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Senate

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

PRAYER

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

Gracious Father, we thank You for all of our faculties. But today, we praise You especially for the gift of hearing. Help us never to take for granted the amazing process by which sounds are registered on our eardrums, and carried through the audio nerve to our cerebral cortex to be translated into thoughts of recognition, comprehension, and response. Through this wondrous gift we can hear the spring songs of robins returned, majestic music of a sonata, loved one's words of love and hope, and the truths of Your own Word in the Bible as they are read or proclaimed from across the reaches of time. But most importantly, You have given us listening hearts to hear what You have to say to us through the guidance of the Holy Spirit.

Today, we dedicate our physical and spiritual hearing systems to listen more attentively to You and to each other. Forgive us when we are so occupied with what we want to say that we do not listen. Often we do not hear each other because we have prejudged what he or she will say. And there are times when we are so intent on doing our own will without consulting You and listening to Your whisper in our souls. We say with Samuel, ''Speak Lord, Your servant is listening.'' In the name of Him who taught us both to listen and to pray. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader, Senator LOTT.

SCHEDULE

Mr. LOTT. Mr. President, there will be a period for morning business until the hour of 10 a.m. today, with Senators permitted to speak for up to 10 minutes each, except for the following: Senator FEINSTEIN of California for 15 minutes.

At the hour of 10 a.m., the Senate will resume consideration of the continuing resolution and the pending amendment offered by Senator DASCHLE. Under the previous order, at 2:15 p.m. today, there will be two consecutive rollall votes. The first will be on invoking cloture on the D.C. appropriations conference report, to be followed by a vote on cloture on the motion to proceed to the Whitewater extension resolution. Following those votes, the Senate will resume consideration of the continuing resolution. Therefore, additional votes are expected throughout the day. Also, the Senate will recess from the hours of 12:30 to 2:15 p.m. for the weekly policy conferences to meet.

It is still hoped we can reach agreement for consideration of the small regulatory relief bill during the session today. We will make an effort to proceed on that legislation. We hope we can consider it before the week is out. It has broad bipartisan support. I believe it was reported unanimously from the Small Business Committee. I have had indications from Senators on both sides of the aisle that they would like to see this legislation moved, although there is some resistance to it, still holding out hope we can move on the broader regulatory reform. That would be ideal. But I still do not see much real hope that can be accomplished, so I would not want us to further hold up good legislation on which we do have agreement. So we will be seeking to move that legislation before the week is out.

Mr. President, I ask unanimous consent that I be heard as in morning business for the next 5 minutes.

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

COMPLETE THE APPROPRIATIONS PROCESS

Mr. LOTT. Mr. President, I was shocked last week to read a headline in one of the local publications that the President was threatening to shut down the Government again. That was the headline: ''Clinton Threatens Government Shutdown.''

It shocked me because I knew that, at that very time, the Senate Appropriations Committee was working on this omnibus appropriations bill, and it was reported out of committee by a broad bipartisan vote with only two Senators voting against the action by the Appropriations Committee.

This legislation does include funds for the rest of the year for the five appropriations bills that have not yet been signed into law, two of which have not yet passed the Senate. Those two are the Labor-HHS-Education bill and the conference report on the District of Columbia appropriations bill, which is being held up because some Members do not want poor students in the District of Columbia to have access to vouchers. The omnibus bill also includes three other appropriations bills that have been vetoed by the President.

So there are five of them. Obviously, everybody from the District of Columbia to the Interior Department would like to get this process completed.

In the Appropriations Committee, they also included emergency funds for the disasters that we have had in the past few months across this country, and they included funds for the United States peacekeeping effort in Bosnia. All in all, the bill goes more than halfway to meet the requests by the President for additional funds. Keep in mind, the President continues to ask for more money. That is what is at

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

stake here: He wants more money to spend—always more money to spend. While we are trying to impose some reasonable restraints on the spending of the Federal Government in the nondefense discretionary areas, he continues to ask for more money, $8 billion more than was included in our earlier legislation. But this omnibus appropriation includes a $4.7 billion move toward what the President has asked for, in the form of a contingency fund that the President could spend after agreement is reached for countervailing savings in entitlement programs. More than half a loaf in any process is a major concession. And yet, we are being told that is still not good enough.

This legislation includes approximately $166 billion for these five bills and the nine departments that are covered by the bill. I repeat, $166 billion. And yet, for an additional $3 billion, the President says he will veto the whole thing. I do not think that makes sense. When the Senate is offering $166 billion, is the President really going to veto this legislation and shut down the Government to force us up to $169 billion?

I do not think that is the way to begin this process. Let us keep the rhetoric cool. Let us go forward with this bill. Let us consider the amendments that will be offered, and I am sure there will be a few—I hope only a few, not many. We can, hopefully, get it completed today, and it will go to conference between the House and the Senate.

The House has added, I believe, $3.3 billion in additional funds; the Senate has added $4.7 billion. The administration will be involved, and in the conference that will ensue, hopefully an agreement can be reached quickly on the conference report. That way we can send this legislation down to the President, and he can sign it before the deadline of Friday midnight. Then the affected departments and agencies can know what they can count on for the rest of this year.

Or, if we run out of time or if difficulties are encountered, we will still have the option of passing a short-term continuing resolution, merely continuing current law but with reduced funding. Those options are out there. We should do our job, and we should do it without the threat or the intimation that, if we do not do it just the way one side or the other wants it, then there is going to be another veto fracas.

I remind my colleagues that the veto threat came from the President last week, and it came because he wants $3 billion more added to a $166 billion bill. I do not think that makes good fiscal sense, and I hope we will take calm and deliberative action to complete this legislation either today or as soon as possible tomorrow.

Mr. President, I yield the floor.

RESERVATION OF LEADERSHIP TIME

The PRESIDING OFFICER. Under the previous order, leadership time is reserved.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to a period for the transaction of morning business until 10 a.m., with Senators permitted to speak for up to 10 minutes each, with one exception: Senator FEINSTEIN will be recognized to speak for up to 15 minutes.

THE UNITED STATES-SAUDI ECONOMIC PARTNERSHIP

Mr. LIEBERMAN. Mr. President, the economic and security partnership between the United States and Saudi Arabia is vital to both nations. Strong business ties are a key element of this partnership.

Saudi Arabia is America's leading supplier of oil, while American technology is important to the efficient development of Saudi oil reserves. America's substantial imports are offset by more than $6 billion dollars' worth of exports to Saudi Arabia each year, principally of manufactured goods. American firms have played an important role in the development of Saudi Arabia's modern defense, transportation, and communications infrastructure. My own home State of Connecticut enjoys a healthy trade relationship with Saudi Arabia, particularly in the area of aircraft engines and spare parts. When I visited Saudi Arabia a few years ago, I experienced firsthand the hospitality and cooperation which characterizes business as well as political dealings between Americans and their Saudi partners.

A recent special edition of Middle East Insight was devoted to the six decades of business partnership between the United States and Saudi Arabia. I would like to share with my colleagues an article by Prince Bandar bin Sultan bin Abdulaziz, Ambassador of the Kingdom of Saudi Arabia to the United States. As most of my colleagues know, Prince Bandar has been a friend of the United States for a long time. He has represented Saudi Arabia with dignity, energy, and intelligence. And he has contributed to a better understanding of the United States in Saudi Arabia. I am pleased to provide this short article for my colleagues and ask unanimous consent that it be printed in the RECORD.

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

[From Middle East Insight]

PARTNERS IN COMMERCE

(By H.R.H. Prince Bandar bin Sultan bin Abdulaziz)

Earlier this year, we marked the fiftieth anniversary of the historic meeting between King Abdulaziz Al-Saud and President Franklin D. Roosevelt aboard the USS Quincy on the Great Bitter Lake. We celebrated this as the occasion that launched the special relationship between the Kingdom of Saudi Arabia and the United States of America. That meeting, however did not occur in a vacuum. More than a decade before, King Abdulaziz had signed the first oil concession with an American oil company. The ensuing activities, culminating with the discovery of oil in commercial quantities in 1938, began to lay the foundation of friendship and cooperation that made the historic meeting between the two great leaders possible.

The Saudi-American relationship began with commerce and, more than six decades later, commerce remains one of the binding forces that tie our two countries together. American companies were there in the beginning, helping to build not only the world's largest oil industry, but the infrastructure, support systems, and educational institutions that go with it.

Over the years, the business and economic relationship between our two countries has broadened and strengthened in parallel with the political friendship. The United States has been Saudi Arabia's number one trade and investment partner for most of the past forty years. Even in more trying times, American business has stayed true to this partnership. More recently, even at personal risk, American companies and their employees stood together with us as we faced a grave challenge from Iraq during Desert Shield and Desert Storm. In a sense, that effort was the largest of many joint ventures between our two countries. The successful cooperation of our soldiers was in no small part made possible by the decades of friendship that preceded it.

Modernization requires adaptation. With determination, commitment, and confidence in our ways, Saudi Arabia has taken control of its own destiny and adapted to the requirements of a 21st century economy. We have reduced our reliance on oil by diversifying into new industries that are driven by the private sector. American companies have been there, as they were at the beginning, to provide the technology and know-how to develop the industries of the future. They have found the Kingdom to be a friendly, stable, and profitable place to do business.

Anyone who doubts the strength of the Saudi-American business partnership has only to look at the more than $15 billion in two-way trade between the two countries. This year alone, more than $12 billion in major airline, telecommunications, and power projects have been awarded to American companies, tens of thousands of Americans live and work in the Kingdom through hundreds of joint ventures; and tens of thousands of Saudis have lived, worked, and studied in the United States, and have brought back with them the best that America has to offer, while maintaining a steadfast allegiance to their own land, religion, and values.

The Saudi-American business partnership has deep roots and is sure to remain a vital element in the overall US-Saudi relationship. Two people who work so closely together toward the common goals of security, prosperity, and economic advancement will surely remain friends, and partners, far into the future. In celebrating this friendship, remember its beginnings in our shared commitment to open markets, free enterprise, and the private pursuit of opportunity to the benefit of both our peoples.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

Mr. LEAHY. Mr. President, I would like to take this opportunity to thank

Senator BOND and Senator MIKULSKI for including funding for the Community Development Financial Institutions [CDFI] Fund in the fiscal year 1996 omnibus appropriations bill.

The CDFI Fund is a key priority for President Clinton. Its inclusion in title I indicates an honest effort by Senator BOND and Senator MIKULSKI to address the President's concerns by providing real dollars for the programs important to the administration. If more disagreements had been resolved with this level of cooperation and compromise, we would be debating a bill today that the President would be eager to sign.

President Clinton and Vice President GORE campaigned in 1992 to create a new partnership with the private sector to revitalize economically distressed communities. The President and Vice President spoke passionately about their vision for supporting local community development banks. After the election of 1992, both Republicans and Democrats in the last Congress turned the President's vision into ground-breaking legislation that created the CDFI Fund. The legislation passed the Senate unanimously and was approved by a 410-to-12 vote in the House.

Unfortunately, previous fiscal year 1996 appropriation bills terminated the CDFI Fund before even giving this program a chance to succeed. That was a shortsighted mistake, and one that this bill corrects.

The fund is a small but very innovative program. For a modest $50 million budget, the fund has the potential to make a significant impact in distressed communities.

How would CDFI succeed in areas where more traditional financing has failed?

The fund would create a permanent, self-sustaining network of financial institutions that would be dedicated to serving distressed communities. These financial institutions include a fast-growing industry of specialized financial service providers—community development financial institutions. The fund would also provide incentives for banks and thrifts to increase their community development activities and invest in CDFI's.

The CDFI Fund's initiatives would be an innovative departure from traditional community development programs because they leverage significant private sector resources. The Department of Commerce estimates that every $1 of fund resources would leverage up to $10 in non-Federal resources. And these locally controlled CDFI's would be able to respond more quickly and effectively to market-building opportunities than traditional community development organizations.

I would like to share with you two examples from my own State of the potential benefits of the CDFI program. The Vermont Development Credit Union [VDCU] is an innovative depository institution providing counseling-based financing and other banking services to moderate and low-income Vermonters since its inception in 1989. Located in Vermont's only Enterprise Community, the credit union is uniquely positioned to provide credit to the State's neediest residents. VDCU is applying for CDFI funding to help them make long-term loans for affordable housing, expand small business lending, and develop partnerships with other service providers to find creative solutions to community development financing.

Another Vermont organization hoping to participate in the CDFI program is the Vermont Community Loan Fund [VCLF]. This statewide nonprofit community development financial intermediary has been providing flexible financing and technical assistance to low-income Vermonters for almost a decade. Financial assistance from the CDFI Fund will allow the VCLF to make long-term loans for affordable housing, undertake new initiatives such as lines of credit for nonprofit organizations, and develop a viable small-scale equity product for Vermont's smaller businesses.

Access to credit is a significant hurdle for low-income Vermonters and small business start-ups in rural areas. The Vermont Development Credit Union and the Vermont Community Loan Fund have proposals that would address these needs in many parts of Vermont. All that is lacking is the capital that the CDFI program can provide.

The CDFI Fund is an idea that could bring real growth and improvements to our most disadvanted communities. I congratulate Senator MIKULSKI and Senator BOND on giving the program the chance to succeed.

100 YEARS OF EXCELLENCE IN EDUCATION

Mr. HOLLINGS. Mr. President, last week, South Carolina State University and the city of Orangeburg celebrated 100 years together. I would like to take a few moments to reflect upon this university's contributions to South Carolina and to the Nation. As remarkable as its history has been, we find, on its centennial, that S.C. State is creating an even greater story to be told in the future. For it is the products of this university, in the form of its graduates, that have made and continue to make tremendous contributions to our society. And it is the graduating classes to come that will carry the legacy into the next century.

For many years, S.C. State has been a focal point of African-American education in South Carolina. The school has served as a cultural nursing ground for African-Americans inside and outside the State of South Carolina. Through its fine academic tradition and strong sense of community, it has nurtured both the intellects and the self-confidence of its students. In the beginning, the college was established as a State supported institution under the system of segregation. Sixty years later, it was to produce a student body which stood at the vanguard of the civil rights movement. As Christine Crumbo of The State writes, ''They have always been the children of tradition, the students of South Carolina State. And the breakers of tradition.''

The college opened its doors on September 27, 1896. Both of them. Its campus consisted of only two buildings, neither of which was furnished with electricity or plumbing. However, the school had plenty of what was essential: students. The original enrollment was approximately 1,000 people ranging from kindergarten to college level, and, unlike other State colleges, S.C. State was coeducational from the start. A great deal of credit goes to Thomas E. Miller, the school's first president and founding father, who fought to establish the school. He left his political career to dedicate his time and his vision to creating an independent Colored Normal Industrial Agricultural and Mechanical College.

The college started out with an emphasis on agriculture. About 80 percent of the first year's students came from farm families. Though the agriculture school was phased out in 1971, it still houses the headquarters for the 1890 Research and Extension Program. This serves farmers in the spirit of the old curriculum, incorporating such branches as The Small Farmer Outreach Training and Technical Assistance Project. Today, South Carolina State has a strong liberal arts and business concentration.

Over the past 100 years, South Carolina State has gained a reputation for producing alumni of high caliber who go on to distinguish themselves in their communities, and throughout the Nation. From teachers to professional football players, from actresses to scientists, S.C. State graduates have made their mark. They are ministers, community leaders, lawyers, and college presidents; for every aspect of public life, there is an S.C. State graduate excelling in it. Included among its ranks are our own Congressional Representative JAMES E. CLYBURN; Chief Justice Ernest A. Finney, Jr., the first African-American man to serve as a State supreme court justice; and Marianna White Davis, the first African-American woman to serve on the State Commission on Higher Education. In fact, one will notice a lot of firsts among the graduating classes of S.C. State. These men and women make the most of the knowledge and self-confidence that their educations instill in them and go on to affect change in this country. At South Carolina State, the students feel a part of something that extends back to their ancestors and forward to the next generation. I commend the efforts of the faculty and administration of S.C. State to continue its tradition of excellence, and I salute the university's independent spirit. I wish them another successful 100 years.

CONDEMNATION OF CHINESE MISSILE TESTS IN THE TAIWAN STRAITS

Mr. PELL. Mr. President, we are currently in the middle of a very tense period in the relationship between the United States, the People's Republic of China, and Taiwan. Military tensions, in particular, are rising. Last week, China began a week-long series of ballistic missile tests and announced it will conduct an additional set of live fire military maneuvers as well. I urge China to cancel these tests and maneuvers. Together they constitute the fourth set of major military exercises the People's Liberation Army has undertaken in the straits since last July. They are provocative, destabilizing, and only damage China's image in the eyes of the world.

There is no reason to disbelieve China's public claim that it is not planning an actual attack on Taiwan at this time. But I do not believe that these are merely routine military maneuvers, as Chinese officials have portrayed them. These tests, and the military exercises that preceded them last year, are clearly meant to intimidate the people of Taiwan in the run-up to the first fully democratic presidential election in the history of Chinese civilization. But the escalation in both scope and nature of this week's exercises raises the risk that conflict could start through miscalculation or accident. It is essential that all parties work to prevent an armed conflict that no one wants.

Chinese Premier Li Peng stated in a speech to the National People's Congress that the Taiwan issue was an internal affair and warned other countries not to interfere. In this regard I support the long-standing United States position that the issue of reunification be handled by the Chinese people on both sides of the straits, but that policy was founded on the understanding that the question of Taiwan would be resolved peacefully. When the leadership in Beijing threatens to use force against Taiwan, it challenges that understanding and Beijing itself creates an international issue. Beijing must understand that the United States does not view Chinese threats toward Taiwan as an internal Chinese affair. The United States has a strong interest in peace and stability in the Taiwan Straits. It has a strong interest in the continued prosperity of the region—Taiwan is the world's 14th largest trading economy and the 7th largest United States trading partner. These exercises are disrupting shipping and continued military maneuvers will inevitably make investors and traders think twice about doing business in the region.

China has repeatedly sought to be considered a responsible member of the world community in a number of international fora. But if it wants the international respect it feels it deserves, it must follow that community's norms of behavior. Threatening Taiwan is not acceptable to that community. Beijing should stop these missile tests and military maneuvers and re-open talks with Taiwan through its own Association for Relations Across the Taiwan Straits and Taiwan's Straits Exchange Foundation. Negotiations between these two entities were successful in resolving a number of issues between Beijing and Taipei before China cut them off last year. China should again use these talks, and not the military, to persuade the people and the Government on Taiwan.

KELLY McCALLA, SOUTH CAROLINA'S 1997 TEACHER OF THE YEAR

Mr. HOLLINGS. Mr. President, I am delighted to congratulate Kelly McCalla on being named the 1997 Teacher of the Year for the State of South Carolina. For 11 years, Ms. McCalla has dedicated herself to educating the young people of Greenwood in her own inimitable style. She is an inspiration to anyone who aspires to do a job well and win the respect of others.

As a teacher of science at Oakland Elementary School, Kelly McCalla engages students' minds and imaginations. As a member of the community, her contributions are vast. Whether organizing special youth events through her local church or participating in summer Bible School, Ms. McCalla contributes to local children's education outside the classroom as well. She is active in other programs that benefit the community at large such as Meals on Wheels, programs for needy children, and caroling at a local nursing home.

Obviously, she is willing to teach by example the importance of being involved in the community.

The award for South Carolina Teacher of the Year is given to educators who are representative of the many excellent teachers across the State, and it is clear that Ms. McCalla is worthy of this title. Said State Superintendent of Education Barbara S. Neilsen, ''The State selection committee saw the same magic in Kelly McCalla that her students do.''

These days, with everyone worrying about children's education, not just in terms of school but in terms of moral values, it is truly a pleasure to be able to honor someone like Kelly McCalla. She is instilling in her students something more than a knowledge of science, she is showing them how to love learning and to be involved, caring, decent people. And that is something that only a gifted educator can do. I send her my congratulations, my thanks, and my best wishes in the future.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

BALANCED BUDGET DOWNPAYMENT ACT, II

The PRESIDING OFFICER. The Chair lays before the Senate, H.R. 3019.

The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 3019) making appropriations for fiscal year 1996 to make a further downpayment toward a balanced budget, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Hatfield modified amendment No. 3466, in the nature of a substitute.

Daschle (for Harkin) amendment No. 3467 (to amendment No. 3466) to restore $3.1 billion funding for education programs to the fiscal year 1995 levels.

The PRESIDING OFFICER. The Senator from Minnesota.

AMENDMENT NO. 3467

Mr. WELLSTONE. Mr. President, I rise to speak on behalf of an amendment that a number of us have introduced which adds back $3.1 billion to education programs to restore education funding to fiscal year 1995 levels.

Mr. President, I will summarize. This amendment restores funding for the following programs: Goals 2000, title I, safe and drug-free schools, charter schools, vocational and adult education, educational technology, Head Start, dislocated workers, adult training, school-to-work, summer jobs for youth, and one-stop career centers.

Mr. President, as the minority leader pointed out yesterday, we have offsets for this increased funding. Mr. President, let me, first of all, say to my colleagues, and especially to my very good friend, the chairman of the Appropriations Committee, whom—you do not call people heroes unless they truly are, and he is to me, one of the great Senators in the history of the country. I really believe it was a terrible mistake for the House of Representatives to send over a continuing resolution with these very deep cuts in education.

Mr. President, as I think about where we are in the country right now, it seems to me that people in our Nation are saying very clearly that they care about opportunities. They worry about their children, and they want all of God's children to have opportunities. Mr. President, I just think that slamming the door of opportunity for children is a huge mistake. I think that some of the discussion about children of the next generation—absolutely, we

need to pay the interest off on the debt. But you do not save the children of the next generation by savaging the children of this generation.

Mr. President, I think that as we look at where we are in the country and where we need to go together, Democrats, Republicans, independents, you name it, each and every time, I would emphasize a good education as a foundation of it all—for welfare reform, for reducing poverty, for a stable middle class, for economic performance, for a functioning democracy; each and every time, I would say you need to emphasize a good education and a good job.

Mr. President, I have tried to be an education Senator. I spend time, about every 2½ or 3 weeks, at a school in Minnesota teaching. I was a teacher for 20 years. I have to tell you that the shame of all of this is that, for some reason, we have not looked very carefully—or at least the Gingrich-led House has not—at what these cuts will mean in human terms. I will not even give you the statistics, Mr. President. But I will tell you this: If I was to just take the title I program in my State of Minnesota, which is a $13.5 million cut right now in this continuing resolution, the very negative effects this will have on children is absolutely unbelievable.

We want children at a young age to be wide-eyed. We want them to be experiencing all of the unnamed magic in the world before them. We want them to be nurtured. We want them to be encouraged. What do we do with title I money in Minnesota? Talk to the teachers and talk to the parents—the title I parents in Minneapolis-St. Paul. What do we do? We give kids at the elementary school level one-on-one—I know you, Mr. President, are very committed to children—one-on-one instruction.

I met a mother yesterday. She said, ''My son was a slow reader falling behind, not doing well. From title I he received that special attention, one-on-one instruction, through some additional teachers and teacher assistants. He is now a seventh grader in junior high school, and he is a straight-A student. I come here today to tell you that if not for title I, I do not know where he would be.''

Title I money is not just a bureaucratic program. It works. I was at a school, Jackson Elementary School in St. Paul, with a wonderful principal, Louis Mariucci, which is a great hockey name in Minnesota from the Iron Range. He is committed to the inner-city school, and they are doing well. The students have high achievement levels. It is diverse. It is rooted in the neighborhood.

When I was meeting with a class of third graders and then a class of fourth graders, I asked these kids how many languages are spoken at home. In one class there were three different languages spoken in the homes, and in another class there were four different languages. Then I met with the parents later on from the Hmung community and the Laotian community.

Mr. President, we say we want the parents to be involved. Well, there were two young people who are translators. They are proud because they could use their ability. They were bilingual to help other kids that were younger. They had graduated from college. There are jobs for them. The parents could participate. I could understand what they were saying to me as a Senator. The teachers could and do understand what I was saying.

Mr. President, that is funded out of title I money. That school, Jackson Elementary School, which is an outstanding success, does not know where it is going to be next year because of these deep, draconian, mean-spirited cuts in funds which provide opportunity for our children. Mr. President, is this not shortsighted?

Other examples: Meet with some of the teachers that are title I teachers. They will tell you about the ways in which that money is used for literacy training for adults, the parents, so that they can be involved. They talk about ways in which parents are involved in the kids' education. In school after school after school, whether it is Minneapolis-St. Paul, whether it is Rochester, whether it is Fergus Falls, whether it is Bemidji, whether it is Duluth, whether it is the Iron Range, over and over and over again there are success stories where this title I money was used to provide kids from difficult backgrounds, kids who were disadvantaged, with the additional one-on-one support they needed in reading or mathematics so they could do well at the elementary school level and then go on and do well in school. And we are going to cut this program? What kind of distorted priorities are these?

Mr. President, I wish every one of my colleagues was on the floor right now, especially on the other side. Little kids do not understand budgets. Little kids do not know what ''continuing resolution'' means. Little kids do not know what the ''Congressional Budget Office scoring'' means. Little kids in Minnesota, Massachusetts, Oregon, Ohio, and all across this country do not understand why they cannot receive help to be better readers. Do my colleagues have any answers for them? They do not understand the budgets. They do not understand why they do not get any help. They do not know why they are not getting help so they can do better in reading classes. They do not know why they are not getting any help so they can be better in mathematics. They do not know why they are not receiving help.

Mr. President, a definition from an elementary school student on leadership—I say this to my colleague from Massachusetts. I think he fits this definition. An elementary school student's definition of ''leader.'' ''A leader is someone who gets things done to make things better.'' ''A leader is someone who gets things done to make things better.'' Kids know what is right, and I say to my colleagues that they know what is wrong. We should not kid ourselves. To cut title I money from my State of Minnesota, or any other State, to shut off children from the opportunities they need, from the support they need so they can reach their full potential, is not right.

Leaders are Senators who get things done to make things better. This amendment that restores some funding for educational opportunities for children gets things done to make things better.

Cameron Dick, from South Minneapolis, testified last week in a hearing. Cameron Dick had dropped out of school. He is a native American. He was ''going nowhere.'' But the School-to-Work Program saved him. Working with the American Indian Opportunities Center, he now goes to school, has a job, sees the connection between his schooling and a work opportunity, and in his spare time—you will love this—he tutors other children.

I met a young woman yesterday in St. Paul, MN. I am embarrassed; I forget the last name. The first name is Erika. She is a Hispanic woman who came to Minnesota from California. She has lived in some communities with some very difficult circumstances. She had dropped out of school for several years and then went back to school in the School-to-Work Program at Humboldt High School on the west side of St. Paul and found herself an apprenticeship program with a business, began to study accounting, now has a job, is proud of her work, makes a decent income, and is now going to go on and pursue higher education.

These are not the programs we ought to be cutting. I mean, what is the House of Representatives trying to say to people in this country? ''We will not shut the Government down, but the price we exact for not shutting the Government down is to cut Pell grants or to cut Head Start or to cut low-interest Perkins loan programs or cut vocational education or cut title I or cut safe and drug-free schools. These are not the priorities of people in this country.

Mr. President, I believe that this debate on this amendment to restore $3 billion in funding for children for education and for opportunities is one of the most important debates that we are going to have. This is all about who we are as Senators, whom we represent, what values we believe in, and what our priorities are.

I say to some of my colleagues, especially on the House side, that your agenda is too harsh, your agenda is too extreme, and it is a profound mistake for us to begin to divest from children.

It is a profound mistake for this Nation to abandon children. It is a profound mistake for this Nation to move away from providing opportunities for children.

I will conclude. Little kids do not understand budgets. Little kids do not understand why we cannot help them. Little kids who are trying hard do not understand why we cannot help them do better in school. And that is exactly what we ought to be doing because this is the very essence of the American dream.

There is a former teacher from Northfield, Joanne Jorgensen, who is visiting with me today with her husband, Paul, who is an education professor at Carlton College. Much of politics is personal. Our daughter, Marsha, when she was in elementary school at least up through around fifth grade I would say, was put in a lot of the lower classes. No matter what we call those classes, ''blackbirds'' or ''redbirds,'' everybody knows who are the students that are not doing well. Some of the other kids were calling her a ''retard,'' and as parents it was painful to see your own little girl or to see any little girl or any little boy not feel good about himself or herself, but this was our daughter. Then Joanne Jorgenson became the teacher, and Joanne Jorgenson said to Marsha, ''Marsha, you are not stupid. You can draw. You are an artist. Marsha, you are not stupid. You can write poetry. You have rhythm. Marsha, you are a smart little girl. You are not dumb. You can do well.''

Now be a proud Jewish father. By the time Marsha finished high school, she was a great student and she went on to the University of Wisconsin-Madison, top Spanish student and she is a great Spanish teacher at the high school level. She is a public schoolteacher. I do not know whether she would have been able to do that were it not for Joanne Jorgenson. This is the kind of support that we give students. And Marsha did not come from some of the difficult background circumstances that a lot of the students come from that are able to receive the support they need from title I or vocational education or school-to-work Programs or, for God sake, the Head Start Program. The Head Start Program is what we say it is. We have decided as a nation that we are going to give certain kids a head start.

This is a profound mistake. Do not divest from children. Do not divest from education. Do not divest from opportunities for children. Our amendment restores this $3 billion, and we should do so.

Mr. President, my final point. My final two points, and I promise my colleagues only two points. Point No. 1. I do not want to stand out on the floor of the Senate and argue for this amendment just on the basis of reducing violent crime. I can think of a million reasons why we should invest in education for children beyond that. But I will tell you one thing. Investing in children when they are young and making sure they have the educational opportunities beats the heck out of having to spend money on prisons.

There is a judge, Rick Solum—and maybe my colleagues have heard the statistic before. I have only seen one report on this and maybe it is not corroborated. It is a startling statistic. In Hennepin County, he tells me there is a high correlation between high school dropouts and incarceration, winding up in prison, and cigarette smoking and lung cancer. If the statistic is true, and the judge says it is, that tells a very large story.

I also know, Mr. President—and I try not to do this top-down or outside-school-in—I spend time in schools, Jill and I spend time with street kids, with homeless kids, with at-risk youth, with youth workers, and all of them say the same things: Senators, you have to give these kids positive things to do. You have to give them opportunities.

It starts when they are young. We are never going to stop this cycle of violence by just building prisons. We have to make sure our children in this country, all the children in this country, have hope, have a future that they can believe in, have goals, and have the ability to be able to live for their own dreams. That is what these educational programs mean.

This amendment restores the funding. We should have the support for this amendment, and I look forward to the final vote. I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. I rise in strong support of our education amendment, to restore the funding for some of the very basic and fundamental education programs to reaffirm this country's commitment to investment in the young people of our country in the limited but important way in which the Federal Government works in partnership with the States and local communities.

We will have an opportunity to vote on this measure, and I should like to underscore a few of the principal reasons why this issue is of such importance and to review very briefly with the Senate why we are where we are at the present time.

We should understand at the very beginning what is in the legislation and what is not in the legislation. And nothing is clearer than to look at the legislation itself in the final general provisions on page 780. Section 4002 says:

> No part of any appropriation contained in this title shall be made available for obligation or expenditure nor any authority granted or be effective until the enactment into law of a subsequent act—

I mention that again for emphasis.

> of a subsequent act entitled ''An Act Incorporating an Agreement Between the President and Congress Relative to Federal Expenditures in Fiscal Year 1996 and Future Fiscal Years.''

This title may be cited as, ''The Contingency Appropriations Act of 1996.''

