the Nation's mission was ''. . . to care for him who shall have borne the battle and for his widow and his orphan.'' Lincoln's eloquent words describe VA's success for most of its existence. It is a system whose sole purpose is to recognize that veterans make a special contribution to society, and therefore deserve special status and attention by a grateful nation. It saddens me to report to the Senate that this Administration is failing our veterans. But I do not intend to sit idly by and allow veterans' needs to go unnoticed and unmet.

In Fiscal Year 1999, Congress appropriated $17.3 billion to fund the health care activities of the Department of Veterans Affairs. I know that many of my colleagues have heard while traveling throughout your respective states that this amount was barely enough to allow VA to provide decent care for veterans. Earlier this year, the President sent Congress a budget that requested precisely the same amount for next year. Mr. President, that request is completely unacceptable to me, and I know it is for all my colleagues here.

The VA, under the leadership of the most recent Under Secretary for Health, Dr. Kenneth Kizer, made remarkable changes in the way health care is provided to eligible and enrolled veterans. The VA launched a veritable revolution in its delivery system by changing the basic structure of care delivery from one that treated patients in a so-called ''sickness model,'' a mostly reactive stance that was premised on a veteran seeking care for a specific ailment, to one of a functioning health care system that offers a basic benefits package of services to enrolled veterans, including preventive medical treatment, primary care, alternatives to institutionalization, pharmaceuticals and limited long term care programs, all premised on maintining a veteran's health. Further, according to testimony given before the Committee on Veterans' Affairs, VA has opened hundreds of local community-based outpatient clinics, reduced the number of days patients must spend in hospitals and, according to testimony by the Secretary of Veterans Affairs, still treats any veteran who arrives at VA's doorstep. Unfortunately, both the Secretary and the President of the United States have failed to recognize that this system, like any health care system, needs sufficient funding to function properly. It is impossible to increase the quality of care provided, increase the number of places at which care can be obtained and increase the number of people who can receive care without providing any additional resources. This is impossible on its face, Mr. President—impossible.

The budget the President sent to Congress would not even permit the VA to maintain the current services it provides to veterans today. In fact, in order to maintain today's level of service, the budget admits that VA must ''streamline'' itself to the tune of $1.14 billion in FY 2000. But we already know that VA cannot maintain the status quo. There are so many challenges facing the system and the veterans it treats that we as a Congress, and the President as Chief Executive, must address. For example, the package of benefits available to our veterans today does not include basic emergency care services. Today, if a veteran must visit a private hospital emergency room for treatment, in most cases payment is out-of-pocket, or through a third party insurance claim, Medicare or Medicaid, that may cover this care. The only exception to this policy is for service connected conditions in limited emergency situations, for which VA will reimburse expenses. A bill recently reported out of my Committee would correct this injustice and mandate that any veteran enrolled in VA care be provided basic, covered emergency services if they are needed. The Congressional Budget Office estimates that this provision will cost $80 million in the first year and approximately $400 million over five years.

Emergency care is just the tip of the VA's health care ''iceberg.'' For example, another very important issue is one that dramatically affects Vietnam veterans. According to a recent VA survey, nearly 18% of veterans in VA care could be afflicted with the disease hepatitis C. Hepatitis C is a serious disease that has been associated with battlefield injuries, blood transfusions and intravenous drug use. Hepatitis C causes liver damage and, as one can imagine, ultimately hepatitis C can be fatal. Fortunately, there are a number of new drug therapies available that will help control or arrest the progress of hepatitis C. However, treatment is expensive. VA estimates that they need

approximately $135 million in FY 2000 to screen, test and car for veterans suffering from hepatitis C, and much more in the future. This special funding for hepatitis C would be in addition to the amount needed to maintain the *status quo* in VA health care that the President has otherwise proposed.

Frankly, Mr. President and colleagues, the most difficult challenge facing the Department into the foreseeable future is its ability to care for our aging veteran population. Many World War II and Korean War veterans are nearing the end of life. But hundreds of thousands of them need long term care services, and the numbers grow dramatically while the overall veteran population declines. VA maintains over 120 nursing homes now, and has thousands of contracts with private nursing facilities and other long term care providers. If the VA is going to do more than simply maintain these programs—which I argue may be exceedingly difficult to do, given other challenges—rather than expand them to fit the changing demographic face of VA's patient population, additional resources will be needed. There is no question about this fact, Mr. President, and no real choice but to do it, in my view.

Until yesterday, in response to all of these challenges, the Administration proposed to make one major move to address the crisis situation: cut health care off. As incredible as it may seem, VA is proposing employee ''buyout'' authority for the Veterans Health Administration. Based on my analysis of this request and its implications, I concluded that buyout legislation was really a sell out, offering a golden handshake to those whom really needed to stay. It is the wrong move, and I am most pleased to say so.

VA proposes to buy out—that means reduce—its current workforce by about 15,000 staff over a five-year period, by use of a voluntary separation incentive payment of up to $25,000 to each such employee who leaves by retiring. I think most of you would agree that health care is an enterprise that needs, above all else, trained staff. So, as I mentioned earlier, VA says it strives to increase quality, access and the number of patients enrolled, but would do so without additional financial resources and with a greatly reduced work force. I cannot foresee how these kinds of results are at all possible. How could it be so? A retirement bonus is a fine gesture, but how does it help veterans?