This is the Contingency Appropriations Act. It is important as we start the debate that we listen to many of our very good friends who say, ''Well, we have really restored a great deal of education funding in this program so that parents should not worry, teachers should not worry, school boards should not worry because we have restored the money, perhaps not all of the money that we would have liked to have done, but, Senator, we have a difficult financial situation and education has to take the hit like anything else.''

I would differ with that and say as to the proposal in the budget, the Republican budget, which provides the tax breaks for wealthy individuals ranging from some $240 billion, or the revision down, one of the proposals, to $178 billion, can you not give us $4 billion of the tax break that is going to go to the wealthiest individuals and fund these essential education programs because, my friends, basically what they are saying is that to be effective there is going to have to be a subsequent act, and that act is going to have to pass the House of Representatives and the Senate of the United States. That is not going to be a reflection of the will and desire of some of our Republican friends who are strongly committed to education. This legislation is very clear in that there is going to have to be action in the House of Representatives and the Senate of the United States in order for any of the provisions in here to be effective.

That is not satisfactory. Effectively this comes back now to the question of priorities. Are we going to say we will not even seek any restoration of funding for education until we are going to get the tax breaks for the wealthy individuals? That is effectively what this provision says. You will not hear a lot of people talking about it. You will not hear a lot of people saying, ''Well, look, my Republican friends want that big tax break for the wealthy; can't we take $4 billion off there and just put it right in here on education.''

You will not hear a lot of people saying, ''Yes, that is the way to do it.'' That is not the proposal before us. So we have a measure that says, all right, we are going to put in some real money and we are going to put it in now. We are going to put it in education. We are going to support the school boards, the parents, the teachers who are meeting all over this country even while we are in here this morning with their pencil and paper wondering what they are going to be able to do for the children of this country over the next fiscal year.

That is happening in every city and town in my State and in every other State. I will come back to that in just a moment.

Mr. President, are these programs really worthy of support? I think we have to be able to justify the particular programs that are going to be added to.

We have the Goals 2000 Program that had strong bipartisan support in the last Congress, Republicans and Democrats alike basically accepting what

the Governors had agreed to in Charlottesville that said one of the most important elements in education is raising the bar and the challenge to the young people of this country. They will be able to measure up, if we establish some increased academic challenges to the young people.

That is exactly what Goals 2000 is meant to do, not at the State level but at the local school levels. It is meant to get the funding into schools, get parents involved, get the business community involved, teachers involved, and begin to establish the higher standards for the young people.

Those standards are voluntary and have been worked out in some important areas; for example, in math and in science. A number of communities have accepted those particular standards, and do you know what? The latest review shows there is a measurable improvement in the young people who have been challenged by those standards in math and science. It is beginning to move. The challenges are out there. There is an increase in academic achievement and accomplishment.

The bipartisan Democratic and Republican Governors who supported the concept of the Goals 2000 is beginning to work, but not according to this budget. We are cutting back on those Goals 2000 programs so that thousands and thousands of schools will not be able to provide the same opportunities for those children. We are not doing anything about the tax breaks, but we are cutting back on Goals 2000.

We had lengthy debates last year about the effectiveness of the title I program: Should we pull out students to be able to participate in the title I program? If they are not pulled out, are the students missing more than if they stayed in that class? Should we not have perhaps the opportunity to have greater flexibility at the school level?

We had days and days of hearings on that and hours and days of debates in the House and Senate. Many, many good ideas were put forward by parents to try and help and assist those who have some disadvantage in terms of their past educational achievement. In many instances, they were not able to get into the Head Start Program or they need that extra help and assistance in literacy, in confidence-building skills, in the basic elements of decent education.

Do you know what has happened to that? That was cut back initially by almost 1 million children. Now 700,000 will not participate in that program which makes such a difference.

Mr. President, in talking to Mayor Menino in Boston 2 days ago, he said that 14 out of the 78 different programs in the city of Boston are now going to have to be cut out for those schoolchildren.

The Safe and Drug-Free Schools Program—this is a beauty. By 57 percent, it slashes the drug abuse and violence prevention programs for 40 million youth—40 million youth. It cuts back on the help and assistance to the school systems of our country for safe and drug-free schools.

Maybe many of our Republican friends are going to be able to respond to what I heard from the assistant district attorney, Mr. Gittens who is a deputy DA in Suffolk County in Boston who I heard on Friday afternoon and who also happens to be head of the school committee. He is head of the school committee and a prosecutor, and he asked me a very basic question and one which I would like to address to those who want to cut this program. He said: ''Do you know when the increase in juvenile violence takes place, Senator? Do you know what time? You can almost set a stopwatch by it. When the schools close down.''

We should be surprised by that? In the afternoons is when the principal increase in juvenile crime occurs.

What are these programs? Many of them in the Safe and Drug-Free Schools Program go for dispute resolutions. We have a number of schools in my own city of Boston that have enacted that program, and they have seen a dramatic reduction in tension in the schools for a whole range of different reasons.

We have these voluntary programs in the city of Boston for kids who are the most vulnerable children in our communities to get involved, and it is vastly oversubscribed—vastly oversubscribed. There is strong support from the district attorneys.

Meanwhile, in another part of our governmental body, we are cutting off and censuring Colombia to show how tough we are on crime and substance abuse and, at the same time, we are prepared to cut back on programs that reach out into those communities and make a real difference for children. Mr. President, 57 percent of the children.

While I was having meetings out in the community on Friday afternoon, we heard from so many of the ministers in Boston talking about the summer jobs for youth. The 12-, 13-, 14-year-old kids, again, some of the most vulnerable, are talking to their teachers now: ''Is that summer job going to be out there?'' ''Will I be able to have that employment that I had last year?'' ''You know, we want to do something, we want to make something of ourselves.'' And I tell them that this Republican Congress has zeroed their program out.

Mr. President, it makes no sense. If you talk to some who are involved in the program, they say those kids at the end of the summer, if they go the whole summer, may make $900. They say you cannot believe the difference it makes in their attitude when they come back to school after they have been participating in that program. Their whole attitude changes about themselves, about their school, about the importance of schools, about staying out of gangs and staying out of trouble. Well, $867 million is cut out.

What are we going to tell the 1,200 schoolchildren in Boston who otherwise would have been participating in this program, in close collaboration with the private sector that works very closely in the administration of that program, uses that as a principal source for trying to bring young people back into the private sector for training and doing evaluations? It has been a very, very important program, not only in the major cities—in Lawrence, New Bedford, Worcester, Springfield, and many of the other cities.

Also, there has been a $137 million reduction in Head Start. We have been around for years. We saw a significant increase under President Bush in the Head Start Program. Then we had some questions about what was happening to the quality of the Head Start Program. So we revised that with strong bipartisan support. I do not think there were three Members of the U.S. Senate who voted against restructuring of the Head Start Program and the increase in the funding for that program, because it only reaches about 35, 40 percent of the children who are eligible for that program. But nonetheless, they are cutting back that program, a program that helps develop confidence-building skills for young people.

And the work goes on. The Dislocated Workers Assistance Program, there is a 29-percent cut. It excludes 157,000 workers who have lost their jobs from programs that teach them new skills.

At the same time, I was reading in this morning's Washington Post an article by James Glassman which talks about provisions that we have considered in the Judiciary Committee under immigration. Some of us, including myself, do not believe that we ought to fire American workers who are qualified to permit American companies to hire foreigners who have no better skills or equal skills and then drop their cost in wages. So you have American workers who have lost their jobs, the company has lower wages, they compete with American firms, and those firms go out of business. But at the same time, we will have a chance to debate those issues later on.

The point that Mr. Glassman makes is:

> Also, many of the best U.S. jobs go begging, simply because we don't have workers smart enough to fill them. In an extensive new study for Empower America, Stuart Anderson reports that 16 large, high-tech companies alone had 22,000 job openings in January.

That is 22,000 jobs. What do those people need? Some training, so that they are going to be able to be productive, useful members of this society and provide for their families. What does this program do? It cuts out the dislocated worker assistance to be able to give those skills to American workers so that they can get those jobs.

Are we missing something here, Mr. President? Are we going to say to those

workers who are dislocated, with all of the phenomenon that is taking place in terms of the requirements in the job market, without the kind of training that should be provided by the companies and corporations of America—only a handful of them do; they should be commended for doing it, but only a handful of them do—and then on the one hand say, here are thousands and thousands of jobs that are here, and in the same proposal cut back on the dislocated worker assistance?

Mr. President, one of the most important, innovative programs that we passed—again, with strong bipartisan support. We had Republican Governors who have testified in favor of this very exciting program, the former Governor from the State of Maine. Also, we have in the State of Michigan, the School-to-Work Program to try to reach out to the three out of four high school students who do not go on to college but go on into the employment market.

Let us show some consideration for those kids. Let us not just have them every time go on out to McDonald's. Let us try to give them some opportunity of getting on a path that can give them some hope in terms of the future. That is what the School-to-Work Program is about, and it is successful, Mr. President. But we have now a cut in that program that was passed on.

So, Mr. President, we will hear later on about, ''Well, we will be able to deal with some of these issues, perhaps, a little later on.'' We are halfway through or more, certainly, in terms of the planning and programming for the school year.

Let me just mention quickly what is happening out there in the various school boards. I have a deputy superintendent in Worcester, MA, who told me planning next year's budget in the midst of the Federal budget confusion is like reading tea leaves in the middle of an earthquake. Worcester loses $2 million in Federal funding. More than 4,000 students will lose access to support services. Title I will be cut by $1 million. That translates into 700 fewer students. That is $1 million, with 700 fewer students being served, and the layoff of 16 teachers.

In Ayer, MA, they depend on the Federal impact for 23 percent of its budget. The picture is stark. If the Federal funding impasse is not resolved by April 22, they will close the schools 2 months earlier this year.

You have heard about stories in Newport News where they were cutting back on heating for 2 hours in the schools, cutting back heating in a program that we refuse to address. We have the issue of increased tax breaks, and they have cut back heating in the public schools of the country. You wonder why we are putting this legislation out here and why we are demanding that we have a debate and a focus on this.

In Chicago, the chaos caused by the budget impasse will move from the central office to teachers and parents and schools. March 18—next week—the district's budget director has to tell each school the size of their budget for the next year—by the middle of May, local school councils, made up of teachers, parents, community members, and the principals, must submit it for approval—next week. But they will have the assurances of the Contingency Appropriations Act of 1996 to help them out. What does that mean?

The uncertainty about Federal support for education will cause Chicago to waste valuable time deciding how to allocate a lump sum that could change at any time. They will be forced to assume the worst. Chicago schools will lose nearly 20 percent of their budget, or $40 million. That means laying off 600 teachers. The district will have to deny extra help in math and reading to 43,000 students.

Mr. President, this would be bad under any circumstance, but it is particularly bad now. Why? Because of the demographics of this country, we have increased the total number of students anywhere from 3 to 5 million in our schools. Just to keep even with 1995 figures in support, we would need 50,000 additional teachers—50,000 additional teachers—just to keep the pupil-teacher ratio, we would have to add those. We would have to increase the funding.

We are not even asking to increase it. We are just trying to get back to 1995. So you are starting off with 50,000 less teachers than you would need if you are going to be where you should be in 1995. And with the loss of funding of the other program, you lose another 50,000.

Mr. President, that is a matter, I think, of national urgency. I think it is a matter of national crisis. It is a reflection of national priorities, whether we are really serious. If we cannot find the way and the means to try to at least make sure that we are going to do what we did in 1995, let alone try to meet responsibilities in the areas of new technologies to help and assist students, which we should be doing, if we are, as an institution, so bound by procedures that in a $1.7 trillion budget we are not able to find those funds, it is a fierce indictment.

Mr. President, the list goes on. I just want to say, Mr. President, that I do not believe, and I think most Americans do not believe, that education is a contingency as a priority for this country. School boards cannot write their school budgets with contingency moneys. They cannot hire teachers with contingency money. They cannot buy books and pencils and computers for their students with contingency money. They need real numbers now to write their budgets for the coming year. This bill leaves school districts stranded in confusion and uncertainty once again. That is the reason why this amendment which we offer to restore the education funding is so necessary.

Education is not a contingency for the American people. It is not a contingency for the millions of schoolchildren today who will enter the work force in the 21st century. If our commitment to education is real, we should fund it with real money. I urge my colleagues to support the education amendment in the pending appropriation.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. WELLSTONE. Mr. President, I will just take a couple minutes, I say to my colleague from Pennsylvania. If he is getting ready to speak, I will just take probably 2 or 3 minutes. If not, I will take a little more time. Might I ask my colleague if he is ready to speak now? I had an opportunity to speak. I will be very brief.

Mr. SPECTER. I thank my colleague from Minnesota for his inquiry. I am ready to speak, but I have no objection to his taking 2 or 3 minutes. I will be here all day.

Mr. WELLSTONE. Mr. President, I thought I would supplement earlier remarks that I made on the floor when proposing our amendment, along with the Senator from Massachusetts.

I'd like to take a closer look at these education cuts. Look at this chart for a moment—Goals 2000 is cut by $82 million; that is a 22-percent cut. This slashes school improvement efforts in over 2,000 schools, serving over 1 million children. Title I, $679 million; denies 700,000 disadvantaged children crucial reading and math assistance.

I tried, Mr. President, to give examples, many examples from my State, about what an important program this is. I will repeat what I said earlier: Little kids do not understand all this budget language and do not understand why we cannot help them be better readers and help them do better in school. I also want to provide information that has been given to me by Ms. Susie Kay, an outstanding teacher at the H.D. Woodson Senior High School in the District of Columbia. Mr. President, for examples of what education cuts mean to students, we need go no further outside this Chamber than a couple of miles away, to Ms. Kay's classroom. She writes:

> Our students are not born criminals; they are not lazy or stupid. They just want, and so deserve, the same chances that this country is supposed to guarantee all its citizens. The last thing that they need is to be set back by further budget cuts in education, cuts which would only serve to discourage students and the teachers committed to helping them beat the odds. H.D. Woodson literally survives from the assistance that the Title I Program provides. To cut any further into our resources would be nothing short of criminal. We should be doing everything we can to help them. Too many people ask me why I continue to teach. * * * I respond * * * how can you not?

I ask that Ms. Kay's eloquent and impassioned statement be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. WELLSTONE. The Safe and Drug Free Schools Program is cut by this omnibus appropriations bill a total of $266 million. That is a 57-percent cut. This omnibus bill slashes drug abuse and violence prevention programs for over 40 million young people. Mr. President, you have certainly taken a real leadership role in this area. The only thing I say is that I am immensely impressed not based upon debate on the floor of the Senate, not based on abstraction, but visits to schools at the mentoring programs, at the counseling programs, and really the success of the Safe and Drug Free School Program in doing everything we can to try and address what I think is apparent, the huge problem of substance abuse.

Head Start Program, $137 million cut; denies 50,000 children services that help them become ready to learn. Now, Mr. President, again I remind my colleagues that the Head Start Program, which has overwhelming support in the country, does just what the title says it does. That is, gives children who come from families in very difficult circumstances, very tough backgrounds, a head start. I have taught Head Start mothers; I have taught and worked with Head Start families. There are two things that are very important about the Head Start Program: First, we better invest in children when they are young. That is what you have to do. That is what this program is about. The second thing is the involvement of the parents, and the education of their children. What are we doing cutting the Head Start Program? Does anybody think that is what people voted for in 1994?

Summer jobs for youth, cut $867 million—I did not talk about that before—100 percent they want to eliminate it, preventing 673,000 high school students from gaining valuable work experience.

Mr. President, I will just tell you right now that those publicly elected officials that are more down in the trenches—the commissioners, the school board members, the city council people, the mayors, and I do not mean just in our large cities but I mean in greater Minnesota as well—they will tell you that they have a tremendous amount of fear, I think is the right word, about this extreme House effort, this extremist agenda, of eliminating summer jobs programs for youth. What we want to do is get our young people involved with work. We want them to feel good about themselves. We want them to have these opportunities. This is a critically important program. What are we doing eliminating it?

Mr. President, $362 million for dislocated workers assistance, a 29-percent cut, excluding 150,000 workers who have lost their jobs, in programs that teach new job skills.

Mr. President, every day we are reading about downsizing and restructuring—which is euphemism for some of the large companies in this country—large multinational corporations just firing people. What are we doing cutting a program that provides people who maybe are middle aged who have been working hard all their lives who thought if they did work hard all their lives they would have secure employment, what are we doing cutting a program that provides the dislocated workers with some assistance to make a transition back into the workplace? Did anybody hear a hue and cry from people in 1994 that the kind of change they were voting for was to cut dislocated workers assistance or summer jobs for youth? Finally, Mr. President I talked about this earlier, school to work is cut $55 million—a 22-percent cut, curtailing efforts of 27 States, including Minnesota, to provide students the skills they need to get a good job. Mr. President, I heard the other day in a hearing from the business community that supports it, from labor that supports it, from youth workers that support it, from teachers that support it, and maybe most important of all, from young people, for whom this has made all of the difference in the world.

Mr. President, the definition for family security in Minnesota is to focus on a good education for our children and our grandchildren and to focus on educational opportunities and job opportunities. Mr. President, good family values is to invest in children. Good family values is to invest in educational opportunities. Good family values is to make sure that children can have dreams and can fulfill their dreams. Good family values is to give children hope. Good family values is to give kids a lending hand when they need it. Good family values is to give children the careful consideration and nurturing and support they deserve to do better in reading, to do better mathematics. Good family values is to make kids feel good about themselves. Good family values, Mr. President, is to understand that education and educational opportunities are the essence of the American dream.

This is one of the most important amendments, I think, that has been proposed on the floor of the Senate in my 5 years in office. I am very proud to be a Senator that brings this amendment to the floor, and I hope we will restore this funding. I have said it 10 times on the floor of the Senate. I will say it an 11th time and then be done. Now that I have grandchildren, I see these little children—they surprise me because our children are all 30, 26 and 23; I hope I have that right. Now three grandchildren. I see these kids. It is incredible. Every 15 seconds they are interested in something new. They can be in the same room and they can come back weekend after weekend and they always find something new. Those children are experiencing all the unnamed magic of the world. You take that spark of learning and you ignite it and it takes a child from any background to a life of creativity and accomplishment; you throw cold water on that spark of learning and that is the cruelest thing you can do as a Senator, as a government, as a country, as a society.

By trying to enact the deepest cuts we have ever had in education as the price for not shutting the Government down—that is precisely what the Speaker and other Members of the House who support this have sent over to the U.S. Senate—an effort to pour cold water on this spark of learning is unconscionable, unacceptable, and Senators should vote for our amendment to restore this funding. I yield the floor.

EXHIBIT 1

My name is Susie Kay and I have been a 12th-grade American government teacher at H.D. Woodson Senior High School for the past five years. I am one of four non-minority teachers at Woodson, which has a 100% African American student population. H.D. Woodson is a D.C. Public High School, located in the inner city, east of the Anacostia River.

Teaching at Woodson has been a powerful experience, and, while often disheartening, my days are filled with constant inspiration and small miracles. The noted education writer Jonathan Kozol has put my Woodson experiences in chilling perspective. He writes in *Amazing Grace*, ''No viable human society condemns its children to death. Yet, through public policy and private indifference, we have guaranteed that our poor inner city children will lead lives stunted by heartbreak, violence and disease.'' He continues, ''. . . that each casualty, part of the beauty of the world is extinguished, because these are children of intelligence and humor, of poetic insight and luminous faith.''

The story of the inner city and its youth is all this and infinitely more. It is a tale of survival, not only from a culture of economic despair and hopelessness, where too often nothing seems to change, but survival against the temptations of ''easy money'' in an area where there are virtually no available jobs or means of ''legal employment.'' It is a tale of survival amidst drug dealings and drive-by shootings and too often its innocent casualties . . . ''dreams deferred.'' Mostly, it is a story of the survival and triumph of the human spirit through resilience and finding hope in even the darkest corners. Our students want to survive, and they want to succeed, despite the multitude of odds against them. My friends hear all of my stories day after day; it is a world so foreign to most of them, in fact to most people in this country, and one which too many people don't want to be bothered with. It can be symbolized in the paradox of Washington, D.C., this glorious, powerful city, where blocks separate these two worlds. My students do not feel the same reverence and respect for our government that I was taught growing up, but rather an alienation, abandonment, and disillusionment of it. I must say that it is often difficult to blame them for this.

From what I have witnessed, those students that make it have truly survived against the odds. Many of their obstacles are so seemingly insurmountable, that there is an unwritten creed that making it to graduation day alive is, in itself, a victory. Death

is a culture in the inner city, and one that is prevalent. One of the most incredible aspects of these children's lives is the amount of death that they must constantly deal with, and the accompanying complacency and acceptance of it. Every Monday brings with it a new list of immediate family members and close friends who have either been killed or died because of the critical lack of available medical attention. This year alone, I have attended the funerals of three of my graduating 1995 seniors. They were all bright and beautiful young people, rich with intelligence and talent. This is not a sane way to grow up, nor is it conducive to a clear mind ready to begin the school day. Too many of our students come to school weary from sleepless nights spent worrying about things that citizens of this country, the richest country in the world, should not have to worry about. Will I have a place to live this week-end? Will that next stray bullet come through my bedroom window? Where will my next meal come from? As if teachers don't have enough to worry about, feeding, clothing, and sheltering our students with our own money has become routine. It is just part of the job. For the past three weeks one of our students has been homeless. A few teachers and myself have spent a great deal of time feeding, sheltering and locating suitable housing for this young man. It has been frustrating, but as always, we have been inspired by his determination to get through this. And once the students do beat the odds and arrive at school safely, what awaits them? Too often they face deplorable physical conditions and severe lack of supplies and resources (yes this does include text books). They face no heat in the winter and no air conditioning in the sweltering warmer months of May and June. School should be a haven and a refuge from the ills of the outside world; instead it is a place where even the presence of metal detectors and too few security guards can only do so much to keep our children safe.

We read daily about the lack of supplies, money and resources in the District of Columbia Public Schools. I am sure this is a story that is repeated in inner city school districts throughout the country, but these stories only scratch the surface. The reality is much worse, in fact tragic. Many classes did not have books until November of this year. Until recently, there was only one copying machine for use by the entire faculty, and now budget cuts have eliminated the repair of that machine. We were often relegated to using a hand-crank, 1950's style ditto machine located in the women's bathroom or expending our own funds to purchase copies of materials at Kinkos or Staples. Most teachers spend an average of $500–700 per year on supplies that are taken for granted in suburban schools through this country. Even the most basic supplies are now elusive . . . pencils, paper . . . what's left? It is impossible to teach effectively without spending our own money.

We are often inundated with news about teachers who have given up . . . burned out . . . who are apathetic . . . who simply do not care. This is not a fitting description of so many of my colleagues at H.D. Woodson. Certainly it does not bespeak the endless hours of work done by teachers who increasingly are being called upon to fill so many abdicated roles in their students lives. It is not an accurate description of Barbara Birchette, the lead teacher of the accelerated charter school at D.H. Woodson, the Academy of Finance and Business. She daily and tirelessly performs the job of an army battalion. Nor does it describe Kenneth Friedman, the English teacher to whom students know they can go to be fed and so much more . . . nor Coach Bruce D. Bradford, the swimming coach who continuously teaches his students invaluable life lessons. The names and stories of dedicated teachers are endless. We daily confront multiple obstacles and see them as challenges to be surmounted, while fighting off the temptation to give up. Our reward is our students . . . it certainly is not monetary.

The H.D. Woodson Swim Team placed 2nd in the DCIAA Championship over the past week-end . . . an amazing feat considering that we had no water in the swimming pool this entire season. Due to budget cuts, the necessary pool repairs have not been made. I guess there is nothing like dry land workouts for a swim team. Congress could learn a lot from our Woodson swimmers . . . how to do more with less. The Woodson Warriorsharks epitomize how success in these circumstances is still possible. So many of these students are the most creative, determined and loving people that I have ever met in my life. In spite of the odds, they desperately want to make it, and many miraculously do. In spite of the constant reinforcement of messages, both subliminal and blatant, our society, our government, our country is saying to these children that they are not valued as much, or deserving as much, as our (other) children. It is a race issue. It is a social class issue, and, if not quickly addressed, we will all suffer in the end. For those who think that this is not their problem, I say to you, you can run, but you cannot hide.

For many of my 17-year-old seniors, I am one of the few white people with whom they have had a daily relationship. Their experience with my race has often been either nonexistent, negative or at the very least, confusing. I am constantly faced with the challenge of answering logical questions that have no reasonable answers—at least ones which I find satisfactory as I face into the eyes of these children. Why do white people cross the street and hold their purses close and follow us around stores as if we are all criminals? Why do white people look at us with such anger and fear? Why does our government seem not to care about us? These are good kids growing up in a cruel world. Yet I'll say it again. The story is in the miracle . . . the thirst for knowledge and the will to survive.

I have made a point of exposing my students to my friends and to their jobs as lobbyists, hill-staffers and lawyers in the hopes that stereotypes will be dispelled on both sides . . . they always are. One of the largest voids in these students' lives are contacts and positive exposure to people beyond their immediate community. We all know it's who you know, and by no fault of their own, those connections are just not there. It does not take a congressional study to understand this simple philosophy of how so many of these kids are sent off into the world to complete with those who have been economically and academically advantaged, equipped to succeed. Our students are not born criminals; they are not lazy or stupid. They just want, and so deserve, the same chances that this country is supposed to guarantee all of its citizens. The last thing that they need is to be set back by further budget cuts in education, cuts which would only serve to discourage students and the teachers committed to helping them beat the odds. H.D. Woodson literally survives from the assistance that the Title I Program provides. To cut any further into our resources would be nothing short of criminal. We should be doing everything we can do help them. Too many people ask me why I continue to reach and care about these kids. I respond . . . how can you not?

Mr. LEVIN. Mr. President, I am a proud cosponsor of the pending amendment because I feel that education is so critical to this country's future. The worst thing we can do, the worst thing we can do when we look at budget priorities, is to make the kind of cuts in education programs that are proposed to be made for next fall and for the fiscal year that we are debating. These are the largest cuts in education programs in this Nation's history.

By the way, the same day that we made a $3 billion cut in education programs on an annualized basis, the cuts which were contained in the interim funding bill that we are now operating, $7 billion was added to the defense budget for items not requested by the Pentagon.

Within 2 hours we had two votes in this body. One of the votes passed a continuing resolution, interim funding, with cuts in education programs, cuts in title I programs that provide teachers, for math and science, for most of our school districts, cuts in Head Start programs, cuts in loan programs for colleges, cuts in the School-to-Work Program, which is a new form of vocational training education and is working so beautifully in our high schools; a 17-percent cut we had in the title I program; and a 22-percent cut in school-to-work.

Within 2 hours of that vote, which cut $3 billion in education, which represents the future of this Nation, we adopted a defense authorization bill that added $7 billion for items that the Pentagon did not ask us to add—ships and planes, mainly—and which the President did not request. Those are not the priorities that the people of this Nation want.

The cuts in education are proposed at a time when a recent NBC News/Wall Street Journal public opinion poll says that 92 percent of all Americans believe that the Federal Government should spend the same or more on education; 92 percent of our people do not want us to cut education.

The continuing resolution and the appropriation bill before us now makes historic cuts in education. These are cuts in programs that are working. We are not talking about cuts in programs that are not working. These are cuts in programs that are having a positive impact on the lives of people, according to, I think, all the authorities that I can talk to.

I have traveled around my home State of Michigan for the last month talking to parents, educators, and students. I asked them to talk to me about school-to-work, and to tell me what difference the School-to-Work Program means in their lives. And I am told what that program means in the lives of students.

We finally have a School-to-Work Program where the business community is involved in education. The business community is designing the curricula in the high schools that will provide students with schools that the business community can use.

Finally, we have a true marriage between business and education to provide real-world skills with real-world technologies. What do we do? There is a proposed cut in the School-to-Work Program of 22 percent. This is a program that is working. This is not a program that is floundering, a program that is wasteful.

When you travel around our States—and I can only speak for my State, but I go to school after school after school, from one part of my State to another, just on the School-to-Work Program. Another group of visits was on the title I program. These are programs where the Federal Government is making a positive difference. These are not wasteful programs. This is not where there is waste, fraud, and abuse, where we ought to be active. These are programs where we are making a positive contribution to the lives of students and to the future of this Nation, and it is proposed that we cut these programs by a historic amount of $3 billion, and where the American people have told us in public opinion polls, in our mail, phone calls, and in our visits, that education is a very big priority for them. They believe these programs are making a difference.

These college loan programs are making a difference. Head Start, we know, makes a difference in the lives of students. Only half of the students now eligible for Head Start get Head Start. Only half. That is all the funding that is available. So instead of increasing Head Start, we have an appropriation bill before us which reduces Head Start.

Now, in addition to the huge cuts that this bill would make in education and that our amendment would restore, that the Harkin amendment would restore, we have another problem, which is that the appropriation proposal before us causes local school districts tremendous uncertainty because the proposal before us says that there is a contingency fund, and if that contingency fund is funded, then they are going to get one level of funding, and if it is not funded through some budget agreement between the Congress and the President, then it is not going to be funded.

How do we expect school districts to be budgeting for next fall when we have, as part of their funding level, a contingency fund which nobody has any idea whether or not it is going to be funded? These are administrators of schools. They have responsibilities to people—to our children, in the case of high schools and elementary and intermediate schools, and colleges, in the case of college students. They have responsibilities to plan a budget.

The appropriation bill before us says, well, some of these cuts you are talking about maybe will be restored. If the President and the Congress get together on a budget deal, then there is going to be a higher level of funding, and those $3 billion in cuts you are talking about will not happen. They cannot budget that way. It is not a responsible way to budget. So right now, as they are budgeting for the fall, trying to figure out whether they have to lay off title I teachers, and they are trying to figure out whether they will have to terminate school-to-work programs, this new form of vocational education training, which, as I said before, finally marries the business community with our schools in the most creative kind of partnership, that I have seen in education. We have business people in our schools working together on a curriculum that will provide skills for students that are needed by business.

Mr. President, I have been in room after room with business people and students together in my State of Michigan, where the business people tell me that when these kids complete this course, this School-to-Work Program, when they learn these skills and when their attendance record is what it has to be under this program, and when they do all the things required of them, they will have a job with me. When you look at a room full of kids and when they are told by business people, ''When you complete this course in this high school, when you graduate this School-to-Work Program, you have a good-paying job with my company,'' that is real, and that is happening in the school-to-work world. That is what is proposed for a cut, unless, of course, there is a contingency fund that is funded.

But school districts cannot budget on that basis. They have to figure out now whether or not next fall they are going to have to reduce their School-to-Work Program, or whether they are going to have to lay off title I teachers. These are real budget decisions, and they should not be left up in the air the way this proposal does.

The bill includes significant funding cuts in some of the most proven education programs that we have. As I said, school-to-work initiatives are cut by 22 percent. We ought to be increasing school-to-work. It is a tremendous success. Goals 2000 is reduced by 22 percent; Perkins low-interest college loans is cut 37 percent; State student incentive grants is cut 50 percent; the title I skills program is cut by 10 percent; Head Start is cut by 4 percent; funding is eliminated altogether for the summer jobs program. This program has a direct affect on thousands of young people who otherwise are going to be without work and in the streets. It affects their education because many of these jobs are directly connected to whether or not they are in school or not.

As I have said, Mr. President, my reaction to these cuts is not just based on some philosophical belief that I hold deeply that education is the key to our future. It is based on personal experiences and traveling around my home State of Michigan.

(Mr. KYL assumed the chair.)

Mr. LEVIN. Let me give some examples of some of the comments of the various educators and people relative to these cuts.

Larry Campbell, the superintendent of the St. Joseph County intermediate school district said this:

> It is difficult for me to fathom proposed cuts in Federal education funds for title I, Goals 2000, school-to-work, and safe and drug-free schools. I am deeply distressed at the prospect of losing $265,600 in title I Federal funding for schools in St. Joseph County. This will have a profound affect on our ability to educate children, especially those with the greatest need.

Mrs. Jean Sawaski, the vice president of the Wakefield Township school board of education says:

> I am deeply distressed at the prospect of losing $93,300 in title I Federal funding for schools in Gogebic County. Please consider the impact of these cuts to education.

David Defields, the superintendent, and Mary Stessard, the director of programs and instruction of the Coloma community schools, in a February 15 letter, said to me:

> In Berrien County we are projected to lose $1.1 million in title I funds alone, at a time when teachers have begun to accept the research on how children learn, have invested much time in professional development and are excited about new teaming efforts to get it right the first time. You folks are asking us to cut back and curtail the momentum. It is all very discouraging for educators. Many at-risk students will lose services. We are willing to tighten our belts. However, we hear that on the same day that a budget cut of $3 billion from education funding is proposed, an increase for the defense budget of $7 billion is proposed. Is providing contracts for the defense manufacturers more important than the education of our children?

Mr. Richard van Haaften, superintendent of the North Branch Area School, said:

> I am very concerned about possibly losing $350,000 in title I Federal funding for schools in Lapeer County. A loss of revenue of this magnitude will have a significant impact on our ability to educate children with the greatest need.

Marilyn phillips, Principal of Beetle Lake Elementary School in Battle Creek, talks about real children where title I has made a difference in their lives. She says:

> I wish you could see how title I funds have helped so many students in our school. We have an excellent early intervention program for our kindergarten, first- and second-grade students which will have to be curtailed if you reduce funding for next year. For instance, Caitlin, a first-grader who was not succeeding in kindergarten, is now a fluent reader in the first grade because of the extra help given her through title I funding. Adam, Travis, and Mark, and so many others have been helped, too. Won't you please think about the importance of good education for this generation of children?
>
> Won't you please think about the importance of a good education for this generation of children?

Superintendent of the Detroit Public Schools, Dave Snead, told me:

> The elimination of the Summer Youth Program is short-sighted and sacrifices our ability to teach skills related to the work ethic, economic independence, and self-sufficiency. Reduction of funding for Head Start, Title I, School-To-Work, and Safe and Drug-Free

Schools shortchanges students most in need of assistance. The proposed cuts must not stand.

Well, if these cuts do become law—and, if we do not correct them through the pending amendment—our Nation is going to face the largest cut in education funding in our history. Over $3 billion will have been taken from America's schoolchildren, and the loss of the investment in their futures will have harmed us all.

So, Mr. President, President Clinton has said he will not sign this bill in its present form. And he should not. But it should not get to him in its present form. The Senate should adopt the pending amendment which should restore educational funding to at least last year's level, and we should not rob our children of their future, which is what we do when we cut education programs which are working.

I want to close with that thought because a lot of us in this body have gone after programs which do not work. We spend a lot of time trying to reduce programs which should either be eliminated or be reduced. That is true of many programs. And that is the responsibility which we have, and which some of us have tried to carry out. But these programs work, and we have to make a distinction between programs which work and programs which do not. When we have a title I program which is working, when we have school-to-work, and vocational education programs that are working, Head Start programs that are working, we should be finding ways to increase the availability of these programs.

We should be making college more available to students—not less. We are in the midst—and have been for about 20 years—of a real economic crunch on the average American family. It is something which we have been concerned about and have tried to turn around for a long time. We know that there is a direct relationship between how much education you have and what your lifetime earnings are going to be. It may not be true in every case. But it is true in most cases. The more education that you have the greater the likelihood is that you are going to have a better income for your whole life. We know it statistically. And what we also know is that the relationship is closer than it has ever been. To put it another way, the gap in income between those that have education and those that do not is growing.

When we are in a situation—I think it is a deeply troubling situation—when that average American family has seen stagnation in its income, when that average American family is working longer hours, because they are, or more hours put in per family to earn either the same amount, or less, in real terms after inflation and after taxes, it seems to me that we have to look for ways that we can turn that around where we can again see real growth in family incomes.

One of the ways to do that—and there are many—but one of the ways to do it is a proven way of increasing educational opportunities for the breadwinners of those families. We know it as certain as we are standing here; that, if we can increase educational opportunities for people, there is a strong likelihood—not a 100 percent likelihood but a strong likelihood—that they will be better off economically through their lifetime. Knowing that, why in Heaven's name we would be proposing historic cuts in education programs is beyond me. When we are struggling to find ways to improve family income to finally get it back into a growth mode, under this a appropriations bill—unless it is amended—we would be making reductions in one of the ways that we can be enhancing family income.

Our families are not only working longer hours, they are more productive than they have ever been. Our productivity as a people has gone up dramatically.

So the families of America are working more hours, are more productive than ever, and yet family income is stagnant. Median family income in America has actually gone down over the last 20 years. It is a situation which has troubling—indeed, tragic—overtones. And what we must do is continue to seek ways that we can reverse that situation. We must look for ways to improve the standard of living of average American families. And the worst thing we can do—the last thing we ought to do—is to be cutting the education programs which can help families, and help future families earn more.

So I hope that we will be adopting the amendment before us. I hope that we will restore not just in a contingent way, or in a hypothetical or possibly a theoretical way but that we will actually restore funds which have been cut from some very vital education programs.

I again am proud to be a cosponsor of the pending amendment and hope that it passes with an overwhelming vote of the Senate.

I yield the floor.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER (Mr. KYL). The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, in my capacity as chairman of the Appropriations Subcommittee on Labor, Health and Human Services, and Education, I have been struggling to meet the requirements of these three important departments in a way to present on the floor of the Senate a bill which can pass and will be signed by the President. There is an open question as to whether there can be passage of a bill by the Senate on a 51 majority vote on the declaration of an emergency without having offsets so that we reach the objective of a balanced budget, which is the objective articulated by the Congress as well as the President.

It has been this search for offsets which has occupied me for many weeks up to this instant. This morning I was on the phone trying to reach Chief of Staff Leon Panetta, with whom I have talked about these offsets again and again and again. We are still struggling to find those offsets, because if we do not find those offsets there is a real threat that there will be a stalemate again between the Congress and the President which will lead to a closing of the Government, which I think has been cataclysmic and would be even more so if it happened again.

That is not something I am saying for the first time in this Chamber, on March 12, today. I said that back on November 14, on the second day of the first closing of the Government because of my view that if we are going to have political gridlock, we ought to find a way to carry forward and crystallize the issue for the November elections and then take it to the American people as to whether they prefer the approach of the Congress or prefer the approach of the administration.

So as we have had these continuing resolutions late last year and again early this year, I have been talking to the administration's chief negotiator, Mr. Panetta, to try to find out the offsets. I wrote to Mr. Panetta back on February 20 of this year. I will read the first paragraph.

DEAR LEON: I called again this morning to try to find out from you the possible offsets to add approximately $3.3 billion for appropriations for my subcommittee on Labor, Health and Human Services and Education. As you know, when we talked the week before last you expected to be able to identify those offsets by last Tuesday. When I caught up with you on Friday, you thought the offsets could at least be identified by today.

We had scheduled a hearing for the three Secretaries for February 21, which was deferred in the absence of those offsets, and we finally had those hearings trying to get the priorities from those top administration officials a week ago today, on March 5. I had actually gone to Wilkes-Barre, PA, on February 16 in the hope that I would see Mr. Panetta. I could not reach him on the phone. He was traveling with the President. I got to Wilkes-Barre, PA, when the President was scheduled to inspect flood damage with a number of Pennsylvania officials from the Pennsylvania congressional delegation and the Governor. I found Mr. Panetta was not there, so I had a chance to talk to the President about this issue.

President Clinton said to me that he had discussed this offset question with Mr. Panetta and that offsets had been identified. I asked the President what they were, and he did not have the specifics at that time. But we are still in search of those offsets.

The bill which passed the Appropriations Committee provided an additional $3.3 billion for these three departments. The amendment which has been offered by Senator DASCHLE reduces that figure and calls for additions of $3,098,637,000. In working with Senator HARKIN, who is the ranking Democrat on this subcommittee, in what was virtually an all-night session—Bettilou Taylor nods in the affirmative—we have been able to come

up with offsets of $2,634,239,000. And in my efforts to reach Mr. Panetta again this morning, talking to Miss Barbara Chow of his office, talking about offsets perhaps from extending current fees of the Nuclear Regulatory Commission, there is a question as to whether that fits into this year or not.

When my colleagues from the other side of the aisle have been talking about the importance of education, I will not take a back seat on education funding to anybody in this Chamber or anybody in this Congress or anybody in this country. The education issue was very heavily stressed in the Specter family when I was growing up because my parents had so little of it. Both immigrants, my mother only went to school through to the eighth grade; my father had no formal education; but my brother, my two sisters and I have been able to share in the American dream because of educational opportunity. And I am determined to see that for America today and for America tomorrow.

There is another public policy consideration. Equality is in the eye of the beholder in how we get there. And that is the commitment which the Congress has made to a balanced budget, which the President has agreed to. That is why we are searching for these offsets. When comments are made about grandchildren, I concur totally on educational opportunity. But I am also concerned about not paying our bills that we run up on a credit card today, as we have for so many, many years with a national debt which exceeds $5 trillion and annual deficits which exceed $200 billion. So that is what we are struggling to do.

Comments were made about summer jobs. One of the Senators on the other side of the aisle said that he talked with the assistant district attorney in Boston who pointed out that crime increased when school closed. I do not know why you have to talk to anybody special to find that out. I was an assistant district attorney many years ago. The city of Philadelphia has a lot of similarities to Boston. And I saw that when school was out crime went up, and I did not have to find that out that particular summer. It was the summer of 1960 when I saw that.

I have been as concerned as my colleagues on both sides of the aisle about summer jobs, and the add-backs which are in the committee report provide for $635 million for summer youth jobs, which is what President Clinton had asked for in the add-back request.

When there is talk about the importance of school-to-work by my colleagues on the other side of the aisle, I agree with that, too, and we have added back in the bill currently pending from the committee $182 million for school-to-work programs, which is the President's request.

When you talk about the vital factor of title I compensatory education, again we have met the President's request on the add-backs putting in $1,278,887,000 billion.

So that we are struggling to find enough money in offsets which will enable us to proceed, to maintain the objective of a balanced budget by having offsets. It is something which Leon Panetta is committed to do, searching for offsets. I repeat the quotation of the President when I talked to him in Wilkes-Barre on February 16 that there were offsets and we are still trying to identify them. And this business about an emergency, if that is sufficient to avoid a 61-vote determination, that all anybody has to do in any amendment which is offered by any Senator is to say it is an emergency situation.

The logic is that if it is determined to be an emergency by the President and by the Congress, then that is an emergency and it is an exception to the Budget Act. But the question remains as to what kind of a vote it is which determines whether there is such an emergency.

There are extensive parliamentary considerations as to the ruling of the Chair and overturning the ruling of the Chair by a majority vote, and I would like to see us not engage in that kind of parliamentary maneuvering. I would also not like to see us engage in jeopardizing portions of this bill which provide for emergency relief for the terrible floods which ravaged my State of Pennsylvania and many, many other States.

That is why I am hopeful that we can come to terms and find the necessary offsets so that we maintain the commitments which I think, realistically stated, remain on both sides of the aisle to balance the budget and not to undercut that, but where we do add to education and summer jobs and school-to-work programs, programs that I totally subscribe to, that we do so in a way which comports with our responsibility on a balanced budget and meets that with offsets.

At this point, I am going to continue my work on the offsets. That concludes the essence of what I have to say. I know of no other Senator seeking recognition, Mr. President, so I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. KOHL. Mr. President, I come here as an original cosponsor of the Daschle-Harkin education amendment. With this amendment, we have the opportunity to answer a daunting question for school administrators, teachers and parents across the country: How much does this Congress value education?

With this amendment, we can make the right choice. By passing it, we can prove to our children and their teachers that Congress will back up its words extolling the virtues of a good education with actions that will provide a good education.

This amendment does not represent empty promises. It brings education funding back to last year's level and is paid for with real spending cuts, not with the fund contingent on some uncertain future event.

Last week, the Appropriations Subcommittee for the Departments of Labor, Health and Human Services, and Education heard from the Secretaries of these agencies. As a member of that subcommittee, I was stunned by the extent that education and job training programs have been hampered by the sharp cuts in the current continuing resolution and by disruptive Government shutdowns.

Despite these warnings, the Appropriations Committee reported a new continuing resolution containing over $3 billion in cuts to education and job training resources. My own State of Wisconsin will be hit with a $20 million cut in education, including almost $1.5 million less for Goals 2000, $2 million in vocational education cuts, $4.5 million in cuts to the Safe and Drug-Free Schools Program, and a debilitating $12 million cut in title I, which is the money that goes to our most disadvantaged young students.

Supporters of this continuing resolution will argue that there is over $3 billion in education money provided, contingent upon Congress passing entitlement reform. Mr. President, school administrators cannot bank on some unknown budget breakthrough that may happen in 2 or 3 weeks or perhaps not even at all. I hope we do get a breakthrough on a budget deal, but these school officials need to make budget decisions for the coming school year right now.

Let us present our school officials, our parents and their children with real solutions and not illusions. Our amendment takes the education priorities identified under the contingency account and pays for them right now. Real offsets are provided for real restorations in the title I program, school to work, drug-free schools, Goals 2000, higher education and Head Start.

Mr. President, no one believes that balancing the budget is easy, but people do question the priorities of the 104th Congress. People do question why the Pentagon was given $7 billion in spending it did not even ask for or need when, in fact, education is slated for huge cuts. People do question why we would shortchange education when noncontroversial offsets exist to pay for continuing funding at last year's level.

I am a strong advocate of balancing the budget. To get to that goal, I know we have to consider cuts in programs that we all support, and I am willing to do so in every area, except in core education programs.

Reducing our spending on education is perhaps the most unbalanced and unfair act that this Congress can take. We have already saddled our children

with Government debt topping $5 trillion. It is unconscionable at the same time to take away the tools that will allow them to earn money to pay off that debt.

When I ran my own business, Mr. President, the people I hired were the best people with the best education. What was true for our chain of stores at that time is true in the national and international marketplaces as well. Study after study has shown that the wages and quality of life of workers are directly related to their educational achievement. In the international economic arena, the country with the best educated work force will inevitably get the high-paying, high-technology jobs in the future.

To leave the next generation with huge debts is disgraceful. To leave them with an education deficit as well, I believe, is criminal. Skimping on education funding runs counter to almost every stated goal of this Congress. How can we reach a sustained balanced budget without giving the next generation the tools that they need to grow the economy? How can we reform welfare into a work program without giving our young people the skills they need to get and hold good jobs? How can we address the income disparity in our country if we deny students the quality education that will allow them to improve their standard of living?

I believe that our choice today is stark. We want to give our children the education they need to keep this country's economy healthy and to keep their standard of living decent. I hope that the Senate will make the right choice—to choose the future and pass the Harkin education amendment. Thank you, Mr. President.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, while the distinguished Senator from Wisconsin is on the floor, I would appreciate it if he would be willing to have an exchange of views and respond to a question or two on some of the statements which he just made.

Mr. KOHL. Go right ahead.

Mr. SPECTER. At the outset, I express my admiration for the work that the Senator has done. We have worked very closely together on a number of committees, including the Terrorism Subcommittee. I note his comments and concern, which I have heard before, about the balanced budget.

When the Senator says that there are offsets, it is my analysis, backed by staff, that the amendment offered by Senator DASCHLE does not have offsets for the full amount of $3,098,637,000. In the efforts which Senator HARKIN and I have made to try to find offsets, we have come to a figure of $2,634,239,000.

There is, in Senator DASCHLE's amendment, a provision for a declaration of emergency which seeks to take this amendment out of the provisions of the Budget Act requiring 60 votes. A concern that I have is that we will structure a bill here which will not be acceptable to both the Congress and the President.

We will have another closure of the Government if we send to the House of Representatives a bill which is based on the emergency determination without offsets. I think it is not highly probable—it is virtually certain it will be rejected and we are not going to have this issue resolved. I very much lament the fact that we are here on March 12, looking at a March 15 deadline.

I have spoken earlier, before the Senator came to the floor, about the efforts I had made with Mr. Panetta in trying to get this matter resolved earlier, and calls going back over several months, and referencing a letter I had written him about that. So that, if faced between the choice on finding hard budget offsets which come to, say, roughly $2.63 billion, what would the Senator's response to that be, contrasted with the pending amendment?

Mr. KOHL. Yes. It is my understanding that the offsets for the education amendment are not controversial and they were agreed upon during previous budget negotiations and have been scored by the CBO. What I have is $1,359,000,000 from the privatization of the uranium enrichment offset, $1,320,000,000 from extending the NRC commission fees, and $292 million from the sale of the strategic petroleum reserve.

So those are the offsets that have been agreed upon and have been scored. So I am satisfied and comfortable that we are not only adding back, as you point out, over $3 billion in education funding, but we are also providing an equivalent amount of cuts.

Mr. SPECTER. The facts that I have differ to some extent of significance. What we have come to in offsets of $2,634,000,000 is $1.3 billion, where I agree, as to the sale of the Uranium Enrichment Corporation. Then there is $292 million from the sale of oil from the strategic petroleum account and $526 million from the FAA rescission, $159 million of unobligated balances from Pell grants, and $166 million from unused budget authority in the committee allocation, $200 million in year-round youth training, which is back to the fiscal year 1995 level, and $25 million from the unemployed trust fund.

I think it is useful to talk about these in specifics so that our colleagues who may be watching will have some of the specifics. But with respect to the Nuclear Regulatory Commission, I had thought when I called Mr. Panetta this morning and finally talked to Ms. Barbara Chow—and she brought up the subject—that would be more than enough, $1.3 billion. But there are no savings from that account until 1999. I think that is why Senator DASCHLE has inserted in this amendment the emergency provision, which he hopes will take his amendment out of the limitations of the Budget Act.

So, I guess my question would be, or the point of discussion really, not so much a question, but debate as a dialog on where we are heading here, that if those offsets do not exceed $2.634 billion, you do not really get the $3.09 billion that Senator DASCHLE wants. And we look to send a bill to the House of Representatives which will be tough enough to get if there are hard offsets.

What would Senator KOHL's response be?

Mr. KOHL. Well, I think that we are debating whether or not the offsets that I have offered are legitimate. I think for the most part they are. They are legitimate, I think, to the extent that we are missing, perhaps, just a relatively small portion to get to $3.1 billion. I think we need to work a little harder to get there, because it is a question of priorities.

If we do not feel the priority, then we will not find it. You never do. You have to feel the priority, or those of us who feel strongly about it feel strongly enough so that we feel we have to fund those offsets so that we can in fact make this priority one of educational needs a reality and not find a way to not accomplish it.

Mr. SPECTER. Mr. President, I agree totally——

Mr. KOHL. I did offer, as I say, something like $3 billion, very close to $3 billion, in cuts that have been debated and agreed upon. This Uranium Enrichment Corporation cut from extending the Nuclear Regulatory Commission fees, and the $292 billion from the sale of the strategic petroleum reserve, this totals up to $3 billion, very close to the $3.1 billion we are talking about in terms of education.

Mr. SPECTER. The problem is the $1.3 billion from the Nuclear Regulatory Commission is not realizable until the year 1999. But I agree with what Senator KOHL said about working hard to try to find them. But if we do not find them, I do not believe it is realistic to send to the House legislation which is based upon anything but hard cuts which come within the timeframe that we are talking about here.

I thank my colleague for engaging in this discussion.

Mr. KOHL. I thank my colleague.

Mr. KERRY. Mr. President, if I could just pick up where the colloquy between the Senator from Wisconsin and Pennsylvania left off, I would like to emphasize what I think is the most important point, which is that over the 7-year period there is a sufficient offset. The Senator from Pennsylvania is correct that you do not get it every single year and you do not have it necessarily in the up front, but we are talking about a 7-year budget, and over that 7-year budget there is a sufficient offset.

Now, if there is not, assume for the purposes of argument there is not, my question to the Republicans is: Are we going to offer that as a show stopper, or are they prepared to put the money where their rhetoric is and, in fact, fund education to the level that it ought to be in this country?

Now, if there are not sufficient offsets, are we being told by the Republicans that out of a $1.5 trillion budget,

$1.3 trillion or so of which is actually revenue funded, we cannot find a sufficient amount of money to guarantee that the disadvantaged school communities in this country will get funded? That Head Start will be funded? That school to work is going to be funded? That summer jobs are going to be funded?

Look, this is a statement about priorities. There has been no trouble funding the B–2 bomber in the year 1996; there has been no trouble funding the freedom-to-farm bill, which finds an extraordinary amount of money being given away to the mining interests in this country, extraordinary amount of money being given away to the timber industry, extraordinary amount of money being given away to people to not grow crops. So we are going to pay people in America not to grow a crop, but we are not going to pay people in America to grow a child? Unbelievable choice of priorities. Unbelievable choice of priorities. Pay people not to grow something out of the ground, but do not pay for this kid that is already alive that needs Head Start, hot lunches, or decent education? That is the choice on the floor of the U.S. Senate.

The Senator from Tennessee, Senator THOMPSON, the Senator from Arizona, Senator MCCAIN, Senator FEINGOLD, and I were able to identify 60 billion dollars' worth of cuts that we thought were pretty reasonable that we could come to. Now everybody here will agree they are reasonable, but it certainly is fairly indicative of something, that the Senator from Arizona, a Republican, the Senator from Tennessee, a Republican, two divergent areas of the country for Democrats, the State of Wisconsin and Massachusetts, could all agree on 60 billion dollars' worth of cuts.

What kind of things did we find? We found the closing of the Uniformed Services of the University of Health Sciences, increasing the burdening sharing of the Republic of Korea, terminating the advanced neutron project, consolidating and downsizing overseas broadcasting by capping our funding to Radio Free Europe to perhaps only $75 million per year, putting other fiscal restraints on it, eliminating certain travel authorizations, reducing some of our export enhancement program for corporations that make millions of dollars.

We have people in the U.S. Senate who a few weeks ago voted to continue to fund extraordinary amounts of money to multimillion-dollar corporations making a profit, to help them sell their products overseas. How do you balance the equities of funding a profitmaking American corporation to sell its product overseas but not fund a nonprofitmaking entity that is trying to raise our kids for the future here in this country? I think the choice is very, very clear.

I said yesterday in my comments on the floor and I repeat again, obviously money is not the whole solution. We all understand that. Clearly, we need reform in our school systems. We need testing. We need to know when a student gets a diploma they can actually find the Capital of the United States on a map or recite the basics of American history, or do basic math. Regrettably, we have people in America who are content to pass kids on from one grade to the other without even an assurance that they can do that. That is disgraceful. That ought to change. A large part of that is a matter of personal accountability within the school system. But there is not any one of us who has not traveled to school systems in our States where they do not have computers, where they are not wired to the network, where they do not have state-of-the-art laboratories for science, where they do not have language laboratories, where they do not have modern reference books for their libraries, where their libraries do not even stay open, where the whole school shuts at 2:30 in the afternoon.

Mr. President, it seems to me that if we are going to talk about values in the United States of America we ought to start living them here on the floor of the U.S. Senate in our votes. This is a value-oriented vote.

What is extraordinary to me in this measure is that children in the United States are being held hostage to the whole budget process. This is a game that is being played; one more political game. What is the game? The game is that all of this money that is being talked about as an add-back is not an add-back at all. It is a contingency. It is going to be there if something else happens. It is not going to be there because we think our kids need it. It is not going to be there because it absolutely ought to be there, and schools ought to be able to plan on what they will spend next year. It will be part of the great political game in Washington because the section in the bill that does the add-backs, section 4002, says none of this money can be spent, even if we pass this today, unless there is a future agreement that is passed between the President and the Congress regarding all of the fiscal years of the budget agreement.

In other words, we could pass this today and some people can go home and say, ''Aren't I terrific, because we just added back money to education,'' but it will not be added back at all unless Medicare is cut, Medicaid is cut, taxes are cut to the level that the House of Representatives is currently holding everybody hostage to. That is not serious legislating, Mr. President.

What we have done is offer an amendment that is real, that offers real money, that brings us back not to the level that many of us in the U.S. Senate think we ought to be back to with respect to spending on education, but at least gets us back to hold us harmless from last year.

It is a tragedy that in the United States of America, recognizing what is happening to our workers, recognizing what is happening to the whole workplace where people's ability to be able to get ahead is tied to their ability to get an education, where countless numbers of our workers now are the victims of the downsizing and of this new information age that we live in, where people are working harder and harder and harder just to pay the bills and to make ends meet, here we are debating add-backs that do not even get us to last year's level of commitment to education. It is astonishing, absolutely astonishing.

There is not an educator in America who will not document the need to have sufficient basic skills to be able to move into the information world. All of us are on the floor constantly talking about the virtues of technology. You look at the entire history of this country from World War II, 75-plus percent of the productivity increases in America since World War II have come from advances in technology. Every one of us understands that in order to continue to compete to advance our productivity we will continue to diminish the labor of human hands in the workplace.

Now, if we are going to increase that labor with respect to services or with respect to the new technologies, people have to have the skill level. Mr. President, they are not getting it in our school system in America today sufficiently. They could. Let me share quickly an experience from a school in Boston. This came to me from the principal of the school, Thomas Gardner School. He wrote and said,

> The staff and the parents of the Thomas Gardner School were devastated to learn recently that the title I funding for 1996/1997 school year will be taken away as a result of Federal funding cuts. After working so diligently in implementing an Inclusion Program at the school and receiving the Boston School Improvement Award in the Fall of 1995 for being the second most improved school in the city, it is a rude and sad awakening to all of us that with the loss of our Title I Grant, our efforts to establish a superior educational environment may have been in vain.
>
> Without the $213,000 that we received this year from Title I, two full-time and one part-time teachers will not be with us next year. The loss of these teachers will result in our having to relinquish the Inclusion Program which has been so successful and return to the traditional classroom setting. This will seriously disturb our school climate, ultimately reducing our students' self-esteem which we at the Gardner School have worked so hard to increase. This will also gravely affect the students in our Bilingual Program because we are losing both a literacy and an English as a Second Language teacher. Not only will the students suffer with the loss of the program but this will also cause low morale amongst the staff. Since my announcement of this tremendous loss of money, I can already see that there is an air of dismay and anxiety in the building because a number of staff members are wondering if they are going to be displaced. This affects teaching and learning because it breaks the spirit of the school community—the teachers, the parents and the students.
>
> Our new computer system, which was funded by Title I money, helped us accomplish a

very difficult task during the 1994/1995 school year. During that year there was a significant rise in the Metropolitan Achievement Reading/Math Percentile test scores. With this success, we planned to move forward with Title I money so that every classroom at the Gardner School would have Computer Assisted Instruction next year.

The teachers and parents of the Gardner School and the other 22 Boston schools which stand to lose a total of 3.5 million dollars in Title I funding next year, strongly protest the insensitive and unjustifiable cuts in Title I funding proposed by Congress.

Mr. President, that is one example. I know that can be replicated in schools all across this country. But what really leaps out at me here, above all, is this contradiction: ''During that year, there was a significant rise in the Metropolitan Achievement Reading/Math Percentile test scores.''

That is what we are trying to achieve, what we are talking about, what we are struggling about. They had planned to put it in every classroom. That is what we are talking about. Every classroom in America ought to have this. We ought to want to do that before we build the next bomber, before we put out the next set of missile systems, or whatever it is. We ought to want every classroom in this country—and we ought to make a commitment—to have that computer capacity. We know it is more than just computers. It is guidance counselors, books, the whole atmosphere of the school, its safety, its drug-free schools. Why are we cutting drug-free safe schools by 57 percent? That was the original effort. Now the Senator will come back and say we are going to add back that money. As I pointed out, it is not a real add-back, unless we get all the other cuts that will come with the rest of the budget agreement. So we are holding children and the education goals of this country hostage to the politics of Washington. They do not come first; the politics are coming first.

Let me share another quick letter. This is from the mayor of the city of Boston:

I am writing to alert you to an urgent situation facing economically disadvantaged youth next summer—the elimination of the Federally-funded summer jobs program for 1996.

As you may know, funding for the Summer Youth Employment and Training Program was eliminated in both the Senate and House appropriations bills for 1996—

Why would we eliminate them? What is it that sets a priority in the first place to eliminate this? Why is our time being consumed to come back here and have to struggle to put back into a bill money for summer jobs for youth? What U.S. Senator believes that kids are better off wandering around the streets of our country in the dead of night in the summer because they have not had a constructive day? Who believes that? Why was it taken out in the first place? Why are we struggling to do that here at the last moment?

Well, maybe it ties everybody up and it ties up the energy of the Senate. But it is surely not a great statement about the priorities of this country. The mayor writes:

In Boston, as across the nation, the JTPA IIB program provides constructive activities for young people and keeps them from idling in the streets during the hot summer months. Through the program, thousands of young people gain work experience, build academic and employment skills, and earn money through service at neighborhood-based community organizations and downtown government agencies.

The program also includes specialized units emphasizing life skills, academics and the arts, and tailored efforts for young people with special needs, including employment for deaf/hard of hearing youth; English as a Second Language instruction for refugee/immigrant youth; and counseling for court-involved youth.

Mr. President, we have a provision in our Tax Code that encourages companies to take a deferral and reduce their taxes for moving their jobs overseas. Here we are fighting to put back money at the expense of that program so kids right here at home can have a job during the summer. That is a pretty fundamental choice.

Let me share one last example of what is at stake here. This information comes to me from New Bedford, MA, one of the highest unemployment sectors of Massachusetts, perennially, which has been hard-hit now by the loss of industrial jobs and jobs in the fishing industry.

There is a program there that started, a Head Start program in New Bedford. It has been about a year going on. It actually has a two-part program called People Acting in Community Endeavors. In 1994, because of the capacity to do this inexpensively and keep the administrative costs down and run a whole program, they bought a building, in order to create a second outreach program of Head Start for kids who need it. And 294 children are participating in the New Bedford Head Start program as of a year and a half ago. That program provides nutrition and educational services to a multicultural community. Now we learn, according to the budget cuts that have been proposed here, that there will be a 50-percent reduction in that funding, which adds to their now $6.5 million debt and to other cuts in the CDBG title I. So you are not only going to wind up laying off teachers, you are going to wind up cutting the program.

Mr. President, it just does not make sense. I know there are colleagues of mine on the other side of the aisle, like the Senator from Vermont, Senator JEFFORDS, and others, like the Senator from New Hampshire in the chair, who care enormously about education, who are committed to this. I do not think that the U.S. Senate should have that hard a time finding a way, out of this $1.5 trillion budget, to guarantee that we provide what is needed, not what we sort of want to find to provide, but what the country desperately needs in order to be able to provide structure for these kids. We cannot just come to the floor of the U.S. Senate and be bombastic about illegitimacy, births out of wedlock, and run around saying how the values of the country are imploding and then forget that the three great teachers of values are the schools, parents, and religion.

There are too many kids today who grow up without contact with any one of those. It is no wonder that we have sociopaths raised in this country who are prepared to shoot another human being just to wear their Levi jacket or their Reebok sneakers. If we are going to be real in our talk about how you inculcate values into young human beings, let us recognize the lessons of what taught all of us.