The VA buyout proposal was accompanied by a weak ''strategic plan.'' VA cannot say with any degree of confidence how it could continue to provide care to all of the veterans the Secretary has admitted to the system with his ''open door'' policies, if the staff were so severely reduced. In fact, it appeared to me that what VA intended to do in its ''real'' strategic plan—a plan that is yet to be revealed to us—was *simply to increase waiting time* which already is at unacceptably high levels in many places across the country. As but one small example, Mr. President, let me review for you the most recent facts on VA waiting times from VA medical centers in the Commonwealth of Pennsylvania. These statistics deal only with primary care appointments, not specialty care: 34 days of waiting in Altoona; 31–60 days in Lebanon; up to 54 days in Pittsburgh; up to 64 days at the Sayre clinic; and up to 94 days of waiting in Wilkes-Barre. Looking at a medical specialty that is crucial for aging veterans, let me report to my colleagues waiting times for VA urology clinics in Pennsylvania: 85 days in Altoona; 90 days in Philadelphia; up to 95 days in Pittsburgh.

I know that the distinguished Ranking Member of my Committee, Senator ROCKEFELLER, has been very concerned about waiting times at VA hospitals in West Virginia; Senator CAMPBELL is alarmed about the situation at the Medical Center in Fort Lyon, Colorado and has said so; and Senator MURRAY has relayed her concerns about the status of VA facilities in the state of Washington. But these problems are everywhere, Mr. President. These kinds of delays in care are not acceptable for our veterans. In fact, I would argue that a waiting time of 60 days for an outpatient primary care appointment or an enrolled veteran constitutes nothing; such a patient is not really receiving care from VA.

I ask my colleagues: is this a situation that you are comfortable in defending? I am not, and I am not willing to remain silent while veterans receive nothing from a grateful nation. VA needs these funds, and this need is clear. Let the United States Senate not shrink from its duty. Let us do the right thing for America's veterans by providing an emergency supplement of $1.7 billion in funding in Fiscal Year 2000 to help VA help our veterans.

RABBI SOLOMON SCHIFF

Mr. GRAHAM. Mr. President, it is a tremendous honor to welcome a distinguished religious leader and member of the South Florida community to the United States Senate: Rabbi Solomon Schiff of the Greater Miami Jewish Federation's Community Chaplaincy Service.

This morning, my colleagues and I were privileged to have Rabbi Schiff participate in a long-standing tradition by leading the Senate in prayer. His eloquence reminds us that while our legislative efforts to make the United States a better place to live, work, and raise our families is important, it pales in contrast with our responsibilities to the Almighty. On behalf of every member of the United States Senate, I want to thank Rabbi Schiff for his words of inspiration.

It is no accident that Solomon Schiff was asked to lead us in our daily devotions. His long record of service to individuals in Florida, America, and around the world has distinguished him as not only a prominent spiritual leader but also a leader in his community.

Since his graduation from Brooklyn College, the University of Miami, and the Hebrew Theological Seminary in Illinois, Rabbi Schiff has served as Chairman of the Board of License of the Central Agency for Jewish Education, President of both the South Florida and Florida Chaplains Association, Chairman of the Metropolitan Dade Community Relations Board, Chairman of the Chaplaincy Service Advisory Council for the Florida Department of Corrections, and Secretary, Vice President, and President of the Rabbinical Association of Greater Miami.

Rabbi Schiff's current leadership positions confirm his dedication to service. In addition to his duties as Director of the Greater Miami Jewish Federation's Community Chaplaincy Service, he serves as Chairman of the National Council of Executives of Boards of Rabbis, Chairman of the Community Hospice Council in South Florida, and as a member of the Executive Committee of the National Rabbinic Cabinet of United Jewish Appeal.

Mr. President, Rabbi Solomon Schiff is a shining example of the moral and community leadership that our communities need as we enter a new century. I will conclude today by asking that a November 27, 1998, article from the Sun-Sentinel of South Florida be included with my remarks. It discusses Awakening 2000, an interfaith initiative that encourages Floridians to engage the power of prayer and spiritual healing in their daily lives and interactions with others.

Rabbi Schiff, a leader in this faith-based effort, was quoted as saying that ''a total commitment by responsible people to try and bring society to a level of decency is the only way . . . that our society will survive with a positive future.'' Mr. President, it gives me great reassurance that Solomon Schiff's wise counsel will help guide us into that future.

Mr. President, I ask unanimous consent the article I referred to be printed in the RECORD.

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

[From the Sun-Sentinel—Ft. Lauderdale, November 27, 1998]

AWAKENING 2000 SEEKS STATE'S SPIRITUAL RENEWAL

(By Jackie Hallifax)

Gov. Lawton Chiles and Gov.-elect Jeb Bush may differ on politics, but the two have agreed to pray, forgive, smile and sacrifice to get ready for the next millennium.

It's all part of an interfaith initiative called Awakening 2000, a project organized by Jim Towey, a former top state official who picked Thanksgiving week to announce his campaign for a spiritual renewal in Florida.

''We feel we can build a better Florida one heart and soul at a time by focusing on our spiritual resources, our spiritual treasures,'' Towey said on Wednesday. ''And by remembering God.''