Let us affirm some structure in those children's lives. Let us somehow find a way in the Senate to guarantee that the 36 percent of all the kids in America who are born out of wedlock are going to somehow find some teacher in their life, a mentor, one-on-one, some outreach, some affirmation that will give them an opportunity to believe that they too can make it in this country because, if we do not do that, it is an absolute certainty that we will continue to fill our jails, our substance abuse programs, our shelters, and we will continue to bemoan the loss of the country that all of us care about and want to have.

That is what is at stake in this debate. That is what this amendment is about. And I hope we can find it in ourselves to strip away the politics, to strip away the sort of the scorecard, if you will, of who wins and loses. We all win. We all win. Most importantly, the children of America will win, if we can find a way to sufficiently guarantee the resources for our education system are adequate. I hope we are going to do that today.

Mr. President, I ask unanimous consent that the two letters I used be printed in the RECORD.

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

BOSTON PUBLIC SCHOOLS,
THOMAS GARDNER SCHOOL,
Allston, MA, March 12, 1996.

The staff and the parents of the Thomas Gardner School were devastated to learn recently that the Title 1 funding for the 1996/1997 school year will be taken away as a result of federal funding cuts. After working so diligently in implementing an Inclusion Program at the school and receiving the Boston School Improvement Award in the Fall of 1995 for being the second most improved school in the city, it is a rude and sad awakening to all of us that with the loss of our Title I Grant, our efforts to establish a superior educational environment may have been in vain.

Without the $213,000 that we received this year from Title I, two full-time and one part-time teachers will not be with us next year. The loss of these teachers will result in our having to relinquish the Inclusion Program which has been so successful and return to the traditional classroom setting. This will seriously disturb our school climate, ultimately reducing our students self-esteem which we at the Gardner School have worked so hard to increase. This will also gravely affect the students in our Bilingual Program

because we are losing both a literacy and an English as a Second Language teacher. Not only will the students suffer with the loss of the program but this will also cause low morale amongst the staff. Since my announcement of this tremendous loss of money, I can already see that there is an air of dismay and anxiety in the building because a number of staff members are wondering if they are going to be displaced. This affects teaching and learning because it breaks the spirit of the school community—the teachers, the parents and the students.

Our new computer system, which was funded by Title I money, helped us accomplish a very difficult task during the 1994/1995 school year. During that year there was a significant rise in the Metropolitan Achievement Reading/Math Percentile test scores. With this success, we planned to move forward with Title I money so that every classroom at the Gardner School would have Computer Assisted Instruction next year.

The teachers and parents of the Gardner School and the other 22 Boston schools which stand to lose a total of 3.5 million dollars in Title 1 funding next year, strongly protest the insensitive and unjustifiable cuts in Title I funding proposed by Congress. We urge everyone who agrees that funding for education is the most valuable investment we can make today to join our protest.

CATALINA B. MONTES, Ed. D.,
Principal.

BOSTON CITY HALL,
Boston, MA, December 14, 1995.

Hon. JOHN F. KERRY,
Russell Senate Office Building, Washington, DC.

DEAR SENATOR KERRY: I am writing to alert you to an urgent situation facing economically disadvantaged youth next summer—the elimination of the federally-funded summer jobs program for 1996.

As you may know, funding for the Summer Youth Employment & Training Program (JTPA-IIB) was eliminated in both the Senate and House Appropriations Bills for 1996, while the new workforce development legislation will go into effect at the earliest on June 1st, 1997. This situation leaves the summer program unfunded in 1996.

Your strong support has helped counter efforts to reduce and eliminate the summer youth program in the past, and again your help is needed to preserve this important opportunity for young people.

In Boston, as across the nation, the JTPA IIB program provides constructive activities for young people and keeps them from idling in the streets during the hot summer months. Through the program, thousands of young people gain work experience, build academic and employment skills, and earn money through service at neighborhood-based community organizations and downtown government agencies.

The program also includes specialized units emphasizing life skills, academics and the arts, and tailored efforts for young people with special needs, including employment for deaf/hard of hearing youth; English as A Second Language instruction for refugee-immigrant youth; and counseling for court-involved youth.

Operated by Action for Boston Community Development, Inc. over the past three decades, the program has provided thousands of low-income youth with their first work experiences and has strengthened hundreds of community-based organizations throughout our neighborhoods. Over the past few years, the integration of education into the program has reinforced the connection between school and work that has been missing from the academic experience of so many of our young people.

As the budget reconciliation process goes forward, please support the restoration of the summer jobs program for 1996. Thank you for your efforts on behalf of the young people in our communities who need and deserve a chance to work and learn during the summer.

Sincerely,

THOMAS M. MENINO,
Mayor of Boston.

Mr. DODD. Mr. President, I rise today in strong support of this amendment to increase real education funding for our Nation's children.

Over the past year, this Congress has eliminated billions of dollars for educating America's young people. And this CR would continue that process by slashing $3 billion from vital education programs. This moves us toward the single largest cut in education spending in our Nation's history.

And, there are real children behind these cuts: $137 million would be slashed from Head Start, affecting more than 20,000 3- and 4-year-olds; $679 million would be cut from math and reading programs, affecting 700,000 children; $266 million cut from the Safe and Drug-Free School Program; affecting 23 million kids.

And all funding for summer youth jobs would be cut, leaving half a million American teenagers with nothing to do this summer.

In my State of Connecticut, $9 million in Federal education funding will be lost. And most of those cuts come in the title I program, which provides remedial education for thousands of Connecticut's poorest and most disadvantaged children.

These cuts make it near impossible for schools and colleges across this country to plan ahead.

School districts do not know how many new teachers or new aides to hire. Educators are faced with appalling choices—which programs and what children will receive meager Federal benefits.

And all this comes at a time when public schools are making real progress in solving the myriad problems that face them; at a time when a good education is more essential than ever to guarantee our children the ability to compete in the global economy.

But instead of increasing funding, or at the least, maintaining current levels, this Congress is intent on pulling the rug out from underneath America's children.

This CR would wreak severe havoc on America's schools, on America's education programs, and most of all on America's children.

This is no way to run the Government and this is no way to balance the budget.

CUTS ARE NOT BACKED UP WITH REAL MONEY

To add insult to injury, while the majority party claims they are adding back funds for education, there is little real money in these appropriations.

These add backs are conditional on the Congress and the President agreeing on future cuts in Medicare and Medicaid and other essential programs; the same cuts that we haven't been able to agree upon over the past year.

So the only way we could increase money for education is by taking desperately needed funds away from America's most vulnerable citizens, the elderly and children. It is like robbing Peter to pay Paul and it is unacceptable.

This is the ultimate example of smoke and mirrors. The Republicans go to the voters and say ''We're serious about education,'' when in fact they provide hardly any real money to fund Federal education programs.

The Democratic amendment proposes real offsets and real spending cuts that would allow Congress to maintain its commitment to education.

This is the real way to balance a budget, by matching spending increases with real spending cuts.

THE GOP BALANCED BUDGET STRATEGY

To be honest, I have given up trying to understand the rationale of the majority party's budget cutting strategy.

First, they shut the Government down, costing the taxpayers over a billion dollars.

Then they continue this dangerous and chaotic policy of haphazardly passing CR after CR, all of which cut desperately needed funds for education, technology and crime programs, the environment, and the list goes on and on.

Now, realizing the folly of their ways, realizing that the American people don't want these draconian spending cuts, realizing that they cannot blackmail President Clinton into accepting their demands, the majority party proposes to restore a fraction of education funding—that is conditional on cutting money for essential programs that serve America's youngest and oldest citizens.

This is a foolhardy and dangerous approach, particularly in the face of earlier budget agreements, passed in a bipartisan manner, to protect education as a national priority.

All Americans can agree on the enormous importance of education for the future of our children, our families, and our country.

In fact, a recent Gallup Poll showed 75 percent of Americans support expanding Federal aid for education.

We must draw a line against these cuts in education and give our children the educational opportunity they need to succeed.

Mr. KERREY. Mr. President, I rise as a cosponsor of the Daschle-Harkin amendment. This amendment adds back $3.1 billion for vital education programs such as title I, Head Start, School-to-Work, and Education Technology.

I have often said that children will do as we do and not as we say. If we want our children to value learning and discovery, we just value them as well and demonstrate by our actions here in the Senate that we are willing to invest in their education and their futures by providing the money necessary to ensure a quality learning experience for all our children.

Recent polls show that education is a national priority among all Americans. These polls reflect what I have been hearing from Nebraskans—that Americans want their tax dollars to go to a strong education system—a system that will work for all its citizens. They are willing to spend more if they get more for their money. We must be willing to invest in education and spearhead a national commitment to achieve results in every school, rich and poor.

As I examine the programs that will receive additional funding under this amendment, I am struck by the fact that these dollars will be providing opportunities for our young people to do exactly what we all as parents admonish them to do—prepare themselves to live meaningful and productive lives. Under this amendment, we add back money to Head Start to enable our youngest citizens to enter school prepared to learn; to title I to allow our economically disadvantaged youth the opportunities afforded more affluent students; to vocational, school-to-work and summer jobs for youth programs to train, and educate our young people for the future workplace; and to technology programs such as STAR schools to provide exciting resources for all our students regardless of geographical limitations.

All of these programs are vital to my State of Nebraska, as they are in States throughout our country. I hear daily from Nebraskans who are concerned about the cuts to education being considered by Congress. They understand the serious budget considerations with which we are faced. However, they urge us to set our priorities in much the same way they prioritize their own budgets, and to secure our future by investing in our youth.

To those who argue that money will not solve our schools' problems, I will counter that we should put real money on the line here, not just spare change. It is past time for us to stop wishing our schools get better and start doing something about it. We are losing too many of our young people of all economic backgrounds to drugs, despair, and underachievement. We must be willing to invest in education just as we have been willing to invest in our national defense when our Nation's security has been at stake, because in a very real sense, our national security is at stake here.

Mr. President, as is so often the case when we are fighting for increased funding for discretionary programs such as these, it is becoming more and more difficult to secure the dollars necessary to make a difference. I am convinced that unless we are willing to commit to reforming our entitlement system, we will be unable to adequately fund vital education programs such as these.

I urge my colleagues to support the Daschle-Harkin amendment. By doing so, we will demonstrate our commitment to our children and their future.

Mr. JEFFORDS addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. JEFFORDS. Mr. President, I have listened very carefully to the very eloquent statements of my colleagues on the other side of the aisle with respect to education. There is nothing that I disagree with.

I ask my colleagues on the other side of the aisle to remember that the first vote this afternoon will move us from the macro responsibilities we have with respect to education to the micro responsibility we have for the District of Columbia. I hope when the fourth cloture vote comes up, on the D.C. appropriations bill, that my colleagues on the other side of the aisle will remember their responsibilities to the education of the children of Washington, DC, and will express that same compassion and vote for cloture so that we can move that conference report, which will do so much for the children of Washington, DC, on to the President.

I want to remind everyone that we are coming to a crisis point. First of all with respect to the budget of the District of Columbia as they are fast approaching the point of bankruptcy, and will reach it very quickly, if we do not pass that bill. That bill is locked up because we are arguing about a small provision included in the conference agreement that deals with education on a very controversial issue. But one which has been worked out between the House and Senate conferees which allows the District of Columbia, if they so desire, to have a very small voucher program for the purposes of allowing kids to have an option of the school that they will attend. It is done in a way that is only a local decision. It is not anything which has been characterized on the other side as shoving it down the throats of the people of DC.

So I urge you to keep in mind that we have this responsibility and that we are now over halfway through the school year. If we do not do something quickly, we will lose the whole school year. In fact, we will be into the next school year as far as planning goes and the inability to really enact anything which will help those kids.

So I urge you to use compassion and express it today in the vote for the District of Columbia in order for those young people to get the tremendous advantages that will occur by virtue of the reform which is contained in that package. Do not deny the city the opportunity to start its education reform over one issue which has become a national symbol, for what reason I do not know because it has nothing to do with what would be a federally-imposed voucher system on a community, or a State, or the country.

I urge you, please, when that vote comes up, vote for cloture today. Otherwise, we are going to find ourselves embroiled in even a greater conflict over the same DC appropriations bill in the large omnibus appropriations bill we are considering. The simple way to get out of the mess is to vote for cloture, and to get the DC bill out so we do not have to have the fight within the comprehensive package which is facing us today.

So, Mr. President, I again urge all of my colleagues to support the cloture motion which we will be voting on as soon as we come out of our weekly Tuesday luncheons.

Mr. President, I yield the floor. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. GREGG. Mr. President, I want to speak briefly—about 10 minutes—about where we are on this piece of legislation, and then later in the day I will be offering an amendment relative to the amendment offered by the Democratic leader.

We have heard a great deal of discussion from the other side of the aisle. We have heard from both Senators from Massachusetts, from the Senator from Minnesota, and I believe the Senator from Michigan. There must be something about States that start with the letter M. But we have heard a great deal from the other side of the aisle about how, if we do not proceed on this course, if we do not add in this additional $3 billion-plus into—I guess it may be more than that—education, that all sorts of disaster and plague will occur with the educational system of the United States.

One must ask the question, how can that sort of representation be made in light of the history of the educational experience over the last 15 to 20 years? We know, I think, as a country because we have seen—and we have had enough experience with it now over the last 15 to 20 years—that putting more into education is not necessarily the way to resolve the underlying problem in education. Yet, there is no question that more money in some instances significantly improves education. Take, for example, title 94–142, the IDA accounts for handicapped disability education. Yes, there is no question, to put more money into those accounts would certainly assist us in helping those individuals to be educated. It would take the pressure off our local school systems. Later in the day maybe I will even offer an amendment that will try to address that.

But the concept generally of putting more dollars into education will improve education is, I think, one that has been fundamentally disproved. There is study after study. In fact, the University of Rochester reviewed something like over 400 different studies and concluded after looking at those 400 different studies that there is very little correlation between the significant

increase in dollars spent on education and the improvement in education.

If we look at the academic performance of our students over the last 10 to 15 years, where we have seen a significant decline in our students' ability to score well in internationally evaluated exams, especially in the math-science area, while at the same time we have seen a significant increase in dollars in education, I think we must conclude that there is very little direct correlation between the amount of money you spend and the type of education you get. Yes, there is a correlation, but it is not a formula that says 1 equals 1—for every new dollar you spend in education you get an equal increase in quality. In fact, the formula for increasing and improving education is much more complex than that, and it involves, I think, primarily maintaining individual and parental involvement in education, maintaining local control over education, especially at the principal level and at the teacher level, with parent input, and allowing the school systems to have an activist approach from the community rather than have them told how to educate their children by either the State government or the Federal Government.

Buried within this amendment is the funding, of course, for Goals 2000, which takes us in exactly the opposite direction from local control, the basic theory of Goals 2000 being that there should be a national agenda, a national curriculum in fact designed to control the manner in which local education is delivered and which as a practical matter would probably be the most single debilitating event in the panoply of debilitating events that have impacted our education system were it carried to its true goals and fruition, which is basically to have a nationalization of the education curriculum in this country. So not only do we not necessarily get better education by spending more dollars in some instances, but in this instance by spending more dollars we get worse education because what we are going to get is more Federal control over education and the loss of local control which is, I happen to think, the essence of good education.

But the real core problem here is not the application of these dollars. It is the illogic of putting forward the increase in these dollars while at the same time being unwilling to face up to the underlying threat to our students which far exceeds anything else that they may be threatened by relative to their future which is the deficit of this country and the fact that we are passing on to the next generation of Americans who are today in school a Nation which is fiscally bankrupt.

We hear from the other side that, well, if we will just put more money into that program and more money, and give me another program and put more money into that program, and give me another program and put more money into that program, we will correct all the ills of our society and manage this country in a much more efficient way, which begs the fundamental question of, who is going to pay for all this that is being spent? Who is going to pay for all these additional dollars that are being spent?

I would be willing to consider the amendment brought forward by the Senator from South Dakota, the Democratic leader, if he and his party and his President at the same time had the responsibility to come forward and say, well, we are going to pay for this by controlling those discretionary accounts in the Federal Government which are driving us into these tight fiscal times. I would be willing to consider it under those terms. But we hear nothing from the other side. In fact, we have heard a rejection from the other side of any attempt to try to bring under control those functions of the Federal Government, specifically the entitlement programs, which are forcing us to contract our ability to spend moneys in the area of education that we might otherwise wish to spend. In fact, the irresponsibility of the other side is so excessive now that you have the President of the United States, having once agreed to welfare reform, which is one of the core entitlements which we should be getting under control, now rejecting a plan which was passed out of this Congress, this House of the Congress by 87 votes in favor of it. While the President at the same time has claimed that this was going to be the essence of his Presidency, or an essence of his Presidency, that he would reform welfare as we know it, change it fundamentally, now he has rejected a plan which once he accepted and which the Senate accepted by an 87-vote majority.

Then we have the same administration and the leadership on the other side of the aisle rejecting a plan brought forward by the Governors of the States, all 50 Governors in unison, saying let us use this as a way to bring under control this entitlement program, welfare. They are rejecting that program. And then when the Governors came forward as a unified body, all 50 Governors, Democrats and Republicans, and said let us correct the entitlement program, Medicaid, once again we hear from the other side of the aisle, no, we cannot do that because we will be giving up control here in Washington; we will be giving it back to the Governors; we cannot afford to do that so we are not going to correct that.

When you have the trustees of the Medicare trust fund coming forward and saying, if you continue to spend money the way you are spending money today, the Medicare trust fund is going to go bankrupt in the year 2002—now it is going to be bankrupt in the year 2001—trustees who were appointed by the President of the United States who serve in his Cabinet, you have the President of the United States and the other side of the body walking away from that issue as if it does not exist, either turning a blind eye to that problem and not being willing to address that problem or wishing to use the politics of fear and scare tactics against senior citizens in alleging that any proposal to address fundamentally the improvement in Medicare is a proposal to undermine the quality of Medicare. It is totally inappropriate for the administration and the other side of the aisle to say that.

So where are the proposals from the other side which would bring under control that function of the Federal Government which is going up at such a rate that it is leading the Nation into bankruptcy and is forcing us to have to limit our capacity to put funds into those accounts which many of us feel we might like to do such as special education in the area of IDA, 94–142, or chapter 1, which is also a good program. Where is the other side in coming forward with proposals on the entitlement accounts, because until they come forward with proposals on the entitlement accounts, they have no credibility on this issue.

When they bring forward an amendment which simply says spend the money and uses some fallacious offsets, when they bring forward such an amendment and at the same time fail consistently to address the underlying problem which is driving the fact that we do not have the resources necessary to address accounts which we think are appropriate in the discretionary side of the budget because of the rate of growth of entitlements, then they have no credibility.

That is what I find disingenuous in the arguments from the Senators from Massachusetts, Minnesota, and Michigan because there appears to be no program that they are not willing to spend more money on, but there appears to be no proposals to bring under control those programs which are bankrupting this Government and our children's future, which is what it comes down to as the bottom line, of course. Passing on to our children a finer education is something we all wish to do. There are ways to improve our educational system, and money does not happen to be the only way to do that. But there are things we could do here at the Federal Government level that would obviously improve our children's educational system. But passing on to our children a better education system is going to do very little good for them if at the same time we pass on to them a Nation that is bankrupt, where their opportunities for prosperity are dramatically limited because their Government was irresponsible and unwilling to address the core problems of expenditures growing so fast that they were outstripping the country's capacity to fund them, such as the entitlement programs of Medicare, welfare, and Medicaid.

So when the other side comes forward with these proposals, I think you have to take them with a grain of salt. You have to recognize that this is an election year; that they are going to continue to propose ideas to spend

money without being accountable until they feel that they have identified all constituencies necessary to build the voting majority. But I hope the American people will be a little more sophisticated; that they will understand this issue is about how you make the Federal Government responsible, how you pass on to our children not only excellent education but a chance for a prosperous and fulfilling lifestyle, and that that second part of the exercise involves addressing the issues of how this Government spends its money in the entitlement accounts, something about which, unfortunately, the other side of the aisle has decided to bury its head in the sand and the President of the United States has decided to join them.

I thank the Chair for his courtesy. I note the absence of a quorum.

The PRESIDING OFFICER. Will the Senator withhold that suggestion?

Mr. GREGG. Yes.

The PRESIDING OFFICER. Does the Senator yield the floor?

Mr. GREGG. I withdraw my suggestion.

RECESS

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 having arrived, the Senate will now stand in recess until 2:15 p.m. today.

Thereupon, at 12:29 p.m., the Senate recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. COATS).

DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 1996—CONFERENCE REPORT

CLOTURE MOTION

The PRESIDING OFFICER. The clerk will report the motion to invoke cloture on the conference report to accompany H.R. 2546, the DC appropriations bill.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the conference report to accompany H.R. 2546, the D.C. Appropriations bill:

Bob Dole, Trent Lott, Jesse Helms, Phil Gramm, Judd Gregg, Dirk Kempthorne, Strom Thurmond, Olympia Snow, Bob Smith, Dan Coats, Larry E. Craig, John Ashcroft, Thad Cochran, Jon Kyl, Mark Hatfield, Robert F. Bennett.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the conference report to accompany H.R. 2546 be brought to a close? The yeas and nays are ordered under rule XXII, and the clerk will call the roll.

The legislative clerk called the roll.

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

The yeas and nays resulted—yeas 56, nays 44, as follows:

[Rollcall Vote No. 25 Leg.]

YEAS—56

Abraham	Faircloth	Lugar
Ashcroft	Frist	Mack
Bennett	Gorton	McCain
Bond	Gramm	McConnell
Bradley	Grams	Murkowski
Breaux	Grassley	Nickles
Brown	Gregg	Pressler
Burns	Hatch	Roth
Byrd	Hatfield	Santorum
Campbell	Helms	Shelby
Coats	Hutchison	Simpson
Cochran	Inhofe	Smith
Cohen	Jeffords	Snowe
Coverdell	Johnston	Stevens
Craig	Kassebaum	Thomas
D'Amato	Kempthorne	Thompson
DeWine	Kyl	Thurmond
Dole	Lieberman	Warner
Domenici	Lott	

NAYS—44

Akaka	Ford	Moseley-Braun
Baucus	Glenn	Moynihan
Biden	Graham	Murray
Bingaman	Harkin	Nunn
Boxer	Heflin	Pell
Bryan	Hollings	Pryor
Bumpers	Inouye	Reid
Chafee	Kennedy	Robb
Conrad	Kerrey	Rockefeller
Daschle	Kerry	Sarbanes
Dodd	Kohl	Simon
Dorgan	Lautenberg	Specter
Exon	Leahy	Wellstone
Feingold	Levin	Wyden
Feinstein	Mikulski	

The PRESIDING OFFICER. On this vote, the yeas are 56, the nays are 44. Three-fifths of the Senators not having voted in the affirmative, the motion is rejected.

WHITEWATER DEVELOPMENT CORP. AND RELATED MATTERS—MOTION TO PROCEED

CLOTURE MOTION

The PRESIDING OFFICER. Under rule XXII, the clerk will now report the motion to invoke cloture on the motion to proceed to Senate Resolution 227.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to Senate Resolution 227, regarding the Whitewater extension:

Alfonse D'Amato, Trent Lott, Jesse Helms, Phil Gramm, Judd Gregg, Dirk Kempthorne, Strom Thurmond, Jim Jeffords, Olympia Snowe, Bob Smith, Dan Coats, Larry E. Craig, John Ashcroft, Thad Cochran, Jon Kyl, R. F. Bennett.

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate be brought to a close? The yeas and nays were ordered under rule XXII.

The clerk will call the roll.

The bill clerk called the roll.

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

The yeas and nays resulted—yeas 53, nays 47, as follows:

[Rollcall Vote No. 26 Leg.]

YEAS—53

Abraham	Bennett	Brown
Ashcroft	Bond	Burns
Campbell	Grassley	Murkowski
Chafee	Gregg	Nickles
Coats	Hatch	Pressler
Cochran	Hatfield	Roth
Cohen	Helms	Santorum
Coverdell	Hutchison	Shelby
Craig	Inhofe	Simpson
D'Amato	Jeffords	Smith
DeWine	Kassebaum	Snowe
Dole	Kempthorne	Specter
Domenici	Kyl	Stevens
Faircloth	Lott	Thomas
Frist	Lugar	Thompson
Gorton	Mack	Thurmond
Gramm	McCain	Warner
Grams	McConnell	

NAYS—47

Akaka	Feinstein	Lieberman
Baucus	Ford	Mikulski
Biden	Glenn	Moseley-Braun
Bingaman	Graham	Moynihan
Boxer	Harkin	Murray
Bradley	Heflin	Nunn
Breaux	Hollings	Pell
Bryan	Inouye	Pryor
Bumpers	Johnston	Reid
Byrd	Kennedy	Robb
Conrad	Kerrey	Rockefeller
Daschle	Kerry	Sarbanes
Dodd	Kohl	Simon
Dorgan	Lautenberg	Wellstone
Exon	Leahy	Wyden
Feingold	Levin	

The PRESIDING OFFICER. On this vote, the yeas are 53 and the nays are 47. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, I ask unanimous consent that I might be permitted to speak for up to 5 minutes.

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

Mr. D'AMATO. Mr. President, today we have seen what is the first of probably a number of votes to attempt to curtail the filibuster against moving forward with the Whitewater investigation.

Let us be clear and set the record straight. I have offered publicly, and I offer again on the Senate floor, an opportunity to answer the question of whether or not the committee is looking to continue the investigation into the political season and to do so by incorporating an indefinite time agreement. I can state, we are willing to limit—not that I am happy about it—since the setting of arbitrary time limits, as stated by the former Democratic majority leader, Senator Mitchell, is a mistake. Senator Mitchell came to this conclusion to prevent the possibility of lawyers from stalling and keeping matters from coming forth. However, recognizing that we are in a unique situation, this Senator has indicated before and I indicate publicly now that we would be willing to terminate the committee's work, even if it is not finished, within 4 months. It will take us, I believe, at least that period of time since there is a trial which is taking place right now in Little Rock, AR. There are witnesses who are unavailable to us who are testifying there. I believe that their presence, at least the opportunity to attempt to bring them forward, is important.

Mr. President, let me quote something. Let me read it to you.

No arguments about politics on either side can outweigh the fact that the White House has yet to reveal the full facts about the land venture, the Clintons' relationship with Mr. McDougal's banking activities, Hillary Rodham Clinton's work as a lawyer on Whitewater matters, and the mysterious movements of documents between the Rose Law Firm, various basements and closets, and the Executive Mansion. The committee, politics notwithstanding, has earned an indefinite extension. A Democratic filibuster against it would be silly stonewalling.

That is what we have seen today. Every single Democrat came in here and voted to stonewall at the direction of the White House.

Let us not make any mistakes about who is calling the shots here. It is the White House. Now, that is not a statement in terms of the stonewalling or being silly. That is a quote from the New York Times—the New York Times. They are certainly not an organ or a mouthpiece of the Republican Party.

Let me quote today's Washington Post—today's Washington Post:

Lawmakers and the public have a legitimate interest in getting answers to the many questions that prompted the investigation in the first place and those that have been raised in the course of it by the conduct of many administration witnesses . . . If Democrats think that stalling or stonewalling will make Whitewater go away, they are badly mistaken. The probe is not over, whether they try to call it off or not.

Now, that is the Washington Post today, certainly not a mouthpiece of the Republican Party.

Let me read to you from the current issue of Time magazine, just a small part.

The question of whether specific laws were broken should not obscure the broader issue that makes Whitewater an important story. How Bill and Hillary Clinton handled what was their single largest investment says much about their character and integrity. It shows how they reacted to power, both in their quest for it and their wielding of it. It shows their willingness to hold themselves to the same standards everyone else must—whether in meeting a bank's conditions for a loan, taking responsibility for their savings, investments and taxes, or cooperating with Federal regulators. Perhaps most important, it shows whether they have spoken the truth on a subject of legitimate concern to the American people.

That was written by James Stewart, a Pulitzer Prize winning journalist. Mr. Stewart has just written a major book, ''Blood Sport,'' about the Clintons' investment in Whitewater.

I come right back to the final question: What are my friends afraid of? What is the White House afraid of? Why are they reluctant to allow the committee to conclude its work? What are they hiding from the American people?

I believe that the American people have a right to these answers. No amount of criticism as it relates to what the committee has done to date will obfuscate the fact that they are continuing to stonewall. It is not silly. It is incorrigible. It is wrong. And it does not bring credit to this institution or to either political party or to the process.

Once again, I lay forth the opportunity to settle this so that we do not have to have speeches and debates and say that we can conclude the committee's work in 4 months.

Mr. President, I yield the floor.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The majority manager of the bill is recognized.

Mr. SPECTER. I thank the Chair. Mr. President, I have sought recognition to outline a second-degree amendment which will be offered——

Mr. DODD. Will my colleague yield at this point? Can we get 5 minutes to respond, on this matter that has been raised for the purpose of debate, for the ranking minority member, appropriate to give him a chance to respond to Senator D'AMATO?

Mr. SPECTER. I would yield for that purpose on a unanimous-consent request that when the response is concluded I be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Maryland is recognized for 5 minutes.

Mr. SARBANES. I thank the Chair.

Mr. President, I am going to be very brief.

It would be expected that the assertions would be made that have just been made. The fact is that Senator DASCHLE offered a perfectly reasonable proposal with respect to this inquiry dealing with Whitewater, and that was to provide an extension into early April. The inquiry was supposed to end at the end of February. That was provided for in the resolution which the Senate passed. The reason that was done was in order to keep this inquiry out of the election year so it would not be subject to a public perception that it was being carried on for political reasons.

Now, that concern paralleled a concern that was expressed by the Republican leader, Senator DOLE, in 1987, when the Iran-Contra inquiry was undertaken. That was in a Congress controlled by Democrats. It was an inquiry into the activities of a Republican administration. There were Democrats who wanted to carry it on indefinitely through the election year. Senator DOLE, at that time the minority leader, was very insistent that it would have a fixed timeframe that would keep it out of the election period. The Democratic Senate responded to that and, in effect, agreed that the inquiry would be brought to an end in the latter part—in fact, in the fall—of 1987, and later we moved that date up in order to keep it even more out of the election year.

Now, Senate Resolution 120 provides that the two leaders should get together and discuss any proposal for extending the committee, and I think that ought to be done.

The proposal before us is for an indefinite time period. The proposal which my colleague from New York has just put forward, the 4-month proposal, is virtually the equivalent of an indefinite time period. I think there needs to be some reasonableness here, and I think the reasonableness was reflected in the proposal put forward by Senator DASCHLE, the minority leader, which would have provided that the committee could continue its work into early April and have a month after that in order to do its report.

Now newspapers across the country are beginning to editorialize about this matter. These are newspapers ''outside of the beltway'' raising questions. For instance, the Tulsa paper says:

How far must taxpayers go? How much must they pay to keep this charade going? The vote in the Senate to extend the investigation probably will be along party lines. If it does, the extra $650,000 should come from the coffers of the Republican party, not from the taxpayers. It is the Republicans, not the taxpayers, who stand to benefit. The Whitewater probe is shaping up to be the longest, most costly fishing trip in American history.

These are not my words. I am now quoting what is being said out across the country. Of course, what that does, it substantiates the observation I made that if this thing is prolonged through the election year, it will be increasingly perceived as a political endeavor and it will lose its credibility as a consequence, or even further lose its credibility.

The Milwaukee paper said:

Last week, Senator Moseley-Braun asked a good question of Senator D'Amato, chairman of the Senate committee that is investigating the Whitewater affair. Could these hearings, she asked wearily, go on into perpetuity? Although D'Amato was really at a loss for words, he could not provide a satisfactory answer to that question, but somebody should.

They then go on to make the point that this thing has been dragged on long enough.

The Sacramento Bee headline said, ''Enough of Whitewater.''

Senator Alfonse D'Amato, the chairman of the Senate Whitewater Committee and chairman of Senator Bob Dole's Presidential campaign in New York, wants to extend his hearings indefinitely, at least one presumes until after the November elections. In this case, the Democrats have the best of the argument by a country mile. With every passing day, the hearings have looked more like a fishing expedition in the Dead Sea.

Now, Senator DASCHLE, I thought, made a very accommodating proposal. There has been nothing back from the other side to which one can attach the rubric of reasonableness. It seems clear to me that as long as they continue to press for an indefinite period or something that is virtually equivalent to it, we ought to resist it because it simply makes it more transparent that this is a political exercise.

Mr. DODD. Will my colleague yield?

Mr. SARBANES. Certainly.

The PRESIDING OFFICER. The Senator's time——

Mr. DODD. Mr. President, might I ask unanimous consent for 2 additional minutes?

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

Mr. DODD. Mr. President, I will seek the floor in my own right. I wish to just make a comment here in responding to the suggestion of our colleague from New York that the Democrats here voted against an open-ended $600,000 appropriation hearing process because of the White House pulling strings. No one suggested that our Republican friends who voted unanimously to continue this were somehow having strings pulled at all, nor would I make that suggestion.

But certainly the fact that at this juncture we find ourselves in a stalemate ought to suggest, particularly when you consider it was only a few short months ago that this body voted almost unanimously for these hearings to be conducted—this was not a partisan issue. As in most cases, it was bipartisan to get this underway. It was almost unanimous, I believe.

Mr. SARBANES. Ninety-six to three.

Mr. DODD. Ninety-six to three, in fact, for the resolution to terminate the hearings, to call for the termination on February 29. It is unfortunate we have come to this where you have a request unprecedented in the annals of Congress—unprecedented, Mr. President—for an open-ended hearing with an additional $600,000. That brings the pricetag of this investigation to in excess of $30 million in this country.

That is the reason people are upset, frankly, that kind of open-ended appropriation, no end in sight and, of course, no substantiation of any unethical or illegal behavior. When you add that to the fact that we have had virtually no hearings occurring on major issues affecting people's lives in this country, like Medicare, Medicaid—we are going to have an extensive debate on education today; we are going to be cutting $3 billion in education programs—there were hardly three or four hearings on all of education, as the Presiding Officer knows.

Yet, we had 50 hearings on White water and 10 or 12 hearings on Waco and Ruby Ridge and almost none on education, none on Medicare, none on health, and you want to know why people are angry? That is why they are angry in this country.

We spoke up and said, ''Look, 5 weeks, $185,000.'' That is plenty of time to complete this process. We are not saying stop it today. We are saying take another 5 weeks and wrap up the business of this committee. That is a reasonable, reasonable proposal, and I think it is regrettable we have a position taken of 4 months now which takes us virtually into September—when we eliminate the August recess—September, October, a handful of days before the election.

It is patently political. It is so transparently political that an infant can see through it, and most of the American people have. That is why we object to this request of an open-ended proposal with $600,000. I hope that the majority Members, at least some of them, will step forward and offer to sit down and resolve this matter so we can get the work done and not allow it to spill over into the campaign.

I thank my colleague from Pennsylvania for providing us some time.

The PRESIDING OFFICER. Who yields time?

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The majority manager of the bill is recognized.

Mr. SPECTER. I thank the Chair. Mr. President, as I had started to say earlier before yielding to my distinguished friend from Connecticut, I did not know he was going to mention Ruby Ridge, or I might not have yielded to him. What is wrong with Ruby Ridge?

Mr. DODD. I just say to my colleague, I think there is a value in having those hearings. My colleague did a good job. My point is, if you do it to the exclusion of other hearings, then it seems to me we are off on the wrong track. My colleague did a good job.

Mr. SPECTER. I thank my colleague for that comment.

BALANCED BUDGET DOWNPAYMENT ACT, II

The Senate continued with the consideration of the bill.

Mr. SPECTER. Mr. President, as I said, I had sought recognition to talk about a second-degree amendment, which shortly will be offered on behalf of myself and Senator HARKIN, which has been crafted very carefully after very, very extensive discussions among many parties. I thank the distinguished chairman of the committee, and I thank the distinguished chairman of the Budget Committee, Senator DOMENICI, for his cooperation. I thought we might save some time by talking about the amendment for a few minutes while some final language change is being incorporated to accommodate some concerns which have arisen.

There had been extensive discussion yesterday and today—I did not hear it yesterday because I was traveling in my home State of Pennsylvania—but I heard the discussion this morning about the need for education. I think there is a consensus in America about the importance of education, about the priority of education and about our doing everything we possibly can to stretch Federal dollars as far as we can along the education line. I know that is something the distinguished Presiding Officer, the Senator from Vermont, feels very strongly about.

What we have done is structured an amendment with offsets, where we preserve the balanced budget so that we do not encumber future generations with more deficit spending. The amendment, while raising funds for education, job training, and head start, which is a very high priority, obviously, second to none—but it also is offset so as not to encumber future generations with our spending money that they have to pay for—another high priority also second to none. These are very top priorities.

What we are submitting is an amendment in the second degree which will provide additional funding for education, Head Start and job-related issues.

We have heard from many, many mayors and many, many commissioners in local government. A comment was made this morning about summer jobs being a very important anticrime program, which is widely recognized, not really disputed at all. This amendment would add $635 million for Summer Youth Employment Programs in the Department of Labor, a high priority item.

We are adding $333 million in additional funds for the Dislocated Worker Retraining Program, which brings the total to $1.2 billion, a very, very important item in an era where there is so much downsizing, where we have seen so many layoffs, we have seen so much anxiety in America, and people in the prime of their working lives losing their jobs which they have held for 10, 15, 20, 30 years but still with many good years ahead of them. So the Dislocated Worker Retraining Program will have that additional funding which also impacts upon base closures, something which is very important to my State and very important all over the country.

We are adding $182 million in additional funds for the School-to-Work Program jointly administered by the Departments of Labor and Education. This brings the School-to-Work Program to a total of $372 million.

We are adding $137 million to restore fully the Head Start Program for the 1995 level. We will be adding $60 million in additional funds for the Goals 2000 program, bringing the total in the bill to $350 million. This is a matter which has produced some controversy, but I think that ultimately we may be in a position to eliminate strings so that we do not have the objection of too much Federal intervention and too much Federal control.

I personally believe that education ought to be left to the local level, but the idea of standards and goals is one which has great merit. Those standards and goals can be figured out at the local level; they do not need to come from Washington.

The Secretary of Education has testified of his willingness on behalf of the administration to give up some of the bureaucracy and some of the councils. Last September, the subcommittee had a hearing on Goals 2000, where we listened to people who were opposed to the program and might even be able to strike an accommodation of the disparate points of view by eliminating some of the Federal strings. Perhaps if the States do not wish to take Goals 2000 money, as some have so stated, that the funds might go directly to the local level.

We will be adding $814.5 billion in additional funds for title I Compensatory

Education for the Disadvantaged Program, bringing the total to $7.3 billion. This is a very, very healthy, substantial contribution to that very important program.

We will add $200 million to the Drug Free Schools Program, bringing the total in the bill to $400 million. We would have liked more, but that is a very substantial increase.

And $10 million in additional funds has been added for the educational technology program, bringing the total in the bill to $35 million; $82.5 million in additional funds for vocational educational basic grants, bringing the total in back to last year's level.

If the Chair will indulge me for one moment, I have an additional item which I would like to comment upon.

We have added an additional $32 million in State student incentive grants program and with respect to the Perkins loans, an additional $58 million has been added, bringing the total to $158 million. We have worked this out as we have proceeded to try to get all of these items in order, Mr. President.

We have offsets which we have worked out for some $1.3 billion in the sale of the U.S. Enrichment Corporation, and $92 million from the sale of oil from the strategic petroleum reserve oil, $616 million from the FAA rescission, $159 million from unobligated balances in the Pell grant program, $166 million of unused budget authority in left in the committee allocation, $200 million in year-round youth training, and $25 million in the unemployed trust fund, AFDC jobs rescissions.

I want to thank my distinguished colleague, Senator HARKIN, for his cooperation, and thanks especially to the staff who worked around the clock last night, and counsel, for drafting, producing this bill, really, at the very last minute.

I think I am in the position now with the final additions having been made, Mr. President, to send this bill to the desk—before doing so, I want to add one addendum. That is that Senator HARKIN and I have discussed our agreement, having crafted this as carefully as we have, to try to accommodate education, that this accommodates the total program and if there are any other amendments—any Senator can offer any amendment at any time—that Senator HARKIN and I are unified in opposing any additional amendments.

It is always easy to add money, which we would all like to do, but without offsets it is impossible to do. And we have added as much as we think can be done. So that our agreement is that this is an excellent appropriations bill for education, and we are going to stand behind it. And that is it. If any additional amendments are offered, Senator HARKIN and I are unified in our determination to reject them because this is a comprehensive bill.

AMENDMENT NO. 3473 TO AMENDMENT NO. 3467

(Purpose: To revise provisions with respect to the Departments of Labor, Health and Human Services, and Education)

Mr. SPECTER. Mr. President, on behalf of Senator HARKIN and myself, I send this second-degree amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER] for himself and Mr. HARKIN, proposes amendment numbered 3473 to Amendment No. 3467.

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

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

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

Mr. SPECTER. A summary has been given. I now yield to my distinguished colleague from Iowa.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The minority manager is recognized.

Mr. HARKIN. I again want to express my appreciation to Senator SPECTER for his leadership in this area and for working not only with me personally but our staffs working very closely together to craft this amendment.

This really does bring us to the point—maybe it is not all of what every one of us wants. I mean, we never get that around here, but at least it fills the need for getting the money out now to the school districts so that they know what to do next year.

For summer youth, there are all the things that Senator SPECTER spoke about that we have to get through. We have the offsets to pay for it.

Again, I want to thank Senator SPECTER for all of his diligent work in this. I want to again join Senator SPECTER in thanking our staffs. I know they worked long hours in putting these numbers together and working with Senator DOMENICI and Senator HATFIELD and Senator BYRD on our side. So I think it is a well-crafted amendment, and I agree with Senator SPECTER that it deserves the support from both sides of the aisle.

Mr. President, let me just in way of talking about this amendment talk a little bit about the past weekend in Iowa. Right now all of the basketball tournaments are taking place in the State. There is a lot of anxiety about who is going to win and who is going to lose. I would like to deviate a little bit, if I could, from the debate on this amendment, just for a moment, Mr. President, to recognize the newly crowned State champions in what we call the premier high school tournament in Iowa, the annual Girls State Basketball Championships. Winfield-Mount Union in class 1A, Sibley-Ocheyedan in class 2A—I saw that; it was a great game—Carroll in class 3A, and that was also a great game that I got to see. I missed the last game because I was not there for it, but it is my alma mater, West Des Moines Dowling girls, who won the State championship in class 4A.

So I just want to say to all the teams that competed in the tournament, congratulations on your accomplishments, and to the winners, congratulations on winning.

I might add, this week the best high school boys basketball teams make their annual trek to Des Moines for the final winner tournaments for the boys basketball games. So, again, there is a lot of anxiety in the State right now about who is going to win and who is going to lose.

But I must say, Mr. President, the anxiety extends well beyond the gymnasium. In school after school in Iowa and across this country, school administrators and school boards are worrying about which teachers will lose their jobs and which students will not get title I reading assistance. They are contemplating what vocational education activities will go by the wayside and how to deal with the cuts for the safe and drug-free schools program.

The list goes on. In January, I worked as a title I teacher at Johnson Elementary School in Cedar Rapids. I learned firsthand the value of title I, and my concern about the cuts were heightened.

Late last month this article appeared in the Cedar Rapids Gazette: ''6 Schools to Lose Remedial Reading: Cedar Rapids District Sites Expected $350,000 Cut in Federal Funds.''

Mr. President, if we do not pass this amendment to that Senator SPECTER and I have joined on, if we do not pass this, nine teachers in Cedar Rapids will lose their jobs; 350 students who need extra help with reading at six elementary schools in Cedar Rapids will not get it next year.

In Council Bluffs on the other side of the State, five teachers will lose their jobs, 113 fewer students will be helped. Of equal concern is the fact that the district will lose the investment they made to train three teachers in reading recovery, a short-term, intensive, one-on-one teaching technique that is showing great promise of quickly bringing first graders up to grade level in reading.

The Iowa Department of Education estimates that across the State 7,300 fewer students will get title I assistance and 200 teachers will be laid off if this amendment is not adopted.

This scenario will be repeated in every State and school district across the country. Secretary Riley estimates that 40,000 teachers will be laid off nationwide as a result of the $1.1 billion cut in title I.

Mr. President, the sixth national education goal calls upon us to ensure that by the turn of the century every adult American will be literate and will possess the knowledge and skills necessary to compete in the global economy. But the deep cuts in job

training programs will not lead us toward this goal. It signals a fast retreat.

Next year, without this amendment, funding for dislocated worker training will be cut by 29 percent, and summer jobs for youth is totally eliminated. These cuts could not come at a worse time. You can hardly pick up a newspaper or turn on the evening news without seeing yet another story about worker dislocations caused by downsizing.

Last year, Federal JTPA funds assisted 105 workers who lost their jobs at Tyson Foods in LeMars, IA, and 85 individuals formerly employed by MCI in Sergeant Bluff, IA. The planned cuts in retraining for dislocated workers means next year 300 fewer Iowans will benefit from such assistance.

However, the number of worker dislocations has not abated in my State. FDL Foods has announced layoffs in Dubuque and Eveready Battery is closing its plant in Red Oak, IA. Unfortunately, with cuts of this magnitude in job training, many of these people will not get the assistance they need.

Mr. President, the bill before the Senate restores many of these cuts, but only if we pass some other bill in the future to pay for them. That is the underlying bill. That is a mistake. Schools cannot budget based on a contingency. School districts need to know now what they will receive next fall. In Iowa, the final deadline for making decisions on teacher hires is April 30, but many districts are already making those decisions. Without a firm commitment now, across the country thousands of teachers will get the pink slip for next year.

Mr. President, we should pay for this up front, not based on some contingency that might happen, but pay for it now. That is what this compromise bipartisan amendment does that Senator SPECTER and I are introducing. Again, Senator SPECTER and our staffs have worked long and hard to craft this compromise. It is certainly not everything that I would like or anyone else would like, but it is a giant leap from where we are. The offsets were difficult to come by this late in the fiscal year, but we did it. I wish we could do more, but I believe this is an honest and reasonable effort to avoid devastating cuts in education and job training. I urge all of my colleagues to support it.

Mr. President, Iowa's schools stand to lose almost $12 million in education funds next year. Title I will fall by $8.6 million. These cuts would be devastating to my State. Those are not my words. In a February 27 news article announcing the plan to cut title I from Cedar Rapids' Van Buren School, this is what the school's principal, Mary Lehner, had to say: ''It's just going to be devastating for kids. I am very concerned about those students who need the extra help with those reading skills.''

These concerns are not only being expressed by school officials but by business owners. Mr. President, I got an interesting letter here from a business owner in Carroll, IA, Mr. Tom Farner, of the Farner-Bocken Co. It is interesting what he said:

> It has come to our attention that the Federal Government is planning to cut title I Reading Program by 17 percent. We feel this will hurt the quality of our labor force not only for the State of Iowa but in the Carroll region. Our business does not require a lot of skill but it does demand for our employees to be able to read picking labels and invoices.

Mr. President, I ask unanimous consent this letter from Mr. Tom Farner be printed in the RECORD, along with other pertinent correspondence from Iowa constituents.

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

FARNER-BOCKEN CO.,
Carroll, IA.

SENATOR HARKIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR HARKIN: It has come to our attention that the Federal Government is planning to cut the Title I Reading Program 17%. We feel this will hurt the quality of our Labor Force not only for the State of Iowa but in the Carroll region. Our business does not require a lot of skill but it does demand for our employees to be able to read picking labels and invoices.

Our company is a part of a food buying group called Pocahontas Foods with companies all over the United States. I just attended a show in Colorado Springs where the owners of the companies got together to discuss issues and problems that we face in our industry. One of the main problems talked about was the percentage of errors on orders that are delivered to customers. They were discussing that their percentage rate was around 70–75% and that 80% was great. Our companies percentage rate is between 80–85%. This demands the skills of people to read labels, invoices, etc.

Reading is a very essential tool for people to survive in today's fast growing world and economy. Let's not jeopardize our children's future by cutting back on Title I.

Please vote no to cutting back Title I.

Sincerely,

TOM FARNER.

CARROLL, IA
February 26, 1996.

Senator Tom Harkin,
U.S. Senate,
Washington, DC.

DEAR SENATOR HARKIN: It has come to our attention that the Federal Government is planning to cut the Title I reading program by 17%. This will mean drastic cuts in our local program. This also means a reduction of teachers, not as many students in need of reading assistance will be served. To me, this makes no sense. Why cut back on education when Title I has a proven track record? What will this mean for our students? I am a second grade teacher in a Catholic School near Carroll. I also have a son in the Title I program. I see the benefits on both sides, as a parent and a teacher. These teachers are so very good at what they do; each student is made to feel a success! Why make these children pay for these cutbacks? Because, ultimately, that is what will happen. If they do not get the help they need when they're young, you will be investing in them in the future in welfare and other government programs. Please, save yourself the money now and do not cut back on education. It is our future and your future that you are playing with. Thank you for your consideration.

Sincerely,

MARY ANN BRINCKS.

KATHY BEHRENS
Carroll, IA, February 20, 1996.

DEAR SENATOR HARKIN: I am writing to you in regards to the proposed funding cuts to the Title 1 Program. As a Title 1 teacher, I personally witness the value of this program and I encourage you to vote against the proposed cuts.

In our Title 1 program students are given individual, small-group instruction. These are the kinds that would fall through the cracks if not given the extra reading instruction with a reading specialist. So many of these kids' parents are ''too busy'' to spend the extra time at home.

I realize that Title 1 funds are under question as to whether or not the funds are being used properly. I can tell you that in our school district the Title 1 program is using the funds very wisely. We have six teachers who serve approximately 190 students at 5 buildings. If the proposed cuts were to take effect, 60 students would not receive the help they need.

I sincerely believe that this proposed cut would turn a nation of readers into a society of illiterate children. Please vote ''no'' for the proposed budget cuts!

Sincerely,

KATHY BEHRENS.

LINDA WETTER,
Floyd, IA, February 26, 1996.

TOM HARKIN,
Hart Senate Office Building,
Washington, DC.

DEAR MR. HARKIN: I am writing in regard to the government plan to cut funding for the Title 1 program for our schools.

As a parent of a son with a learning disability, I have learned over the past five years how important this program is. My son, with the help of this program is finally gaining the confidence to reach out and set his goals high—not to accept this disability as a life sentence, but to overcome it.

I have spent years telling my son that this learning disability is not his fault—that everyone learns differently and that the extra help he needs is available to him.

Please do not let him or his future or our countries future down. There MUST be another place to make a cut back.

Remember—a learning disability does not discriminate—it could affect your family too—a son, a daughter or maybe a grandchild.

Please reconsider and keep my son's future bright. Do not add to his burden. His future is in your hands.

Thank you for your time. Your help in this matter is greatly appreciated.

Sincerely,

LINDA WETTER.

CLINTON, IA,
February 25, 1996.

Senator TOM HARKIN,
Des Moines, IA.

DEAR SENATOR HARKIN: I am writing this letter as a concerned parent and teacher, regarding the cuts in Title I funding. I cannot believe that the government would even consider cutting the funds of such a beneficial program.

As a Reading Recovery Title I Teacher, I believe that many disadvantaged children would not make it in the regular classroom without the support of the Title I teacher. I can think of one family in particular that I have dealt with personally. One brother is in third grade and did not receive the benefits of Title I in the early grades. Now as a third

grader, he is being tested for special education. I am serving his first grade brother in my Reading Recovery program and can see that he is making tremendous gains—he's reading. I believe that the Title I program has saved him from special education, and will help him to live a better life. How many other lives has Title I changed?

I know I speak for many parents and teachers when I say that we would really appreciate your support in seeing that the funding is not cut for the Title I program.

Sincerely,

CYNTHIA S. CRAMER,
Title I Teacher.

Senator HARKIN,
U.S. Senate, Washington, DC.

DEAR SENATOR HARKIN: It has come to my attention that the Federal Government is planning to reduce the Title I reading program funds. As a mother of a student who has participated in this program in 1995, I am asking you to please reconsider this action.

This intervention program in 1st grade has helped my child considerably with his reading capabilities. Because of the program, he is able to keep up in his current class without continued help. I know the program gave him a positive attitude toward school and has helped his self esteem. With a good start in the early years, all children will benefit tremendously in the future. Our children are the future!

Please reconsider the cut in funds for the Title I reading program. It has been a valuable asset to our son and to our school.

Sincerely,

LOIS M. BEHRENS,
Mother.
JOHN E. BEHRENS,
Father.

RENEE GENTER,
Carroll, IA, February 21, 1996.

DEAR SENATOR HARKIN: My name is Renee Genter and I am the mother of a title one reading student. Recently I was informed the Federal Government is planning to cut back 17% of our local schools reading program, which is very upsetting to my husband and I. We are the parents of four wonderful little boys who unfortunately have problems with reading. Our oldest child who is eight years old has struggled with reading since he started school. About two years ago we were introduced to the title one reading program and it has been a life saver to our son. At one point he was feeling different from the other children in his class and now he is able to read in the same level as his classmates, which has done wonders for his self-esteem. Knowing that some of our other children will have the same problems and knowing that the program may be canceled makes me wonder what are we to do about extra help for them. I am writing in hopes that the Government will change its plans for cutting back on such a great program. I know I am not alone on these feelings. Parents and our school programs are our only help for our children and their children. Thank you for taking the time to read my letter. I hope we can make a difference. Our children are depending on us.

Sincerely,

RENEE GENTER.

CARROLL COMMUNITY SCHOOL DISTRICT,
Carroll, IA, February 13, 1996.

DEAR BUSINESS LEADER(S): It has come to our attention that the Federal Government is planning to cut the Title I reading program 17%. This will mean drastic cutbacks in our local program, both in the public and parochial schools. The equivalent of two teachers may need to be cut, which will mean we will not be able to serve the number of students we have in the past. It will be unfortunate if some students in need of reading assistance could not be served due to lack of funding. We, as educators, are very aware of the importance of having employees in your business with good reading skills. We believe our program can help accomplish that.

As a business person in this community, we are asking you to send a short note to the legislators who represent you. You might want to mention how Title I can benefit your business and your concern about what will happen if such drastic funding cuts occur.

The legislators and their addresses are:

Senator Harkin, U.S. Senate, Washington, D.C. 20515

Senator Grassley, U.S. Senate, Washington D.C. 20515

Rep. Tom Latham, House of Representatives, Washington, D.C. 20515

Thank you for your efforts in this matter. Unless we voice our opinions, this funding cut will be passed. We are sure that you feel as we do—Our children and their futures are very important!

Sincerely,

TITLE I STAFF.

Mr. HARKIN. Mr. President, it is not just the teachers who are saying this, but business people say they need people who can read. Although they may not need highly skilled people, at least they have to be able to read and understand.

Mr. President, our amendment will provide the offsets to pay for the increases in education and training programs recommended by title IV of this legislation. Again, we believe we have to provide for these now, not at some possible point in the future, as is in the underlying bill. The last thing we need to do is get mired down in the same old stuff that has already shut down the Government twice before.

I urge my colleagues to support this amendment, to match the desire to avert the education cuts with the resources to make sure the cuts will not happen. We need to make sure that the add-ons are paid for now so that teachers will not lose their jobs, children will continue to get title I services, and workers will get the training assistance they need to remain competitive.

In closing, Mr. President, I want to thank Senator SPECTER for his work in this area and thank our staffs for putting this together. No one likes to make cuts, but we have made these offsets, and I believe the offsets are good and the money will go to all of the things that Senator SPECTER mentioned: Summer youth employment program, dislocated workers, school to work, Head Start, Goals 2000, of course title I, which I talked a lot about, drug-free schools, educational technology, Perkins loan and SSIG for higher education.

Mr. President, I ask unanimous consent that Senator WELLSTONE be added as a cosponsor of this amendment.

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

Mr. SPECTER. Mr. President, I thank my distinguished colleague from Iowa for his comments. I believe this is a well-crafted bill that accommodates education while maintaining the balanced budget principle. As Senator HARKIN has pointed out, people now in school districts know what they can do by way of planning if this finally becomes law.

I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Ms. MOSELEY-BRAUN. Mr. President, the need to balance the Federal budget must be driven by more than just numbers; it must also reflect sound priorities. Our budget must not only be fiscally responsible; it must also reflect the priorities of the American people.

A survey conducted in January found that 82 percent of Americans oppose cutting education spending.

A different poll in January found that 67 percent of voters rank the quality of education in public schools as their top priority.

Last year, 75 percent of Americans polled said that aid to education should be expanded.

Unfortunately, the omnibus appropriations bill before us today does not reflect these priorities. It makes more than $3 billion in Federal education and job-training programs—programs that provide opportunities for America's children and students—contingent on a future budget agreement. The bill essentially says to our children and students: Your education will be a priority later—maybe.

The Daschle-Harkin amendment doesn't wait—because today's children will grow up regardless of whether or not there is a budget agreement, and tomorrow's economy will not be any kinder to them if there is not.

It is easy to understand why so many Americans make the quality of education one of their top priorities. Education is related in a positive way to almost every index of domestic and social well-being.

The average earnings of a college graduate are 75 percent higher than those of someone with only a high school education, and 150 percent higher than the earnings of a high school dropout.

Sixty-two percent of small children whose parents have not completed high school live in poverty. By contrast, only 4 percent who have at least one parent with a high school diploma live in poverty.

More than 80 percent of prison inmates are high school dropouts.

The American people place such a high priority on education because education is an essential investment in our future. A quality education has always opened the door to the American dream—the chance to achieve as much as your ability, talent, and brains will take you.

Education is much more than a private benefit to individual students. Education funding is an investment in America. Quality education affects the

entire community, and it is as much a part of our national defense as any missile system. As Laura Tyson said, a country's people are its most precious resource.

Yet, under this bill, if the contingency funds do not become available, the bill:

Cuts the Safe and Drug-Free Schools Program—which helps to provide a safe environment conducive to learning—by almost 60 percent;

Cuts the Title I Program—which provides basic assistance to low-income children and school districts—by 10 percent;

Cuts Goals 2000—which helps fund innovative, locally driven efforts to raise the quality of education—by 22 percent.

The bill also targets programs that make it possible for more Americans to afford a higher education. Without the contingency funds, the bill cuts the Pell Grant Program by 6 percent, the Perkins loans by 37 percent, and the State student incentive grants by 50 percent.

The cost of college has risen more than 230 percent in the last 15 years. Yet, according to the Department of Labor by the year 2000, 52 percent of all new jobs will require more than a high school education. Diminishing access to higher education is not one of the priorities of the American people, and it should not be one of the priorities of this Congress.

This bill also cuts billions from programs that provide young people with summer employment and job training, and that help prepare dislocated workers for new careers. Without the contingency funds, this bill cuts the JTPA Program by 25 percent, training for dislocated workers by 29 percent, and the summer jobs program by 100 percent.

Education and job training programs are about knowledge, about competitiveness, and about being able to adapt to a changing economy. I am reminded of a quote from one American philosopher, who wrote: ''In times of change, learners inherit the Earth, while the learned find themselves beautifully equipped to deal with a world that no longer exists.''

The Daschle/Harkin amendment reflects that philosophy by truly putting the $3.1 billion for education and job training back into the budget.

Thirty-five percent of the American people believe that education funding should be Congress' No. 1 legislative priority. Let us not let them down—or the 82 percent who oppose education cuts period—by failing to enact this amendment.

Mr. BINGAMAN. Mr. President, I rise in support of the Harkin education amendment. This amendment aims to restore funding for the Department of Education, and for all education and training to fiscal year 1995 levels.

This amendment is fully paid for. It adds back funds to the fiscal year 1996 appropriations with offsets scored by CBO. This amendment, unlike the Republican addbacks, do not depend on future contingencies at an unspecified time in the future of a congressional-Presidential agreement on an overall budget. This will allow schools, now in the process of planning their budgets for next year, to know the funding level for which they can budget.

The amendment represents addbacks that both parties agree to: $151 million for education reform; $1,279 million for title 1; $208 million for school improvement programs; $82 million for adult and vocational education; and $10 million for education research and statistics. This will provide funds for Goals 2000; title 1; safe and drug-free schools; charter schools; vocational and adult education; education technology; Head Start; dislocated workers; adult training; school-to-work; summer jobs for youth; and one-stop career centers.

The Harkin amendment would maintain the fiscal year 1995 level of $18.4 billion for Department of Education funding except Pell grants, and funds for Pell grants, including the fiscal year 1995 surplus carried forward to fiscal year 1996, would also remain level.

This amendment maintains fiscal year 1995 levels of funding for education by identifying offsets, not by adding anything to the deficit.

These addbacks support programs needed by everyone, and especially those in New Mexico. Title 1 supports teaching basic reading and math skills to disadvantaged students. Every school district in New Mexico would be hurt if these funds are not restored. Albuquerque public schools alone would lose almost $2 million if House cuts are not restored.

Education reforms funds support school-industry cooperation in developing programs that teach students going directly to work from school those skills they need to perform a job; and Goals 2000 supports professional development and raising standards of literacy to internationally competitive levels. The grant awards in New Mexico for these programs have provided great local control and pride and initial signs of success. Vivian LaValley of Bernalillo High School was here last Thursday describing her School-to-Work Program and it was very impressive.

The need for such Federal support is sorely felt both by my constituents and other leaders across the country. In 2 weeks Lou Gerstner of IBM and Gov. Tommy Thompson of Wisconsin will host the Nation's Governors and business leaders in an education summit to discuss the need for education standards and technology. The addbacks provided in this amendment provide States and communities the resources they need to pursue these efforts as they see fit.

For the last 6 years the Federal Government, on a bipartisan basis, has increased funding for education each year. Congress was right to do so. As our future depends increasingly on the competitiveness of our work force in the global economy, improving our education performance and investing in education should be top U.S. priorities. Unfortunately this amendment does not increase funding for education. But it does provide at least level funding for education.

Mrs. MURRAY. Mr. President, I rise in support of the Daschle-Harkin amendment restoring funds cut from education. This amendment stands for something; it stands for a continuing commitment to learning for all Americans.

One program the amendment would restore is the School-to-Work Program. I would like to tell you how this program has helped one student in my State to turn her life around and avoid the effects of violence.

Mr. President, we all hear about the epidemic of violence in America. The people most affected by this epidemic, and the people who sometimes end up contributing to the problem, are our young people. Too frequently, a young American's world of love, tenderness, and growth is replaced by a world of hate, abuse, and death.

The homicide death rate in Washington State has more than doubled since 1970, for children between 15 and 19 years old. Significant numbers of younger children are also becoming victims of homicide in recent years.

Juvenile drug and alcohol offenses have declined in my State since 1991, but were too high to start with. Violent crimes are on the rise among youth, and more young people are being incarcerated than ever before.

Mr. President, I want to make sure we do not misplace the blame for this epidemic, however. Adults are the ones capable of making the changes that will prevent adult violence and child abuse.

Adults are also capable of preventing youth violence. Young people tell me: Adults don't seem to care about them; they don't have access to youth activities; they can't get summer jobs; adults don't set a good example for kids; adults don't encourage positive behaviors—so young people get attention by exhibiting bad behavior.

This should not be allowed to happen, because it has an immediate effect on the lives and psyches of our young people, and a longer term effect on the economy and social fabric of our Nation.

The good news is: Adults can do something about these problems, and adults set good examples every day. Just being willing to talk with, and listen to, young people is a great start.

Last week, as part of his ongoing response to this problem for young people, the President hosted a White House Leadership Conference on Youth, Drug Use, and Violence. He brought together people from around the country to talk about problems and solutions for today's youth.

Mr. President, one of the people in attendance at the conference was a former high school dropout from Washington State, who has turned her life

around through a program in vocational skills training.

This young woman is named Jessica Shillander. She spent her young life in a two-parent family, but later experienced a difficult family breakup. After this happened, this soon got very difficult for Jessica, and she had to prove how capable and resilient she really is—a thing we shouldn't ask from any child in America.

Jessica was kicked out of her mother's home as a seventh grader. Not surprisingly, she almost immediately got involved with gangs, drugs, and an abusive boyfriend almost twice her age.

Jessica dropped out of school, and if it were not for the help of caring adults, and a special program funded with Federal School-to-Work funds, she would not be the success story she is today.

However, due to a dropout retrieval program run by the New Market Vocational Skills Center in Tumwater, WA, Jessica started having success in school.

At New Market, Jessica felt the support from adults which allowed her to improve her academic and job skills. Thanks to the program, Jessica has almost graduated. She has turned away from violence.

She is now working a paying job as a student advocate, and looks forward to a career helping young people. Last week she spoke to applause at the White House Conference, letting adults and youth learn from her story.

This dropout retrieval program would not be possible without Federal School-to-Work funds. Run through the vocational skills centers in Washington State, the program is unique in the country. High school dropouts—kids from lower- and middle-class working families—get special assistance to get them involved in instruction which is relevant to their lives.

If they need help with transportation, or child care, or just need someone to care enough those first few days back at school to give them a wakeup call or see that they get an alarm clock or work clothes—the help is there.

And, like most Americans, these young people respond well to high expectations and a caring attitude—they need less help as they become more confident in their own abilities. These programs have an average placement rate of 90 percent—either in jobs, higher education, or the military.

At a time when our world is more complex than ever, when all employees, young or old, are finding the working world more difficult, when all schools need to be more relevant, Congress is about to cut the very School-to-Work funds that make Washington's School-to-Career program possible.

Here's Jessica's reaction: ''School-to-work transition needs to begin as early as kindergarten, to help all students find value and self-worth. I want all students to have this opportunity.''

Mr. President, I just held four children's forums in my State, in Yakima, Vancouver, Spokane, and Tacoma. In every one of these meetings, adults and young people came out in the winter weather to confirm that all schools need to be more relevant, and that School-to-Career programs are exactly the kind of thing this country needs more of.

But, instead, we are here today debating an amendment to restore these funds after they have been cut. This is folly. We must invest in our future, not bankrupt it. The Daschle-Harkin amendment will restore School-to-Work funds for programs like the one that helped Jessica.

I believe, as did President Franklin Roosevelt, that ''The only real capital of a nation is its natural resources and its human beings.'' America cannot continue to act like a business having a fire sale, we must continue the investments which will give our country a future. Education is paramount among these. I want my colleagues to support the Daschle-Harkin amendment in this light.

Mr. GRAMS. Mr. President, I wish to speak as in morning business for up to 10 minutes.

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

EXTENSION OF SPECIAL COMMITTEE TO INVESTIGATE WHITEWATER

Mr. GRAMS. Mr. President, I wanted to say how disappointed I am that the Senate failed in a vote a few minutes ago to end the filibuster of our resolution to continue the Whitewater hearings.

The question before the Senate today should have been whether or not we would authorize additional funding for the continued investigation into Whitewater. Unfortunately, the current filibuster that is underway prevents us from even considering this question or voting on either the resolution or the Democratic alternative.

I recognize that some of our colleagues who have not closely followed the course of this investigation could reasonably believe that enough time and money has been spent on the matter, and under ordinary circumstances, they might be right.

Should we not have the opportunity to openly and honestly debate—and vote—on this issue? We may have disagreements over the need to continue the Whitewater investigations, but shouldn't those disagreements be argued and resolved in the light of full public scrutiny? I believe they should.

Unfortunately, that is not the situation we face today. But that should not come as any surprise; after all this filibuster simply follows the course of action directed by the White House.

Whatever its motivation, the White House has refused to fully cooperate with this investigation. For months, they have delayed the production of documents, presented witnesses who exhibit suspiciously selective memories, and raised dubious questions of privilege in order to withhold potentially damaging evidence. All for the purposes of downplaying the significance of Whitewater and running out the clock on this investigation.

Let us review the facts. Nine people have been convicted for crimes relating to Whitewater, and seven more—including Arkansas Governor Jim Guy Tucker and the Clintons' business partners, Jim and Susan McDougal whose trial has begun in Little Rock—are currently under indictment.

The President and the First Lady have both been compelled to testify separately before grand juries on the subject of Whitewater.

Yet, the White House still refuses to make full, prompt disclosures in response to our requests. And in those refusals rest the real Whitewater scandal.

Just as important as the actual and alleged crimes committed in Arkansas during the 1980's is the potentially criminal coverup going on in the White House today.

Our chief frustration centers around the stark difference between the claims the First Family makes in front of the cameras and the actions taken by the White House behind closed doors.

The President and the First Lady have repeatedly pledged full cooperation with this investigation, but as a Washington Post editorial puts it, ''they have a weird way of showing'' that cooperation.

It has been clear from day one that a concerted and coordinated effort has been made on the part of the White House, associates of the President, and Clinton appointees to thwart the work of the special committee.

You can think of Whitewater as a jigsaw puzzle with a timeclock—a puzzle that did not come in a box or with a picture to work from. You begin assembling the scattered pieces, but when you think you are done, something does not seem quite right.

Maybe it is the holes at the edges of the puzzle or the extra pieces you are holding that don't seem to fit anywhere. With time ticking away, you look around to see if anything is missing, when you find them in someone else's hands.

And as all the pieces begin to fit together, you still have no idea what you'll end up with, but you realize that the puzzle is bigger than you had ever imagined.

It sounds incredible but look at the obstacles we have had to face.

Withheld records. Last summer, the committee requested the phone records of Margaret Williams and Susan Thomases for the time period immediately following the death of Vince Foster. By December, we had received them, but only after making four separate requests and issuing a subpoena.

The records detail a phone tree between Williams, Thomases, and the First Lady on the night of Foster's death, leading to the removal of documents from Foster's office. But it took months to get them.

Last minute surprises. On November 3, Deputy White House Counsel Bruce Lindsey was deposed by the special committee. Not until the eve of his deposition did Lindsey supply the committee with Whitewater documents, and then, 12 days later, discovered another 80 pages of information.

with this new information, the special committee decided to depose Mr. Lindsey again, when, surprise, he once again provided additional documents on the eve of a deposition.

And just a few weeks ago, when we least expected it, boom—more documents from Bruce Lindsey.

Missing and redacted notes. On February 7 of this year, the White House released a redacted version of notes taken by then-White House Communications Director Mark Gearan from Whitewater response team meetings led in 1994 by White House Deputy Chief of Staff Harold Ickes.

But only on the day of Gearans' deposition was the unredacted version released—3 days before Gearan was scheduled to testify. When questioned, Gearan gave little explanation for why these, shall we say, colorful notes were not turned over in response to a committee subpoena for Whitewhater documents issued over 3 months ago.

Overlooked documents. Upon receiving confirmation from the Gearan notes about Ickes' role in Whitewater, the committee requested any additional notes that might have been taken by Ickes.

Sure enough, less than 48 hours before Ickes was scheduled to testify, over 100 pages of notes and documents appeared on our doorstep, accompanied by the dubious explanation that the documents were mistakenly overlooked.

To top if off, how can one forget the long delayed discovery of Mrs. Clinton's billing records in the White House book room. Coincidences? Hardley.

The White House knows exactly what it is doing, Make no mistake about it.

Publicly, they claim to be the most forthcoming administration in history. And they point to the tens of thousands of pages of documents they have turned over as evidence.

Only after you leaf through the piles, and see first hand the fragments, the redactions, and the irrelevant information the White House has provided do the pieces of the puzzle begin to fit together in the image of a stone wall.

I've often compared it to looking for a needle in a haystack—the trouble is, when we ask for the needle, the White House gives us the haystack. And now, they want to say ''Times up. We win.''

Mr. President, when we started this investigation, our purpose was to examine the reasons for the taxpayer-financed $60 million failure of one Arkansas savings and loan. But what we have uncovered, in Washington and in Arkansas, is enough to make any ethical person cringe—and still, many questions remain.

It is these findings and unresolved questions which lead me to wonder why our Democratic colleagues have chosen to filibuster this investigation, rather than let us gather the facts and complete our job.

There has already been a great deal of speculation in the public's eye over issues related to Whitewater and the death of Vince Foster. We cannot afford to leave these questions—or to give the American people reason to doubt the integrity of our efforts.

Mr. President, we have a choice. We can either continue our investigation and get to the bottom of this whole affair or we can give up. We can begin dismantling the White House's stone wall piece by piece or we can throw our hands up in the air and allow the Senate to become just another part of a potential Whitewater coverup.

Mr. President, we cannot allow that to happen.

We have a responsibility to uncover the truth to every taxpayer whose hard-earned dollars bailed out Madison Guaranty, to every citizen who questions the honesty and integrity of their Government, to every American who believes in the saying, long forgotten in Washington, about ''the truth, the whole truth, and nothing but the truth.''

If it takes us days, weeks, or months to wipe the Government clean from the tarnish of Whitewater, then that is what we must do. The Senate cannot continue to wash its hands of this responsibility. The investigation must continue. If it takes us days, weeks, or months to wipe the Government clean from the tarnished Whitewater, then that is what we must do. The Senate cannot continue to wash its hands of this responsibility. The investigation must continue.

Now, I know my colleagues argue many points, but I believe they ignore the merits. They argue time and money, but they ignore the facts. They say, ''What is the big deal about Whitewater?'' But, again, they ignore the fact that nearly two dozen friends and associates of the Clintons have become casualties of Whitewater being sent back home in disgrace, charged or convicted of crimes related to Whitewater, or even worse.

And, also, they charge that the investigation is political, but they ignore the fact that it would be more political to end this investigation without getting the answers. It is political, but the politics are being played by the White House and our Democratic colleagues in not allowing this investigation to continue. If there is nothing to fear, why not get the job done and put it behind us?

Thank you very much, Mr. President. I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

BALANCED BUDGET DOWNPAYMENT ACT, II

The Senate continued with the consideration of the bill.

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

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

AMENDMENT NO. 3473

Mr. DASCHLE. Mr. President, I commend the distinguished Senator from Iowa and the distinguished Senator from Pennsylvania for their work in bringing us to this point on one of the most important aspects of this omnibus appropriations bill, the education amendment. Yesterday we offered an amendment with an expectation that we could restore full funding to the 1995 level. This legislation does that. There was some miscalculation as to the funding level required to bring us to fiscal 1995 levels for title I. As I understand it, the question relating to how much funding would be required to do just that has been resolved.

I am satisfied that this does restore the fiscal 1995 level for title I, as well as for the other educational priorities identified in the underlying amendment. So, clearly, this agreement is a very significant development. It ought to enjoy the support of both sides of the aisle. I hope we can get unanimous support for it. It removes what I consider to be one of the most important impediments to bringing us to a point where we can get broad bipartisan support for final passage of this bill.

So, again, I thank the leadership of the Senator from Iowa, and certainly the Senator from Pennsylvania. I hope that all of our colleagues can support it. I hope we can work together on a bipartisan basis to reach similar agreements on other outstanding differences related to this legislation, including funding levels for the environment, crime, and technology. We also need to remove the contentious riders the House included in their version of the bill. I believe that if we did that this afternoon, we could put this bill on the President's desk before the end of the week and, at long last, resolve the many problems we have had with these appropriations bills.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

The question is on agreeing to the amendment of the Senator from Pennsylvania. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 84, nays 16, as follows:

[Rollcall Vote No. 27 Leg.]

YEAS—84

Abraham	Exon	Mack
Akaka	Feingold	McConnell
Baucus	Feinstein	Mikulski
Bennett	Ford	Moseley-Braun
Biden	Frist	Moynihan
Bingaman	Glenn	Murray
Bond	Gorton	Nickles
Boxer	Graham	Nunn
Bradley	Grassley	Pell
Breaux	Harkin	Pressler
Brown	Hatfield	Pryor
Bryan	Heflin	Reid
Bumpers	Hollings	Robb
Burns	Hutchison	Rockefeller
Byrd	Inouye	Roth
Campbell	Jeffords	Santorum
Chafee	Johnston	Sarbanes
Cochran	Kassebaum	Shelby
Cohen	Kennedy	Simon
Conrad	Kerrey	Simpson
Coverdell	Kerry	Snowe
D'Amato	Kohl	Specter
Daschle	Lautenberg	Stevens
DeWine	Leahy	Thomas
Dodd	Levin	Thurmond
Dole	Lieberman	Warner
Domenici	Lott	Wellstone
Dorgan	Lugar	Wyden

NAYS—16

Ashcroft	Gregg	McCain
Coats	Hatch	Murkowski
Craig	Helms	Smith
Faircloth	Inhofe	Thompson
Gramm	Kempthorne	
Grams	Kyl	

So, the amendment (No. 3473) was agreed to.

AMENDMENT NO. 3467

The PRESIDING OFFICER. The question is on agreeing to the Daschle amendment No. 3467, as amended.

So the amendment (No. 3467), as amended, was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. JEFFORDS addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I rise today in support of Senator HATFIELD's proposal in the omnibus bill before us to remove restrictions on U.S. funding of international family planning. These restrictions are part of the foreign operations bill which was folded into the last CR. Senator HATFIELD's initiative is a necessary and welcome step: necessary because the restrictions risk the lives and health of women and children in the developing world; welcome because the United States should not be forced by these ill-conceived restrictions to abdicate its proven leadership in international family planning.

Voluntary efforts to limit population growth must remain a principal priority of U.S. foreign assistance. The failure to fund adequately international family planning efforts in the developing world has dire consequences. The restrictions currently on the books will result in 4 million unwanted pregnancies in developing countries. Of these unwanted pregnancies, an estimated 1.6 million will end in abortions. Thus, these restrictions have as a direct and alarming consequence a result contrary to their purported purpose of trying to minimize abortions. The restrictions do not decrease abortions, they increase them. Other statistics speak for themselves. In Russia, a lack of family planning services has made abortion the chief method of birth control. The average Russian woman has four abortions over her lifetime. In countries with effective family planning, though, such as Hungary, abortion rates have dropped dramatically.

But this debate is not just about abortion. A lack of adequate family planning and population efforts leads directly to a severe degradation of the lives and health of mothers and children. U.S.-funded programs, rather than promote abortion, seek to promote safe contraception, thus allowing women to space their pregnancies, a step crucial to the health of the mother and the survival of the child. If the CR funding restrictions are left in place, 8,000 more women will die in pregnancy and childbirth, including from unsafe abortions, and 134,000 more infant deaths will occur. Inadequate family planning also contributes to dangerous strains on already heavily taxed environments, while unbridled population growth has a serious impact on education efforts in countries where money for such programs is scarce. Such a strain on education is an indirect cost of these restrictions, but one with dire long-term consequences.

It is worth emphasizing that prohibitions on U.S. funding for abortions have been on the books since 1973.

USAID has consistently sought to prevent abortions by offering viable alternatives, alternatives available only through adequate education. AID's programs are widely recognized as the most efficient and effective population planning programs in the world.

These shortsighted restrictions endanger the long-term goals of improving the lot of women and children in the developing world, with potentially catastrophic results.

Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Christian Science Monitor of February 9, 1996.

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

CONGRESSIONAL EFFORT TO CURB GLOBAL ABORTION MAY BACKFIRE

(By George Moffett)

WASHINGTON.—A CONGRESSIONAL move to limit abortion and family planning may have a dramatic unintended consequence: It could actually cause the global abortion rate to rise.

Encouraged by the Christian Coalition and anti-abortion groups, Congress last month made deep cuts in United States funds for family-planning programs abroad. But demographers, and even some anti-abortion activists, are warning that the cuts for family planning will lead to more unintended pregnancies—and that more, not fewer, abortions are likely to result.

''We embraced the probability of at least 4 million more abortions that could have been averted if access to voluntary family-planning services had been maintained,'' Sen. Mark Hatfield (R) of Oregon told his Senate colleagues this week. ''These numbers are as disturbing as they are astounding, particularly to those of us who are faithfully and assertively pro-life.''

The US has been barred from funding abortion services overseas since 1973. But anti-abortion activists in the US urged Congress to cut support for family-planning programs concerned that such programs indirectly promote abortion.

''Population control that has to do with education and the use of contraceptives was not the issue,'' says Rep. Sonny Callahan (R) of Alabama, chairman of the House Appropriations subcommittee that deals with foreign aid. ''The issue is trying to stop the US from providing any money that might be used for abortions.''

''Our concern is that services for abortion are being provided by family-planning agencies,'' adds a spokesman for the Christian Coalition, based in Chesapeake, Va.

Lawmakers trimmed funding for population assistance by 35 percent in a foreign-aid bill that was incorporated into a ''continuing resolution'' to keep the federal government running until mid-March.

In addition to budget cuts, the legislation imposes unprecedented restrictions on family-planning programs funded by the US Agency for International Development (AID), AID is now barred from obligating any money before July 1 and only small monthly parcels thereafter process that leaves only 14 percent of the amount appropriated in 1995 available for use in fiscal year 1996, and which, AID officials complain, will confound the process of long-term planning.

Republican sources on Capitol Hill say cuts in family-planning funds are part of an across-the-board drive to reduce federal spending. As for restrictions on how the money is spent, says one House source, they reflect the new balance of power in the 104th Congress in favor of those who believe that family-planning agencies promote abortion—a charge family planning advocates hotly deny.

Family-planning advocates cite evidence indicating that cuts in family-planning services will lead to sharp increases in abortion. They point to Russia, where the absence of family-planning services has made abortion the chief method of birth control. The average Russian woman has at least four abortions over a lifetime.

''The framers of the family-planning language in [the continuing resolution] ensured, perhaps unintentionally, that the gruesome experience of Russian women and families will be replicated throughout the world, starting now,'' Senator Hatfield says.

Conversely, where family-planning services have been introduced, as in Hungary, the abortion rate has dropped dramatically.

Some 50 million couples around the world now use family-planning services paid for by US government funds. The one-third budget cut could mean one-third that number, or 17 million couples, will lose access to family planning. If funds are not found from other sources, according to projections by Population Action International, a Washington-based advocacy group.

''More than 10 million unintended pregnancies could result annually,'' says Sally Ethelston, a spokeswoman for the group. ''That could mean at least 3 million abortions, at least half a million infant and child deaths, and tens of thousands of maternal deaths.''

Without family-planning services, more pregnancies will occur among younger women, older women, and women who have not spaced pregnancies by at least two years,

which is considered the minimum time needed to protect the health of mother and child.

The US has taken the lead since the 1960s in funding family-planning programs in poor nations. Since then, global contraceptive use has risen fivefold; fertility (the average number of children born to a woman during her reproductive years) has dropped by one-third; and the rate of global population growth has begun to slow.

Even so, the world grows by 1 million people every 96 hours, and the populations of most poor nations are projected to double within 20 to 30 years. AID officials say the cuts will retard the incipient family-planning movement in Africa, where population growth is fastest. ''If this proves to be something that does increase abortion, we'd take another look at our position,'' says the Christian Coalition spokesman.

Mr. JEFFORDS. I urge my colleagues to support lifting these restrictions on programs with vital U.S. interests. I yield to the Senator from South Carolina.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

AMENDMENT NO. 3474 TO AMENDMENT NO. 3466

(Purpose: To provide funding for important technology initiatives with an offset)

Mr. HOLLINGS. Mr. President, I have an amendment at the desk and ask, on behalf of myself, Senator DASCHLE, Senator KERRY, Senator LIEBERMAN, Senator BINGAMAN, Senator ROCKEFELLER, Senator LEAHY, Senator LAUTENBERG and Senator KERREY, the clerk to please report it.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from South Carolina [Mr. HOLLINGS] for himself, Mr. DASCHLE, Mr. KERRY, Mr. LIEBERMAN, Mr. BINGAMAN, Mr. LEAHY, Mr. ROCKEFELLER, and Mr. KERREY proposes an amendment numbered 3474 to amendment No. 3466.

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

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

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

Mr. HOLLINGS. Mr. President, this is the technology amendment. I ask unanimous consent that I be able to yield to the distinguished Senator from California, who wishes to make a brief statement as in morning business.

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. I thank the Chair, and I particularly thank Senator HOLLINGS.

Mr. President, I ask unanimous consent that I be permitted to speak as in morning business for up to 10 minutes.

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

(The remarks of Mrs. FEINSTEIN pertaining to the introduction of S. 1607 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. HOLLINGS. I have been informed by the Parliamentarian, since the Daschle education amendment has passed, that the present amendment on technology needs to be conformed. I ask unanimous consent the Parliamentarian conform it in accordance with the Daschle amendment in the bill as it now appears.

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

Mr. HOLLINGS. Mr. President, this amendment restores funding for five important technology programs that are significant investments in our country's future. They focus on three critical areas: Economic growth, education, and cost-effective environmental protection. The spending we propose in this amendment is fully offset, and the Congressional Budget Office has scored that offset at providing more than is needed for the programs we restore.

The distinguished Senator from Iowa has been the principal sponsor also of the offset, which deals with accelerated collection by the Federal Government. We, as cosponsors, are indebted to him for his leadership. Otherwise, the distinguished Senator from Maryland, Senator MIKULSKI, has really led the way for our Environmental Protection Technology Program.

Specifically, the amendment invests five important technology programs. It restores funding for four of them: A $300 million add-back for the Department of Commerce's Advance Technology Program, which contracts with industry to speed the development of new breakthrough technologies; $32 million more for the Telecommunications and Information Infrastructure Assistance Program at the National Telecommunication and Information Administration; an additional $4.5 million for the Technology Administration at the Department of Commerce, including $2.5 million to honor commitments under the United States-Israel Science and Technology Commission; and a $62 million addition for the Environmental Technology Initiative at the Environmental Protection Agency, an important effort to develop innovative and cost-effective ways to protect the environment. These add-backs total $398.5 million.

In addition, the amendment specifies that $23 million that is already in title I of the committee amendment is to go to the Education Department's Technology Learning Challenge Program. These five programs promote innovative new technologies—technologies, Mr. President, that can improve schools, protect the environment at lower cost, and create new industries and jobs to replace employment lost through never-ending downsizing and layoffs. We must invest now to benefit from those new technologies tomorrow. This amendment does that job.

The amendment fully offsets these add-backs through a provision that would significantly improve the collection of delinquent Federal debts. It puts the squeeze on deadbeats who have not repaid money owed to the Federal Government. The Congressional Budget Office has scored this provision as raising $440 million in fiscal year 1996—more than enough to cover the add-backs.

Mr. President, I want to turn first to investment in new job-creating technologies. I particularly want to focus on the Advanced Technology Program at the Department of Commerce. The Advanced Technology Program contracts with companies on a cost-shared basis to speed the development of new breakthrough technologies that offer great promise for the Nation but are too untested for the regular marketplace to fully fund. Just as other Federal research and development programs work through companies to develop the technologies needed for Government missions such as defense and space, the Advanced Technology Program works with companies in support of the critical Federal mission of promoting long-term economic growth and job creation.

The amendment now before the Senate provides $300 million for the ATP. The $300 million level is significantly below the $341 million available for the program just last year in 1995. Currently, H.R. 3019 provides no 1996 funds for this important program, although the committee amendment's unfunded title IV would provide $235 million to support existing awards.

Mr. President, I want to talk about several points in this important program.

First, we are talking here about jobs. The Advanced Technology Program supports a vital mission of Government—promoting long-term economic growth. The voters know that America faces tough economic times. Foreign competition remains fierce, American companies continue with never-ending downsizing, and voters are understandably anxious and upset. It is ironic indeed that the Government spends billions in research and development dollars each year for defense security, but we are still debating the R&D efforts to promote economic security.

Increasingly, new industries, jobs, and wealth will go to those who are fastest at developing and then applying new technologies. And if we are to save as many jobs as possible in existing industries, they too need to be technologically competitive. The ATP works to turn promising laboratory ideas into practical breakthrough technologies—technologies that the private sector itself will develop into new products and processes. And, we hope, technologies that American companies and American workers will turn into products before our overseas competitors do so.

The Federal Government has long worked with industry to speed the development of important new technologies. Industry-government partnerships helped start entire U.S. industries—from the telegraph and agriculture to aircraft and biotechnology

to computers and the Internet. These government investments paid off enormously for the Nation and its workers.

We won the race to develop those technologies. But will we win others? I started the ATP because I saw our competitors overseas moving to develop and commercialize American ideas before we could, in areas such as superconductivity.

And the race continues. Numerous small ATP winners tell us that their foreign competitors are often no more than 12 to 18 months behind them. This is not surprising. While American firms have difficulty getting private capital for long-term research that will not pay off quickly, other governments invest heavily in programs to support civilian technology. This year, the Japanese will spend $1.4 billion on national technology research programs for industry. The European Union is investing $14.4 billion over 5 years in 20 specific areas of research and technology, and individual European governments are investing additional R&D amounts to help their economies.

With the fall of the Berlin Wall and the explosive growth of foreign technology programs, we need not only Defense Department research programs but also economic growth programs such as the ATP. And given the economic insecurity facing the country, we should increase the ATP, not cut it. We need to help American industry accelerate the development of new technologies, new industries, and new jobs. If you want to let other countries win the technology race, then kill the ATP.

Second, Congress has a serious obligation to honor our commitments to companies and workers in ongoing ATP projects. The pending bill acknowledged this when it included $235 million in the unfunded title IV of the bill. I commend Chairman HATFIELD for including that provision. He put that in so that if Congress can find the money, then fiscal year 1996 commitments to some 200 current multiyear projects will be kept. Our amendment has an actual offset for that $235 million, as well as enough additional money to have a small new ATP competition in fiscal year 1996. Not passing our amendment will, in fact, abruptly reduce the ATP from its fiscal year 1995 level of $341 million to a fiscal year 1996 level of zero—a draconian move that will hurt companies across the country. It will particularly hurt the 100 companies in 25 States that won awards in fiscal year 1995 and now need fiscal year 1996 funding to continue their multi-year projects. These companies have hired staff and committed their own matching funds.

Third, I want to emphasize that over the years the ATP has actually enjoyed strong bipartisan support. The law creating the program passed during President Reagan's second term, and the ATP received its first funds during the Bush administration. Mr. Bush's Commerce Department wrote the rules for the ATP, and did a good job. President Bush himself requested budget increases, and in 1992 14 Republican Senators on a defense conversion task force endorsed it. See ''Report of the Senate Republican Task Force on Adjusting the Defense Based,'' June 22, 1992.

Unfortunately, in 1994 politics intruded because some Senators worried that ATP grants might be made in a political fashion. But this is the purest program you will find. Expert panels make the decisions—not the Secretary of Commerce, not the White House, not any Member of Congress. Several States that have no Democratic Senators or Governor do very well under the ATP, including Texas and Pennsylvania. The ATP now supports 276 research projects around the country, involving 757 research participants in 41 States. The ATP is not porked, has never been porked, and is not used for partisan purposes.

Fourth, the ATP is not corporate welfare. This program is not a handout to deadbeats. The purpose of the ATP is not to subsidize companies but to contract with the best companies to develop technologies important to the Nation as a whole. Companies also pay half the costs, hardly welfare. Moreover, no ATP funds are ever used to subsidize product development in companies; it supports only development work up to basic prototypes. More than half the awards go to small firms or joint ventures led by small firms.

Fifth, both the ATP itself and the larger principle of industry-government technology partnerships enjoy solid support and excellent evaluations. In terms of industry's views, I want to quote first an important July 1995 policy statement by the National Association of Manufacturers (NAM) about technology partnership programs in general:

> The NAM believes that the disproportionately large cuts proposed in newer R&D programs are a mistake. R&D programs of more recent vintage enjoy considerable industry support for one simple fact: They are more relevant to today's technology challenges. . . . In particular, partnership and bridge programs should not be singled out for elimination, but should receive a relatively greater share of what federal R&D spending remains. These programs currently account for approximately 5 percent of federal R&D spending. The NAM suggests that 15 percent may be a more appropriate level.

Groups explicitly endorsing the ATP include the Coalition for Technology Partnerships, a group of over 100 companies and other research organizations, and the Science and Technology Working Group, representing over two dozen scientific and engineering societies and other organizations. These groups see the ATP as an important investment in America's future prosperity and strength.

In addition, the General Accounting Office [GAO] has conducted two reviews of the ATP in the past year. Despite some assertions to the contrary, they speak highly of the program. GAO found that the ATP had succeeded in encouraging research joint ventures, one of its purposes; that ATP winners did indeed often have trouble getting private funding because the research was too far from immediate market results; and even those companies that would have continued their research without ATP awards would have done so much more slowly or at a lower level of effort.

A January 1996 report conducted by Silber and Associates provided further positive comments from industry. Of the companies surveyed, many maintain that the ATP has been the lifeblood of their company's innovative research efforts, permitting them to venture into arenas new to U.S. industry.

Sixth, while the ATP is still new, it already has generated some real technical successes—successes that in the years ahead will create jobs and broad benefits for our Nation. Later, I will submit for the RECORD a detailed list of accomplishments, but for now I want to mention three particular cases.

With help from ATP, Aastrom Biosciences of Ann Arbor, MI, has developed a prototype bioreactor that can grow blood cells from a patient's own bone marrow cells. In 12 days, the bioreactor will produce billions of red and white cells identical to the patient's own—cells that then can be injected into the patient to boost the immune system. The benefits from this system will be astounding. Now that the basic technology has been proven and patented, Aastrom has received $20 million in private funds to turn the prototype into a commercial product.

With ATP help, the Auto Body Consortium—consisting of eight auto suppliers, with support from Chrysler, General Motors, and the University of Michigan—have developed a new measurement technology to make assembly-line manufacturing more precise. The result will be better fit-and-finish in car production, resulting in lower manufacturing costs and lower car maintenance costs. The new system is now being tested.

Diamond Semiconductor of Gloucester, MA, used its ATP award to develop a new, risky technology for helping to reliably use much larger semiconductor wafers—the slices of silicon on which computer chips are built. Diamond Semiconductor's equipment can be used to make 12-inch wafers, holding many more chips than the old 8-inch wafers. Now that the technology is proven, a much larger company, Varian Associates, has invested in turning this system into a commercial product.

Finally, there is one other key point. The President supports this program and opposes any effort to abruptly terminate it. It is a fact that when he vetoed the earlier fiscal year 1996 Commerce, Justice, State conference report he cited two main reasons—cuts in the COPS Program and elimination of the ATP. ATP funding is needed in order to get the President's signature and get on with finishing appropriations bills for this current fiscal year. The sooner

we resolve the ATP issue, the sooner we get on with solving this protracted budget impasse.

Mr. President, the ATP is one of our most investments in long-term economic growth and jobs. For that reason, we need to pass the pending amendment and fund the ATP.

INFORMATION INFRASTRUCTURE ASSISTANCE

Mr. President, this amendment also adds $32 million to the current bill's $22 million for fiscal year 1996 funding for NTIA's Telecommunications and Information Infrastructure Assistance Program [TIIAP]. The fiscal year 1995 figure was $42 million.

TIIAP is a highly competitive, merit-based grant program that provides seed money for innovative, practical information technology projects throughout the United States. TIIAP helps to connect schools, libraries, hospitals, and community centers to new telecommunications systems. Examples include connecting schools to the vast resources of the Internet, improved health care communications for elderly patients in their homes, and extending emergency telephone service in rural areas. Projects are cost shared, and have yielded nearly $2 of non-Federal support for every Federal dollar spent. Many of the awards go to underserved rural and inner-city areas.

In fiscal year 1995, NTIA received 1,811 applications, with proposals from all 50 States, and was able to fund 117 awards.

With the recent enactment of the Telecommunications Act of 1996, more communities that ever will be faced with both new information infrastructure challenges and opportunities. Schools, hospitals, and libraries all need help hooking up and applying this technology to their needs. The money this amendment would provide for fiscal year 1996 will enable dozens of additional communities to connect to, and benefit from, the new telecommunications revolution.

TECHNOLOGY ADMINISTRATION

Our amendment also would add $4.5 million to the $5 million that H.R. 3019's title I provides to DOC's Technology Administration [TA] appropriations account. Of that additional amount, $2 million will help TA and its Office of Technology Policy [OTP] maintain its role in coordinating the new-generation vehicle project, organizing industry benchmarking studies, and serving as the secretariat for the United States-Israel Science and Technology Commission. The other $2.5 million is for a new activity endorsed by the Committee amendment's title IV—actual joint projects between the United States and Israel in technology and in harmonizing technical regulations so as to promote high-technology trade between the countries.

ENVIRONMENTAL TECHNOLOGY AND EDUCATIONAL TECHNOLOGY

Mr. President, I will let others speak in greater detail about two of the programs covered in this amendment—environmental technology and educational technology. But I want to mention them briefly here.

The amendment contains a $62 million add-back to support activities under the EPA's environmental technology initiative [ETI]. The program has two main purposes—to help accelerate the development, verification, and dissemination of new cleaner and cheaper technologies, and to accelerate efforts by EPA and state environmental agencies to rewrite regulations so that they do not lock in old technologies. Innovative environmental technologies offer a win-win opportunity—high levels of protection at lower costs for industry. In the process, we also can help a growing U.S. industry that exports environmental protection technology and creates jobs here at home. The $62 million will help with these important activities.

In the case of educational technology, title I of the committee amendment to H.R. 3019 already provides additional funds for educational research and technology, and I commend members of the Appropriations Committee for that step. Our amendment would simply clarify that of those funds now in title I of the bill, $23 million is for the highly regarded technology learning challenge grants.

This is a competitive, peer-reviewed program. Under this program, schools work with computer companies, software companies, universities, and others to develop innovative software and computer tools for improving basic classroom curricula. The challenge grants are seed money for alliances of educators and industrial partners to develop new computer applications in reading, writing, geometry and other math, and vocational education. In short, we are developing new ways to use computers to improve learning.

In the first competition, held last year, the Education Department received 500 proposals and was able to make only 19 awards. Clearly, there are many more outstanding, valuable proposals out there. The $23 million of fiscal year 1996 funding would allow more of these important projects.

THE OFFSET: IMPROVED DEBT COLLECTION

Before concluding, Mr. President, I want to mention briefly the offset that this amendment provides to pay for these technology program add-backs. As mentioned, CBO has scored this proposal as providing $440 million in fiscal year 1996 funds, more than enough to offset the $389.5 million in add-backs included in the amendment.

The offsetting funds come from a upgraded Federal process, created in this amendment, for improving the collection of money owed to the Government and for denying certain Federal payments to individuals who owe such money to the Government. In short, we will not give certain Federal payments to people who are delinquent in paying their debts to the Government, and we will give Federal agencies new authority to collect such debts.

The Government estimates that the total amount owed to the Government—including both nontax debt and tax debt—in 1995 was a staggering $125 billion. The Internal Revenue Service already has authority under law to withhold Federal tax returns for delinquent Federal debts, and the Treasury Department's Financial Management Service may hold back certain nontax Federal benefits for delinquent Federal debts.

So far, the Treasury Department has collected over $5 billion in bad debt through reductions—offsets—in Federal tax credits. But there is a larger problem. Many other Federal agencies do not have the resources to invest in debt collection, or their mission does not include debt collection, or they face too many restrictions in using the available tools. On March 22, 1995, the President's Council on Integrity and Efficiency, which is composed of agency inspectors general, reported on the need for a Governmentwide system of reducing Federal payments to delinquents.

Based on this problem, legislation has been proposed by a bipartisan group of legislators, acting with the support of the administration. In the House, the main bill is H.R. 2234, the Debt Collection Improvement Act, introduced by Congressman HORN, Congresswoman MALONEY, and others. The Senate companion bill is S. 1234, introduced by our distinguished colleague from Iowa, Senator HARKIN. Finally, a version of this proposal was included in the House version of last year's budget reconciliation legislation, H.R. 2517. So this idea of improving Federal debt collection enjoys strong bipartisan support.

As included in our amendment, the debt-collection proposal has several key provisions. First, the Treasury will be able to reduce certain Federal payments to individuals who owe the Government money. Veterans Affairs benefits would be exempt from this offset process. Other benefit payments such as social security, railroad retirement, and black lung payments will reduce after a $10,000 combined annual exemption. Other agencies can cooperate in this process by giving information to the Treasury regarding delinquent debt, although steps will be taken to protect the legitimate privacy of individuals.

Second, Federal agencies will have access to the computerized information and can dock the pay of Federal employees who owe the Government money.

Third, people who have delinquent Federal debts will be barred from obtaining Federal loans or loan guarantees.

Fourth, the Social Security Administration, the Customs Service, and the legislative and judicial branches of the Federal Government will be authorized to use debt collection tools, such as credit bureaus and private collection agencies.

Mr. President, this is a sound proposal for collecting money from deadbeats and docking their Federal payments until they pay the funds they owe. It is fair, and it simply improves the process for carrying out debt-collection authorities agencies already have.

CONCLUSION

Mr. President, America's success at home and abroad is like a stool that rests on three legs. First, our strength and success depend on our military power, which is now undisputed in an age where we are the world's only superpower. Second are our values, of family and country. They are strong and can be stronger still. The third leg, though, is our economic strength. And here we face serious challenges. As the New York Times has recently documented, too many Americans live with growing economic insecurity. Layoffs abound, and many of the jobs that once went to Americans have gone overseas.

Accelerating the development of new high-technology industries and jobs is not a complete solution. We also need a vigorous trade policy to pry open foreign markets and reduce unfair dumping of foreign products. We need better education and training for all Americans. We need to make real progress, not phony progress, on the Federal deficit, so that interest rates can fall further.

But technology policy is one key step in national economic recovery and strength, and the four programs this amendment supports are key parts of an effective, nonporked national technology policy. We know that earlier technology cooperation between industry and Government has helped create entire American industries—from agriculture to aircraft to computers and biotechnology. Much of Government's support came through the Defense Department, which was appropriate during World War II and the cold war. But now the Berlin Wall has fallen, and now our Nation's greatest challenge is economic, not military. We therefore need to strengthen civilian programs to stimulate technologies important to the civilian economy and civilian jobs. To do less is to condemn our Nation and its workers in the long run to second-rate status and more, not less, economic insecurity.

For these reasons, I urge our colleagues to pass this important amendment.

Mr. President, at this point I want to make a few additional points about the importance of technology and the Advanced Technology Program in particular. To begin with, we must remember that our strength as a Nation is like a three-legged stool. We have the one leg—the values of the Nation—which is unquestionably strong. We have sacrificed for the hungry in Somalia, for democracy in Haiti, for peace in Bosnia. We have the second leg, Mr. President, of military strength, which is also unquestioned. But the third leg—that of economic strength—has become fractured over the past 45 years in the cold war—intentionally, if you please, because we sacrificed to keep the allies together in the cold war. So we willingly gave up market share trying to develop capitalism not just in Europe, but particularly in the Pacific rim, and it has worked. The Marshall Plan has worked. With the fall of the Berlin Wall, however, now is the time to rebuild the strength of our economy.

Our problem is, right to the point, that you can willingly—for national defense, military security—conduct research without any matching funds whatever. You can go right to the heart of it and give out the money. But all of a sudden, Mr. President, when we come to the matter of economic security—which is really the competition now in global affairs—we hear criticism even though the ATP requires matching funds, a dollar of private money for every dollar of Government money we expend. The law requires 50 percent from industry. The track record is 60 percent of the money by industry itself. Yet when they come with it, all of a sudden we hear talk about pork.

Let me take up the matter of pork because that is the reason we are into this particular dilemma. The program at hand is working in most of the 50 States with hundreds of different contracts awarded. They are awarded over for 3- and 5-year periods, and they have led into commercialization, which we will soon touch upon.

Senator DANFORTH and I set this up in the late 1980's. I was chairman of the Commerce Committee at that particular time. We wanted to make sure, back in 1988—the Trade Act of 1988 is where it was added—we wanted to make sure that it would not be exactly what is it accused of being today, namely, pork. So we set down various guidelines in the particular measure itself, and it was implemented in a very, very successful way by, I should say, President Bush's administration. No. 1, the industry has to come and make the request. It is not the Government picking winners or losers. It is the industry picking the winner. They have to come with at least 50 percent of the money.

Thereupon, the experts in technology and business, including retired executives selected by the Industrial Research Institute, have to peer review the particular proposals. Mr. President, they have to look it over and make sure that the submission would really pass muster. I know it particularly well because my textile industry came with a request for computerization that they thought was unique. But it did not pass muster and was not given the award. They do not have an Advanced Technology Program award. Incidentally, I guess they heard ahead of time about my discipline of not making any calls. I never made a call to the White House or anybody in the Commerce Department in favor of any proposal. I would rather, at the markup of the appropriations bill, have turned back efforts on the other side of the Capitol to try to write in these particular projects.

So we have protected the authenticity of the program as being nonpork. Thereupon, having passed peer review, highly ranked proposals have to go to a source selection board. The source selection board are civil servants, as we all know, of no political affiliation. On a competitive basis, they make the decision, not Secretary BROWN, not President Clinton, not Senator HOLLINGS, or any other Senator or Congressman, but, rather, that is the way these awards have been made. There have been no violations of it. We are proud of its record. That is why it has the confidence of the National Association of Manufacturers. That is why it receives the endorsement of the Council on Competitiveness, and every particular industry group you can possibly imagine have come forward and said this is the way to do it. That has to do with the pork part. The other part with respect to the long-range financing for long-term technologies has to be understood.

Back at that particular time, when we were writing the legislation years ago, Newsweek reported an analysis predicting that maintaining the current hands-off policies toward industry and research, namely, the matter of commercialization of our technology, could cause the United States to be locked into a technological decline. They said, and I quote, that it would add $225 billion to the annual trade deficit by the year 2010 and put 2 million Americans out of work.

There are various other articles we had at that particular time, and witnesses. I quote particularly from Alan Wolff:

> In 1990, a Wall Street analyst commented to a group of U.S. semiconductor executives that the goal of people investing in stocks is to make money. That is what capitalism is all about. It is not a charity. I can't tell my brokers, ''Gee, I am sorry about your client, but investing in the semiconductor industry is good for the country.'' While the individual was stating a truth, obviously, he was touching on a fundamental dilemma confronting U.S. industry today in light of the investor sentiment expressed above. How is a company to maintain the level of investment needed to remain competitive over the long term, particularly if there is no prospect of a short-term or short-run payoff, or foreign competition has destroyed the prospect of earning a return on that investment?

That is the points that answers a charge sometimes made with respect to two recent GAO reports. Critics of the Advanced Technology Program quote GAO's statement where it said that half of those who had been given awards, when asked if they would have continued their research without the awards, said they would have continued. But by way of emphasis, these critics do not mention the next GAO finding, namely, that none of them said they would have ever continued as

quickly or with the same degree of investment. With Government assistance, they are able to expedite their research and therefore have been able to meet the foreign competition. But note that GAO reported that half the winners said they would not have continued their research without Government assistance. They would have abandoned it.

We would have lost valid, good research projects without this Advanced Technology Program. I think the emphasis should be made at this particular time that GAO has made a favorable report, and that the program is doing exactly what was intended to do. It confronts exactly the particular dilemma we find ourselves in with respect to the operation of the stock market. It can go up 171 points one day and come back 110 points the next day. They look for short-term turnarounds and everything else of that kind, and does not focus on the long-term, including long-term technologies. That is why the working group headed by the distinguished Senator from New Mexico, Senator BINGAMAN, calls for the various securities law reforms. So we can do away, perhaps, with the quarterly report and actually meet the long-term investment competition that we confront, particularly in the Pacific rim.

Again, I want to emphasize that expert panels make the decisions, not the Secretary of Commerce. Several States that have no Democratic Senators or Governor do very well in the ATP, including Texas and Pennsylvania. The Advanced Technology Program now involves some 760 research participants. It supports 280 projects around the country and in some 41 States.

The Advanced Technology Program is not corporate welfare. It is not a handout to deadbeats. The purpose of the Advanced Technology Program is not to subsidize companies but to contract with the best companies to develop technologies important to the Nation as a whole. Companies must pay, as I pointed out, at least half of the amount when they come and may apply to the Advanced Technology Program. The ATP itself is the larger principal of industry-Government technology partnerships which enjoy solid support and excellent evaluations.

In terms of industry's views, I want to quote first an important July 1995 policy statement by the National Association of Manufacturers:

> The National Association of Manufacturers believes that the disproportionately large cuts proposed in newer R&D programs are a mistake. R&D programs of more recent vintage enjoy considerable industry support for one simple fact: They are more relevant to today's technology challenges. In particular, partnership and bridge programs should not be singled out for elimination, but should receive a relatively greater share of what Federal R&D spending remains. These programs currently account for approximately 5 percent of Federal R&D spending. The National Association of Manufacturers suggest that 15 percent may be a more appropriate level.

The figure we have in the particular amendment is $41 million less than the fiscal year 1995 level—$131 million less than the original 1995 level that existed before rescissions. We propose that there be a cut, not even a freeze. Of our $300 million, we are trying to bring up some $235 million to honor commitments to projects that have already received their awards and now need to complete them. We do not want to cut them off in half completion.

Let me commend the distinguished chairman of our Appropriations Committee, Senator HATFIELD of Oregon, in realizing and confronting this problem. He did not have the money. He put the $235 million in title IV, but he said, ''Look, if we can possibly find the money in offsets in title IV, then this should be completed.'' It is not a way for the Government to do business and build up the confidence that is so much besieged this day and age. The Government is trying to build up these partnerships and work together in research with industry and with the college campuses. It is wrong to take valid programs that have no objection to them, no pork, no waste, fraud, and abuse, and only tremendous success, and then come with a fetish against them because they appear as pork to some on the other side of the Capitol, and then to walk lockstep like it is part of a contract.

We had, in qualifying this program, by way of emphasis, a series of hearings back in the 1980's. We also had soon after that particular time the Competitiveness Policy Council, with many members appointed by President Reagan. He appointed the former head of the National Science Foundation, Erich Bloch, who was designated chairman of the Council's Critical Technologies Subcouncil. They endorsed the ATP.

I ask unanimous consent that the critical technology subcouncil listing of these outstanding individuals be printed in the RECORD.

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

COMPETITIVENESS POLICY COUNCIL

CRITICAL TECHNOLOGIES SUBCOUNCIL, 1993

Chairman Erich Bloch, Distinguished Fellow, Council on Competitiveness.

David Cheney, Staff Director.

MEMBERSHIP

Eleanor Baum, Dean, Albert Nerken School of Engineering, Cooper Union.

Frederick M. Bernthal, Deputy Director, National Science Foundation.

Sherwood L. Boehlert, U.S. House of Representatives.

Michael G. Borrus, Co-director, Berkeley Roundtable on International Economics.

Rick Boucher, U.S. House of Representatives.

Lewis M. Branscomb, Professor, Harvard University.

Daniel Burton, Executive Vice President, Council on Competitiveness.

Dennis Chamot, Executive Assistant to the President, Department of Professional Employees, AFL–CIO.

John Deutch, Professor, MIT.

John W. Diggs, Deputy Director for Extramural Research, Department of Health and Human Services.

Craig Fields, President and CEO, MCC.

Edward B. Fort, Chancellor, North Carolina Agricultural and Technical State University.

John S. Foster, Consultant, TRW, Inc., and Chairman, Defense Science Board.

William Happer, Director, Office of Energy Research, U.S. Department of Energy.

Joseph S. Hezir, Principal, EOP Group, and former Deputy Assistant Director, Energy and Science Division, OMB.

Richard K. Lester, Director, Industrial Performance Center, MIT.

John W. Lyons, Director, National Institute for Standards and Technology.

Daniel P. McCurdy, Manager, Technology Policy, IBM.

Joseph G. Morone, Professor, Rensselaer Polytechnic Institute, School of Management.

Al Narath, President, Sandia National Laboratories.

Richard R. Nelson, Professor, Columbia University.

William D. Phillips, Former Associate Director of Industrial Technology, Office of Science & Technology Policy.

Lois Rice, Guest Scholar, Brookings Institution.

Nathan Rosenberg, Director of Program for Technology & Economic Growth, Stanford University.

Howard D. Samuel, President, Industrial Union Department, AFL–CIO.

Hubert J.P. Schoemaker, President and CEO, Centocor, Inc.

Charles Shanley, Director of Technology Planning, Motorola Inc.

Richard H. van Atta, Research Staff Member, Institute for Defense Analyses.

Robert M. White, Under Secretary for Technology, U.S. Department of Commerce.

Eugene Wong, Associate Director of Industrial Technology, Office of Science & Technology Policy.

Mr. HOLLINGS. Mr. President, in August 1992, we also had the National Science Board itself. I will read a couple of things and not put it in its entirety into the RECORD, which we would be glad to do. But the National Science Board concluded:

> Stronger Federal leadership is needed in setting the course for U.S. technological competitiveness. Implementation of a national technology policy, including establishment of a rationale and guidelines for Federal action, should receive the highest priority. The start of such a policy was set forth 2 years ago by the President's Office of Science and Technology Policy, but more forceful action is needed by the President and Congress before there is further erosion in the United States technological position.

They made the recommendation to expand and strengthen the Manufacturing Technology Centers Program, the State Technology Extension Program, the National Institute of Standards and Technology, and I quote, ''Further expand NIST's Advanced Technology Program.'' That was very important, therefore, the National Science Board and its findings at that particular time.

Going back to 1987 for a moment, Mr. President, we led off our original series of technology hearings that year with the distinguished entrepreneur, technologist, professor, industrial leader, dean at the University of Texas Business School, Dr. George Kosmetsky,

who had helped create the Microelectronics Technology and Computer Corporation down in Austin, TX. We followed his testimony with the Council on Competitiveness.

I will read just part of a Council on Competitiveness statement written not long after that particular time.

The United States is already losing badly in many critical technologies. Unless the Nation acts today to promote the development of generic industrial technology, its technological position will erode further, with disastrous consequences for American jobs, economic growth, and national security. The Federal Government should view support for generic industrial technology as a priority mission. It is important to note that this mission would not require major new Federal funding. Additional funds for generic technology programs are required. Other Federal R&D programs, such as national prestige projects, should be redirected or phased in more slowly to allow more resources to be focused on generic technology.

Of course, Mr. President, these themes were included and touched upon in our hearings and legislation, and we have been more or less off and running since then.

We have, finally, by way of endorsement, the Coalition for Technology Partnerships. It has over 130 members, a combination of companies, trade associations, different companies themselves, such as the American Electronic Association, and several universities that work with industry on ATP projects.

Mr. President, I ask unanimous consent to have printed in the RECORD at this particular point a letter from the Coalition for Technology Partnership along with the listing of membership.

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

COALITION FOR
TECHNOLOGY PARTNERSHIPS (CTP),
Washington, DC, July 6, 1995.

HON. ERNEST F. HOLLINGS,
Russell Senate Office Bldg.,
Washington, DC.

DEAR SENATOR HOLLINGS: The undersigned members of the Coalition for Technology Partnerships respectfully ask for your support of the Advanced Technology Program (ATP). We understand that the Senate Commerce, Science, and Transportation Committees will be marking up the FY Department of Commerce Authorization bill in late July. We are concerned by the House Science Committee and the House Appropriations Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee vote to eliminate the ATP and are writing to outline our views on this essential program.

The Coalition for Technology Partnerships applauds your efforts to cut the federal budget deficit and to streamline the federal government, but we caution against sacrificing technology partnerships, such as the ATP, that are essential to our international competitiveness.

The ATP has enjoyed wide-spread industry support and participation. The basic mission of the ATP is to fund research programs with a significant potential for stimulating economic growth and improving the long-term competitiveness of U.S. industry. The ATP is already achieving this goal, by cost-sharing research to foster new innovative technologies that create opportunities for world-class products, services and industrial processes. ATP research priorities are set by industry. The selection process is fair, and based entirely on technical and business merit. Half of all ATP awards and joint ventures go to small business directed partnerships. Today, as indication of the success of this program, quality proposals in pursuit of ATP funds far outstrips available funds.

The real payoff of the ATP is the long-term economic growth potential for the companies involved with the program, and the creation of new jobs. The ATP is a model of industry/government partnerships which benefits the nation as a whole, again by leveraging industrial capital to pursue new technologies. Without ATP, these technological opportunities would be slowed, or ultimately forfeited to foreign competitors more able to make key investments in longer-term, higher risk research, such as is the focus of ATP.

We urge you to adequately fund the Advanced Technology Program as you begin mark-up of the authorization bill. The ATP is essential, cost effective and timely for the economic growth of our country. Please contact either Taffy Kingscott at 202/515–5193 or Tom Sellers at 202/728–3606 if you have any questions or if we can be of any assistance.

COALITION FOR TECHNOLOGY PARTNERSHIPS

The Coalition for Technology Partnerships has been formed by a group of small, medium and large businesses, trade associations and technical societies on the principle that technology partnerships between government and industry reflect the realities of today's budget climate and technology development mechanisms.

Advance Circuits, Inc.
Advanced Machining Dynamics.
Aerospace Industries Association.
Air Conditioning & Refrigeration Institute.
Alaska Technology Transfer Assistance Center.
American Electronics Association.
American Concrete Institute.
Amoco Performance Products, Inc.
Andersen Consulting.
Aphios Corporation.
Apple Computer.
Applied Medical Informatics (AMI).
Arizona State Univ.-College of Engineering & Applied Science.
Armstrong World Industries, Inc.
Array Comm., Inc.
Atlantic Research Corporation.
Babcock & Wilcox.
BioHybrid Technologies Inc.
Biotechnology Industry Organization.
Brunswick Composites.
CALMAC Manufacturing Corporation.
The Carborundum Company.
Clean Air Now.
CNA Consulting Engineers.
Coal Technology Corporation.
Columbia Bay Company.
Council on Superconductivity.
Cubicon.
Cybo Robots, Inc.
Dakota Technologies, Inc.
Dell Computer.
Diamond Semiconductor Group.
Dow Chemical Company.
Dow-United Technologies Composite Products, Inc.
Dragon Systems, Inc.
DuPont.
Edison Materials Technology Center.
The Electorlyser Corporation.
Energy BioSystems Corporation.
Erie County Technical Institute.
Fairfield University-Center for Global Competitiveness.
FED Corporation.
Foster-Miller, Inc.
FSI Corporation, Inc.
GenCorp.
GeneTrace Systems Inc.
Hercules, Inc.
Higher Education Manufacturing Process Applications Consortium.
Honeywell Inc.
IBM Corporation.
I-Kinetics.
Institute for Interconnecting & Packaging of Electronic Circuits (IPC).
Intermagnetics General Corporation.
Intermetrics, Inc.
Intervac, Vacuum Systems Division.
ISCO, Inc.
Joint Ventures Silicon Valley.
Kaman Electromagnetic Corporation.
Kopin Corporation.
Light Age, Inc.
Material Sciences Corp.
Matrix Construction & Engineering.
Maxoptix Corporation.
Merchant Gasses-Praxair, Inc.
Merix Corporation.
Mocropolis Corporation.
Milwaukee School of Engineering.
Molecular Tool.
Moog, Inc.
MRS Technologies, Inc.
MultiLythics, Inc.
Murray, Scher, & Montgomery.
Nanophase.
National Coalition for Advanced Manufacturing.
National Semiconductor.
National Storage Industry Consortrium (NSIC).
National Tooling & Machining Association.
Nelco International Corporation.
New Mexico Technology Enterprises Division.
Norfolk Shipbuilding & Drydock Corporation.
North Carolina Industrial Extension Service.
Ohio Aerospace Institute.
Optex Corporation.
The Pennsylvania State University.
Philadelphia College of Textiles & Science.
Photonics Imaging.
Physical Optics Corporation.
Planar Systems.
Praxair, Inc.
PS Enterprises.
Real-Rite Corporation.
Rensselaer Polytechnic Institute.
Rosemount Aerospace, Inc.
Sagent Corporation.
Semiconductor Equipment and Materials International.
SI. Diamond Technology, Inc.
Silicon Valley Group.
Silicon Video Corporation.
Society of the Plastics Industry, Inc.
Solar Engineering Applications, Corp.
Solarex.
South Bay Business Environmental Coalition.
Spectrian, Inc.
Suppliers of Advanced Composite.
Materials Association.
System Management Arts.
TCOM LP.
Technology Service Corporation.
3M.
Tektronix, Inc.
Texas Instruments.
Third Wave Technologies, Inc.
Thomas Electronics.
Tissue Engineering, Inc.
Touchstone Technologies.
Trans Science Corp.
Trellis Software & Controls, Inc.
TULIP Memory Systems, Inc.
United States Advanced Ceramics Association.
University of Pittsburgh.
University of South Florida.
UES, Inc.

United Technology Corporation.
Vysis, Inc.
Watkins-Johnson, Inc.
West Virginia High Tech Consortium.
West Virginia University.
XXsys.

Mr. HOLLINGS. Mr. President, I think I have covered some of the highlights. The real problem that we have here is, in essence, that now everyone is on the hustings out on the campaign trail talking technology, jobs, talk, talk. What we would hope is that the President would want to walk here this afternoon and that we could get an agreement not to increase ATP funding this year, not even have a freeze, but let us continue with these particular projects now ongoing and now starting to pay off, with the companies having done their fair share. The program has seen a substantial cut, but let us not have total elimination—where we have good industries working in partnership with the Federal Government successfully—and not cut them off halfway through a particular endeavor.

I yield the floor.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I appreciate the long and tireless commitment of the Senator from South Carolina to this issue, certainly items such as the Hollings Centers for Excellence, which involves working with industry and the Government in attempting to disseminate knowledge on how to better manufacture, and on which he has, appropriately, his name. But this proposal which he has brought forth today has a number of fundamental flaws.

The first flaw is that it has not been scored by CBO, so we really do not know how much it costs. The second flaw is that it does not seem to be offset. The third flaw is to the extent it is offset, the offset has not been scored. To the extent it is offset by the terms of the amendment itself, no offset occurs with this coming fiscal year.

So to the extent that this amendment generates costs this coming year, there is no offset. So it adds to the deficit.

In order to get around that, the Senator from South Carolina has invoked the emergency clause. The emergency clause was not, I do not think, ever conceived of to be used for the purposes of funding what amounts to corporate welfare. That is what this is. You know, a lot of people are walking around here saying ''corporate welfare, corporate welfare,'' looking for the face of corporate welfare. This is the face of corporate welfare. The emergency clause is for floods and other crises of significant proportions which are inordinate and which are unusual and which we need to respond to because there is an emergency.

But what we have here is a desire by the Senator to fund an undertaking which the committee decided not to fund, and in so doing he would be violating the budgetary rules because it would add to the deficit this year. In order to avoid a point of order, he has claimed it as an emergency.

I know, as many people know, that technology is an important part of our economy and that it creates a lot of jobs, especially in my part of the country, but I do not think that the Federal Government going out and picking winners and losers in the field of technology represents an emergency under any definition of what an emergency is. Even if you could agree with this program, the program itself has some very severe, fundamental flaws because it is a picking of winners and losers by the Government, for which the Government has never been very good at picking winners and losers in the area of technology. And I point out a large number of very significant failures of the Government in deciding where the appropriate technology of the time should be, such as the Synfuels Program, such as the Clinch River breeder reactor. And the list goes on and on.

But, even if you were to give the Government some credibility and the ability to go into the marketplace and pick winners and losers, which I happen to think is foolish on its face, but even if you were to give it that credibility, you could under no circumstances—under no circumstances—conceive of that as an emergency. That is like saying whether we lay out a four-lane highway or a two-lane highway determines an emergency. This is the business of the Government. This is the ordinary and common business of the Government. And to claim it as an emergency is, on its face, farfetched and hard to accept.

So just on the technical grounds that this clearly is not an emergency and therefore should not be raised to the level of an emergency—if we are going to do that, we might as well fund all functions of Government as an emergency and just ignore the concept of the deficit, ignore the concept of fiscal responsibility as put upon us by the Budget Act. On those grounds, I am going to strongly oppose this amendment.

I also happen to oppose it on substantive grounds in that I think this program is of questionable value. Let me list a few things here that have been funded under this program. I suspect they are good programs, but I want you to ask, are these emergencies? These are almost all experimental undertakings. We do not know if they have any commercial use at all. We do not know if anybody is going to benefit from them at all except people who happen to be doing the work and get paid. It is like going down to your local technology company and saying, ''Hey, we will hire a few folks for you to do this project.''

Is that an emergency? I hardly think so. Let me list some of these things: a Nobel x ray source for CT scanners; a flexible, low-cost laser machine for motor vehicle manufacturing; an ultra-high-performance optical tape drive using a short wavelength laser; adaptive video coding for information networks; and the list goes on and on and on—real-time micro-PCR analysis systems. Is it an emergency that we fund real-time micro-PCR analysis systems? Has this Government come to the point where that is defined as an emergency? I really have to say that, on the face of it, this is a bit hard to talk about with a straight face.

AMENDMENT NO. 3475 TO AMENDMENT NO. 3474

Mr. GREGG. So, I am going to send an amendment in the second degree which strikes chapter 3, which is the emergency language of this amendment, to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from New Hampshire [Mr. GREGG] proposes an amendment numbered 3475 to amendment No. 3474.

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

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

The amendment is as follows:

Strike chapter 3 of the pending amendment in its entirety.

Mr. GREGG. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER (Mr. ABRAHAM). The Senator from Massachusetts.

Mr. KERRY. Mr. President, the manager is rising. I do not want to be——

Mr. HOLLINGS. Mr. President, I ask the Senator to let me answer two or three points that I think should be clarified.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. With respect to emergency, I thought, Mr. President, that coming out of New Hampshire, my distinguished colleague would understand small business. I traveled that State extensively. If you have 20 or 30 employees and you have received a grant and you put up half the money and you are halfway through the particular project still soliciting finance on the open market and you have every promising indication that that is going to happen, and then all of a sudden the Government cuts it off and you know already from the very beginning that you had a need that could not be answered by normal banking sources, you are under an emergency.

It is not an emergency because of any particular technology. It is an emergency because of the situation facing these small companies. The Senator addresses his comments with respect to the technology. I am talking about $235 million needed to maintain contracts that have already been awarded after going through all of this, getting the financing, setting up the operation,

getting half way through and then facing a cutoff. That is an emergency. But the emergency designation in my amendment is not necessary, in a sense, because we do have a favorable offset and scoring, Mr. President. When the Senator says it is not scored, let me say that on March 12, today, we have a memorandum from John Righter of the Congressional Budget Office, on: ''The scoring of the Debt Collection Improvement Act of 1996, chapter 2, of a proposed amendment to H.R. 3019.'' I ask unanimous consent it be printed in the RECORD.

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

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 12, 1996.

MEMORANDUM

To: Patrick Windham, Senate Committee on Commerce, Science, and Transportation.

From: John Righter, Congressional Budget Office.

Subject: Preliminary scoring of the ''Debt Collection Improvement Act of 1996,'' Chapter 2 of a proposed amendment to H.R. 3019.

As you requested, I have prepared a preliminary estimate of the budgetary impact of the Debt Collection Improvement Act of 1996, a chapter within a proposed amendment to H.R. 3019, as provided to CBO on March 8, 1996. I estimate that the proposed legislation would reduce direct spending by about $525 million over the 1996–2002 period and would increase revenues by about $24 million over the same period. The following table provides my year-by-year estimates.

IMPACT OF DEBT COLLECTION IMPROVEMENT ACT OF 1996 ON DIRECT SPENDING AND REVENUES

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002
Changes in direct spending:[1]							
Estimated budget authority	−440	−20	−10	−10	−15	−15	−15
Estimated outlays	−440	−20	−10	−10	−15	−15	−15
Additional revenues:							
Estimated revenues	0	3	3	3	3	6	6

Under the Federal Credit Reform Act of 1990, the budgetary impact of a modification that alters the subsidy cost of existing direct loans or loan guarantee is calculated as the estimated present value of the change in cash flows from the modification. This amount is recorded in the budget in the year in which the legislation is enacted. Consequently, savings in direct spending for the existing loans and guarantees under federal credit programs affected by this proposal are shown in fiscal year 1996. In addition, the legislation would affect direct spending in future years by reducing the subsidiaries for mandatory loan programs by use of new collection authorities present in the proposal.

Changes in Direct Spending. The seven-year totals in estimated savings in direct spending include about $475 million for new and enhanced offset authorities, including the authority to offset a portion of Social Security Administration, Railroad Retirement Board, and Black Lung payments for recipients who are delinquent on a debt owed to the federal government and who are scheduled to receive more than $10,000 in federal benefit payments over a 12-month period. For example, assume an individual currently is delinquent on an education loan and is also expected to receive $12,000 in Social Security and other federal payments over the next 12 months. Under the proposed language, Treasury could offset as much as $166 of each monthly Social Security payment and transfer this money to Education in partial satisfaction of the recipient's delinquent loan. (The $166 results from dividing 12 into $2,000, which is the amount the recipient's total federal benefits exceeds the $10,000 exemption.)

The seven-year totals also include about $15 million for the removal of limitation on the collection of delinquent debts by the Social Security Administration and the U.S. Customs Service, as well as about $5 million for the expanded use of nonjudicial foreclosure of federal mortgages. The Rural Housing and Community Development Service at the Department of Agriculture and the Small Business Administration could use the latter authority to shorten their foreclosure process by about 6 to 12 months, thus decreasing their holding costs.

In addition, I estimate that the bill would reduce the projected subsidy cost for mandatory loan or loan guarantees that would be made in future years by about $30 million for the 1997–2002 period.

Additional Revenues. Additional revenues would result from adjusting the value of existing civil monetary penalties for changes in inflation. The bill would provide for an initial adjustment of no more than 10 percent within six months of enactment, with subsequent adjustments to occur at least once every four years.

Previous Estimate. As part of the President's plan to balance the budget, CBO provided an estimate of the Debt Collection Improvement Act of 1995 on December 13, 1995. CBO has provided estimates of other debt collection initiatives; however, the language in the President's Balanced Budget Act of 1995 is closest to the proposed amendment to H.R. 3019.

For the President's plan, CBO preliminarily estimated that the debt collection provisions would reduce direct spending by about $550 million over the 1996–2002 period, or about $65 million more than this estimate. The reduced savings result from the use of different sets of economic assumptions. For the President's plan, CBO was directed to revise and update its economic assumptions, which yielded a higher present value for the increase in collections of credit debt. For the proposed amendment to H.R. 3019, I have used the economic assumptions that underlie the Budget Resolution for Fiscal Year 1996, as required by law. Because the projected rate for marketable Treasury securities is higher in the economic assumptions used for the budget resolution, the present value of the collections is lower.

Please do not hesitate to contact me at 6–2860 if you have any questions.

Mr. HOLLINGS. I thank the distinguished Chair.

Mr. President, they have: ''Changes in direct spending, estimated budget authority, minus $440 million; estimated outlays, minus $440 million.'' So it has been scored, and the offset does produce real savings.

Now, we are back to the old wag, Mr. President, of winners and losers and winners and losers and winners and losers in the Government. Earlier, I tried to emphasize this issue in the most courteous fashion, but I will have to do it in the most direct fashion. Let me refer specifically to a key report, and I read this and quote it exactly, Mr. President: ''Report of the Senate Republican Task Force on Adjusting the Defense Base, June 25, 1992,'' by Senator WARREN RUDMAN, Senator HANK BROWN, Senator WILLIAM COHEN, Senator JOHN DANFORTH, Senator PETE DOMENICI, Senator ORRIN HATCH, Senator NANCY KASSEBAUM, Senator TRENT LOTT, Senator RICHARD LUGAR, Senator JOHN MCCAIN, Senator JOHN SEYMOUR, SENATOR TED STEVENS, and Senator JOHN WARNER.

I read from page 24:

The task force endorses two programs of the National Institute of Standards and Technology as important to the effort to promote technology transfer to allow industries to convert to civilian activities. These programs are the Manufacturing Technology Program and the Advanced Technology Program.

Now, Mr. President, the distinguished leadership over on my chairman's side of the aisle did not get into that litany then about picking winners and losers. Making that claim is pollster politics and pap. That is nonsense. It is not picking winners and losers. When we had the semiconductor problems and put in Sematech, it was not winners and losers. Industry came back in there. Then we get to the aircraft industry; we get to agricultural technology; we have the telecommunications technology. We can go right on down the list where Government has worked successfully in partnership, and we do not hear about picking winners and losers. And now here in the Advanced Technology Program comes the industry itself working with the Government, and using political statements to the effect of winners and losers and pork they just present symbols and labels and hope to kill the program that way. That is not debating it on its merits. The task force of my distinguished friends on the other side of the aisle, a dozen of them, found it was very, very important, including the majority leader. And it has not changed a bit. It is being administered properly, and no one contests that. No one wants to talk of the merit of the program or something that ask whether anything may have gone awry. They still want to use the symbols.

I yield the floor.

Mr. KERRY. Mr. President, I wish to join my colleague from South Carolina in supporting his amendment, and I regret the characterizations of my friend

from New Hampshire, the southern portion of which certainly has a significant amount of technology companies that are in partnership with the Federal Government.

It seems to me the arguments that are made by the Senator from New Hampshire fundamentally avoid the reality that we confront in the marketplace and that our companies are confronting in the marketplace today. It would be nice if we could just sit here and say the Government should not be involved in this or that and proceed along. But the reality is that the governments of every country against which we compete are deeply involved in major commitments to science, to technology, to research, to development, and even carry those commitments way out into the marketplace in order to effect pricing and the marketing of the products that come out of their companies. We are not living in a sort of pure Adam Smith world where everybody can sit around and say, gee, the Government should not be doing this, should not be doing that.

Every government of every industrialized country in the world is engaged in what most of us would consider to be unfair trade practices in subsidizing their companies' efforts to penetrate the market of one country or another.

We know that our own marketplace, as efficient as it is—and it is efficient, it is brilliant—but even in its brilliance, our marketplace does not always respond in the ways that we would like it to or as rapidly as we might like it to in the development of new products. In fact, from the great expenditures on defense of the late 1950's and on, we have seen a remarkable number of purely Government-created markets emerge, Government-created products emerge: Teflon, Gortex, digitalization, the Internet.

Here we are with the Internet itself, the fastest growing market in the United States today. Some 30 million people have access to it, and it is growing at 300,000 people a month. Who created it? The Government. The Government was able to create it because the Government was able to leverage investment or make a fundamental primary investment that no private dollar was willing to do because of the risk level.

Every one of us knows that in the capital markets of the United States, we have a relatively small amount of money that goes into pure venture capital. The last time I looked, which was some time ago, it was somewhere in the vicinity of $30 billion or so. That venture capital pool often does not go for some of the job-creating efforts that are critical on the cutting edge of technology.

Mr. President, I think we have learned enough in the last few years about our need to try to build the partnership, if you will, to guarantee that we are on the cutting edge of certain technologies. We saw that in the early 1980's. I can remember when we were deeply committed to energy and certain kinds of environmental research. We actually went so far—we, I was not in the Senate then—but the Senate went so far and we as a Nation went so far as to create the Energy Institute in Colorado. Professors literally gave up tenure at certain universities and went out to Colorado and invested in the notion that the United States of America was committed to major energy research.

What happened? Along came Ronald Reagan and a different attitude about Government involvement in energy. So we pulled the plug on the research institute. People were thrown back out into the street, and, lo and behold, what happened? The Japanese and the Germans picked up the leadership in photovoltaics and renewable energy resources, and all of a sudden, in the post-cold-war era, as the prior Communist bloc countries suddenly wake up to what they have done to the Danube River or to the region around Kijev where you can pick up ashes in your hand and there is not a living bush within a mile of their powerplants, they suddenly said, ''We have to do something about this.''

Where do they go? Not to the United States, because the United States had lost the technology lead. So they go to Germany and they go to Japan and they buy from them. Whose workers wind up benefiting?

That is a clear lesson, Mr. President.

What I am suggesting is this is not an enormous boondoggle or giveaway. This is a program that is set up with peer review. It is a highly competitive grant structure. It is one where there has to be some likelihood of a frontier that is going to provide new jobs under the definition of the critical technologies that most countries have recognized as critical technologies.

Lester Thurow, one of the eminent scholars and thinkers of Massachusetts at MIT, recently noted that we are living in an age where industrialized nations like the United States are not going to achieve economic growth by conquering new lands or amassing greater natural resources, or even through further revolutions in technology necessarily, which are the traditional pathways that countries have taken to greatness. He said we are going to have to do it by investing in human capital.

American business has demonstrated an impressive ability to develop new products and to invest in the technology that is needed to give us those new products. But the record of investing in workers has fallen far short of what is necessary to maintain the leadership position in today's global environment.

Mr. President, if we look at these add-backs, what we see is a combination of the best of both worlds: An effort to try to invest in technology and an effort to try to invest in human capital.

Let me just quickly underscore a couple of those areas, if I may.

Mr. President, the Council on Competitiveness finds that a 10-percent increase in workers' education levels yields almost a 9-percent gain in workplace productivity, more than twice the rate of run for the same investment in tools or in machinery. Every year of postsecondary education or training boosts the lifetime earnings of an individual by 6 to 12 percent.

So here we are wrestling in this country with the problem of diminished earnings of 80 percent of America—80 percent of America—that has not had an increase in their take-home household income in the last 13 years. We know you can have a 6 to 12-percent increase by investing in their skill levels in the transfer of technology to human beings. That is what the Senator from South Carolina and I and others are trying to do here.

In Massachusetts, we have been able to have about one-third of our work force employed in these kinds of endeavors, and we find that they are always more productive and they always pay higher wages.

Let me give you an example, perhaps, Mr. President. The ATP, the Advanced Technology Program, and the NTIA grants and the EPA envirotech and educational technology programs that would get an add-back under this make a direct difference in the lives of our citizens.

The Advanced Technology Program, for instance, helped Dr. Richard Yohannis of Data Medic in Waltham, MA, to create an automated medical data gathering and processing system that will improve the quality of care at Boston Children's Hospital and reduce at least $560,000 of administrative costs.

Private banks and venture capital groups would not finance this idea. So without the ATP's matching support, Dr. Yohannis' idea simply would not have become a reality. With it, we save $560,000 and we create jobs and provide better health care.

Another example: The National Telecommunications and Infrastructure Assistance Program is helping Massachusetts Information Infrastructure to begin to wire schools and libraries and local government entities to the information superhighway. NTIA now has more than 80 matching grant requests pending from equally deserving groups in the State of Massachusetts. Without the NTIA's support, the 352 MII sites around Massachusetts would simply still be on the waiting ramp on the information highway.

Now I ask a simple question. We just overwhelmingly adopted an amendment to raise the level of education in this country. Here is a grant that links those schools and our students in their math and science capabilities to the information highway, to the future, to jobs and to the world. I think that is an emergency.

The only reason it is required to be treated as an emergency is because our friends on the other side of the aisle,

most of them, do not think it is an emergency and do not want it at all. And instead of having a 50-vote decision on the floor of the Senate, which is what you get by defining it as an emergency, they want it to be 60 votes, so the hurdle is harder to get over.

This is not a fight over defining an emergency. It is not a fight over pork. It is a fight over the priorities of this country and whether or not we ought to be making a more significant commitment to science and to technology.

The Hollings amendment, gratefully, would secure a critical commitment to technology.

Let me give one last example. There are global demands for pollution control, for waste disposal and remedial cleanup goods and services ranges from about $200 to $300 billion. Here is a $200 to $300 billion market waiting for us.

In Massachusetts alone, the environmental industry is more than 1,500 companies employing about 55,000 people, and it generates more than $5.5 billion in sales.

But some of their efforts simply cannot be engaged in without the leverage of these dollars, either from a basic venture capital basis or banking basis or from fundamental risk taking in the marketplace.

It seems to me, Mr. President, that it is extraordinarily valuable for this country to encourage and leverage the transition of our workplace. When 40,000 workers are downsized from AT&T, and those workers find it difficult to find the same level of paying jobs and they wind up driving taxicabs or doing things at a whole different level than they were trained for, we do not just lose their technical skill, we lose their commitment, we lose their morale, we lose the fabric of our communities.

It seems to me that nothing should gain a greater focus from the U.S. Senate except for education as a whole than the effort to transfer science from the laboratory to the marketplace, to take it from laboratory to shelf as rapidly as possible.

This effort has proven its ability to do that. It is not pork. It is a fundamental commitment of this country to science and to technology itself. And I hope colleagues will join together in adding back this critical funding.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President, I rise in strong support for this amendment. I listened carefully to my colleague from Massachusetts and I agree with him completely. I will confine my remarks to the Advanced Technology Program, the ATP.

I have risen on this floor many times to talk about the importance of research and the importance of moving research into industry and then into use—that is, the importance of development, and the importance of Government's role in areas where private capital is not available even though maybe it should be.

I urge my colleagues to increase our investment in the ATP because that is what it is, an investment. And it is an investment that will yield a high return in high-wage jobs and in long-term economic growth.

We need a well-balanced Federal R&D budget. We need a Federal R&D budget that, of course, is strong in defense research, but not just defense, which seemed to dominate research for many years. We need strength also in civilian research, in basic research, and in applied research. And applied research includes the development of high-risk, high-payoff civilian technologies.

We know that new technology accounts for one-half of long-term economic growth. I repeat that. We know that new technology accounts for one-half of the long-term economic growth of this country.

We know that workers in high-technology industry are better paid than the average worker, in fact, on the average, 60 percent better paid. We know that past public investment, in semiconductors, in computers, in advanced materials, and in other technologies have paid for themselves many, many times over.

These technologies have been at the heart of our economic expansion. We know that the private sector is cutting back on long-term R&D in favor of shorter term, more product-oriented work.

In 1989, I proposed legislation to create what I called the ACTA, Advanced Civilian Technology Agency. It was going to be a counterpart to DARPA, the Defense Advanced Research Project Agency.

The purpose of ACTA was to help put U.S. industry on an even footing with competitors who had the benefit of teaming with their Governments.

Team Japan and Team Germany, for example, ensure that their companies quickly develop, produce, and market new products. They use tools ranging from R&D tax credits and low-interest loans to research consortiums. There is no single, magic silver bullet.

Congress decided against a new agency and instead created the Advanced Technology Program, ATP, within an existing agency. NIST has managed the ATP, I think by any measure, in an exemplary fashion. But now, after 6 years, some of my colleagues want to kill this promising young program, without, I think, even understanding what it is they are killing.

I think it would be very short-sighted to kill a program just as it is starting to have an impact. We have two recent studies of the ATP program. And they agree that the program has stimulated companies to join together, to collaborate, to form strategic alliances.

These partnerships are not easy for companies because they fear the loss of intellectual property rights, the loss of trade secrets, and the loss of control overall. But ATP has catalyzed changes in corporate behavior that could have profound effects on future R&D. The studies also agree that ATP has speeded up research, cutting months off of the R&D cycle. Global competition in high technology moves at a fast pace. And months can be critical sometimes.

Let us be clear on one thing—this is not just a Government program. ATP is industry-led. Industry picks the technologies. Industry puts up 50 percent or more of the resources. Industry takes the biggest risk. And to call this corporate welfare or picking winners and losers is just know-nothing nonsense. People who have claimed that have not looked at the program, or do not know what they are talking about, or have some other agenda, because this is not corporate welfare or picking winners and losers.

ATP helps fund precompetitive research—research that lies in the gap between basic research and commercial development. ATP focuses on high-risk potential breakthroughs, technical know-how that will benefit industry across the board, that will boost national competitiveness and that will improve our lives.

ATP partners with companies in 31 States. That shows how widespread it is, 31 States. The companies are working on quicker and easier genetic diagnostic tests, for instance, much smaller computer chips, better materials for fiber optics and more. You say, are these things important? Of course they are. And they can be multiplied over and over. We could have a whole list here today. Those are just three examples.

In my State of Ohio, for example, companies with ATP help are working on 15 different projects ranging from high-temperature, high-pressure tolerant enzymes for the chemical food and diagnostic industries to gene therapy for the treatment of cardiovascular disease.

Most of the projects are geared to moving U.S. manufacturing well into the 21st century. There are projects on ceramics, composites, long optical polymers, metal powders, superabrasives and extremely precise measuring technologies—all in the areas of breakthroughs that would have an enormous impact on our society and on our industry.

Let me take as an example the first of these—ceramics. People say, ''ceramics.'' They think of dishes and things that you hold water in, vases, things like that. But if we make a major breakthrough in high-temperature ceramics, so that we could coat turbine blades, or the inside of high-temperature engine chambers, we could raise operating pressures and temperatures. That would let us make far more efficient use of fuel. We could have smaller turbines and engines. We could make electric cars much more practical than they are now, when we have to store energy in lead acid batteries.

If we made a breakthrough in ceramics, we make a whole new industry possible. Breakthroughs in ceramics make

breakthroughs possible in engines and electric cars and a whole host of things. Each one of the technologies that I mentioned can have that kind of serendipitous effect on new industries and new research in our country.

These and other technologies that industry is developing with the help of ATP—not directly, but with the help of ATP—will not only create jobs and enhance productivity, but will make life healthier and the environment cleaner at much lower cost. We are just starting to see the benefits of the ATP in jobs and technologies coming to market.

Some of our friends on the other side speak of the need to tear programs out by their roots. That was one of the statements I heard the other day. For programs like ATP and for programs to bring educational technology to our students, that is a prescription for an economic wasteland. It will be an economic disaster if we start tearing programs like this out by their roots. We should, instead, be nurturing these programs so that we and our children and our grandchildren can enjoy their fruits.

Mr. President, the United States has grown to what it is today mainly because we have been a research-oriented nation and a curious people, a people willing to put money into inquiring into the unknown. We have moved into leadership in the world because of that type of curiosity, curiosity that has been exhibited by our companies, by our colleges, by our universities, indeed, by the Federal Government, in taking the lead in these areas.

If there is one thing this Nation should have learned throughout its history, and I think we have learned, it is that money spent on research almost always pays off beyond anything we see at the outset.

How can we not approve ATP? By my reckoning we should be expanding it further rather than considering cutting it out.

In closing, Mr. President, I urge my colleagues to support this amendment. I hope it passes for the good of this country and for the future of this country.

AMENDMENT NO. 3475 WITHDRAWN

Mr. GREGG. I ask unanimous consent that the yeas and nays be vitiated and that my amendment to strike be withdrawn.

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

So the amendment (No. 3475) was withdrawn.

Mr. GREGG. Mr. President, I ask that the yeas and nays be ordered on the underlying amendment of the Senator from South Carolina.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. GREGG. I continue my opposition to this amendment. I do not think ATP is a program we can fund at this time. I think we should go with the initial proposal.

Mr. HOLLINGS. There are various Senators that wanted to be heard. I have agreed with the distinguished chairman, Senator GREGG, we ought to move as expeditiously as possible to a vote.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. LEAHY. Mr. President, I rise in strong support of the Senator from South Carolina's amendment to restore funding for high-technology programs. I am proud to cosponsor this amendment to restore about $400 million to these critical investments. This amendment is fully offset and will not add to the deficit.

Unfortunately, the current bill cuts programs like the Advanced Technology Program that invest in our future. Some in this Congress are trying to abolish these high technology programs to claim they have ended a unnecessary, big-Government bureaucracy. Nothing could be further from the truth.

These high technology programs are more than necessary in today's world. They are essential.

The world has shrunk because of advances in technology and telecommunications.

Today, Americans do not just compete with each other, they compete with Japanese, Germans, New Zealanders, and the other citizens of our global economy. To meet the demands of this new world, we must develop and improve our expertise and infrastructure in advanced technology.

Moreover, these high-technology programs are not big Government.

Because these technology programs provide Federal seed money, private companies and public players have come together to form community-based projects. Many of these projects must have matching funds from the private sector. This requirement had led to innovative networks with groups that have never worked together before. There is no Government redtape restricting these partnerships. Instead, Government seed money is making these partnerships happen.

We should be promoting programs that foster these advanced technology initiatives. And that is exactly what this amendment does. For instance, this amendment adds $32 million in funding for the Telecommunications Information and Infrastructure Administration Program [TIIAP].

In today's world of innovative telecommunications, this program helps us keep up with this constant change. TIIAP develops partnerships with local governments, schools, hospitals, libraries and the business community to increase access to advanced information and communications.

Let me describe just a few of these innovative partnerships from around the country that have gotten off the ground because of TIIAP's help:

Youth service organizations in New Haven, CT and East Palo, CA are working together to link teenagers in the two cities to keep them off their streets and in their schools;

Physicians from big city medical centers in North Carolina are working together with rural hospitals to provide video teleconsultations and diagnostic images for emergency care;

And in my home State, Castleton State College has led a consortium of representatives from the private sector, local government and education to develop a telecommunications plan for west-central Vermont.

An TIIAP planning grant will bring these Vermonters together to develop a high-capacity telecommunications infrastructure to overcome the problems caused by their 15 local dialing areas.

TIIAP is about finding new ways to learn, to practice better medicine, and to share information. It spurs the growth of networks and infrastructure in many different fields of telecommunications with only a small Federal investment. It is essential and innovative.

This amendment also restores $62 million to the Environmental Protection Agency's Environmental Technology Initiative. This initiative supports private sector research and development that protects our environment and generates innovative products for the emerging environmental technology marketplace. This technology has the potential to create thousands of jobs by developing new ways to clean up polluted areas across the country.

For example, an EPA-supported technology was recently developed in Vermont for the ecological treatment of wastewater. Living Technologies and Gardiner's Supply in South Burlington, Vermont are on the forefront of a new technology that treats wastewater through a series of biological processes. The Environmental Protection Agency has played a fundamental role in joining quality environmental policy with good economics.

Mr. President, advanced technology will be the key to our educational and economic and economic success in the remainder of this decade and into the next millennium. We must keep our commitment to master technology or we will be mastered by it. I urge my colleagues to support this amendment to restore vital funding for advanced technology programs.

Mr. LIEBERMAN. Mr. President, I rise in support of my friend Senator HOLLINGS and praise him for proposing this technology amendent which I have cosponsored along with my colleagues minority leader DASCHLE, Senators KERREY, BINGAMAN, ROCKEFELLER, and KERREY. This amendment strives to preserve research programs in technology, education and the environment which are investments in our future.

Cuts in research and development, R&D are bad for America's future. Now is not the time to pull out of federal investments in these programs, including the Advanced Technology Program [ATP] and Technology Administration [TA], National Telecommunications and Information Administration [NTIA] which have a significant impact on high-wage jobs and maintaining U.S. leadership in the global economy. Now is the time to protect our investments, maintain our strong base, and build upon technology infrastructure so that America will remain an economic world leader.

Commerce's Office of Technology Policy recently issued a report which states:

> Although the federal Advanced Technology programs represent only a small fraction of the federal R&D budget, they leverage money in the public and private sectors, causing an economic impact far larger than that suggested by the program budgets alone. Moreover, they are the only mechanisms focused specifically on providing a bridge between the federal R&D investment and the efforts of the private sector to remain globally competitive. These relatively small investments in federal partnerships play a central role in increasing the efficiency of government mission research and safeguarding the country's prosperity.''

An essential part of improving economic growth is technological change. A recent Council of Economic Advisors report tells us that half or more of the Nation's productivity growth in the past half century has been from technological innovation. Looking at a 15-year curve, the U.S. had growth in private sector R&D every year until the 1990's. That growth wasn't huge—we were way behind the rate of growth of competitor nations, but we had such a big lead after WW II that we could tolerate lower growth for awhile. But since 1991, the private sector has annually been cutting R&D spending. This year, the American Association for the Advancement of Science estimates that Congress is implementing a 30-percent cut in government non-defense R&D. For the second year in a row the United States placed first in the World Competitiveness Report in 1995, Japan, top-ranked in 1993, fell to fourth and Germany to sixth. But when you look into the fine print of the report, it isn't so rosy.

The United States ranks only 9th in the people category because of its 30th place showing on adequacy of its education system. The report also found the United States 40th in vulnerability to imports, was 40th in gross domestic savings, and it deteriorated to 29th in public funding of nondefense R&D.

We clearly lead the world in the mixed blessing of downsizing and have garnered major productivity gains as a result. But disturbing long-term economic warning signals remain despite all the profit-taking of the past 5 years. This is particularly true when you look at one of the basic long term building blocks of economic growth: research and development.

What are our foreign competitors doing? You guessed it. Japan has announced plans to double its R&D spending by 2000; it will actually pass the United States in nondefense R&D in total dollars not just share of GDP. This is an historic reversal. Germany, Singapore, Taiwan, China, South Korea, India are aggressively promoting R&D investment. Our lead in R&D has been our historic competitive advantage. If these trends continue, that lead will shrink. Competing advanced economies will be the winners if we cut technology programs that improve Government's efficiency and the taxpayer's return on investment.

To keep building and renewing our economy, we have to keep investing in it. The numbers here are so bad they should be giving us fits:

We have a 20-year downward trend in investment as a share of gross domestic product—we're at 11.2 percent for 1995, behind 47 competitor nations.

The net national savings rate, which factors in government deficits, averaged 2.07 percent as a percent of GDP from 1990 to 1994, compared to the 8.11 percent average in the 1960's. The household savings rate last year, which doesn't include the Government deficit, is down to 4.6 percent; Japan's is 14.8 percent, France's is 14.1 percent, and Germany's is 12.3 percent. Obviously, our overall investment rates are related to our R&D investment rate.

If you divide Government spending into investment and consumption categories, Government investments—items like education, R&D, and infrastructure—are increasingly dwarfed by major increases each year in entitlement consumption spending. Federal non-defense investment in the 1960's in these three categories was 23 percent of its outlays; it is now less than half that. These numbers tell us that we're slowly disinvesting in our economy. They tell us we may be starving our long term growth.

I would like to focus on the programs that are victims under the proposed Appropriations bill we seek to amend, the Advanced Technology Program [ATP] and the Technology Administration [TA], the National Telecommunications and Informations Administration [NTIA], education technology and environmental technology.

ATP—Investments in technology are investments in our future. ATP was enacted during the Bush administration to address technical challenges facing the American industry. Industry has already begun to benefit from this public-private partnership which aims to accelerate development of high-risk, long-term technologies. The nature of the marketplace has changed, and technological advances are a crucial component in maintaining our stature in the new world marketplace. Product life cycles are getting more and more compressed, so that the development of new products must occur at a more and more rapid pace. The market demands products faster, at higher quality and in wider varieties—and the product must be delivered ''just-in-time''. ATP funding is not a substitute for research investments that industry would have otherwise used for R&D.

This program has attracted top-notch small-to-medium size companies who have lauded ATP. In an independent study, Semiconductor Equipment and Materials International [SEMI], an association comprised of 1,400 small companies that manufacture materials and equipment for the semiconductor manufacturers, found that 100 percent of the companies who participated in ATP rated it very favorably. Nearly two-thirds of the companies surveyed by Industrial Research Institute, an association of over 260 research companies who account for 80 percent of industrially-performed R&D in the U.S., only a small number of which have received ATP awards rated ATP with very high marks.

The impact of the partnership activities amongst Government, industry, and academia is significant and far-reaching, according to a Silber and Associates study which interviewed every ATP industrial participant. I would like to share with you some of the company responses:

> We would not have done this research without the award. It absolutely enabled us. . . .
>
> We consider ATP a multiplier—by investing $3 million we gain access to $15 million worth of technology. . . .
>
> We particularly like that it wasn't a grant, but a match. This eliminated companies who just wanted a government subsidy . . . promotes putting your money where your mouth is. We're seriously committed and have already invested $2 million.
>
> ATP money encouraged us that a little company like us can be taken seriously. . . .
>
> Leverage reduces cost and risk. . . .
>
> Collaborations, cooperation, and learning to operate in a consortium with competitors were key outcomes. . . .

ATP has clearly acted as a catalyst to develop new technologies and to foster ongoing joint ventures within the industrial R&D. Clearly, we should continue to support this program and restore $300 million for it as proposed in this amendment.

TA—Cuts in Commerce's Technology Administration will severely handicap our government's ability to assess and strengthen the technology efforts of the American industry. How can we expect to improve U.S. economic competitiveness if we squeeze the ringmaster who oversees and assesses an important part of the U.S. R&D investment? TA requires an additional $2 million above the $5 million slated in the Conference report to peer review critical programs such as The clean car initiative, also known as the partnership for the new generation of vehicles, and to perform comprehensive competitive studies for many industrial sectors such as the chemical, semiconductor, banking and textile industry.

NTIA—The National Telecommunications and Information Administration's Telecommunication's and Information Infrastructure Assistance Program [TIIAP] serves a very important

purpose in connecting public libraries, schools and hospitals to state of the art telecommunications services and the Internet through its highly competitive cost-shared grant program. Last year, only 117 awards for 1800 applicants were given—that is fewer than 1 out of 15. To cut these programs that are in very high demand and essential in promoting education, reducing health care costs and providing more jobs is very short-sighted. The amendment restores $32 million which will enable TIIAP to provide 100–150 new awards. TIIAP programs are not a free ride and demand high community involvement to be successful.

I strongly support investments in education technology which will inspire our children to enhance their creativity and reading and math skills using the innovative tools of Internet. The Environmental Technology Initiative will secure a cleaner and brighter America for our children and grandchildren with lighter, more fuel efficient cars and innovative pollution control technologies.

To summarize, continued U.S. government investment in R&D is critical at a time when our competition is increasing its R&D support. The cuts in ATP, NTIA, TA and education and environment technology are unfounded and simply serve to starve our long-term prospects of developing high-wage jobs and maintaining U.S. leadership in the global economy.

Now is not the time to drop out of the global R&D race and shift toward a path toward technology bankruptcy. As I stated before, the American Academy for the Advancement of Science has estimated that if current congressional spending trends continue, our Government will be cutting this R&D investments by almost one-third over the next few years. Defense R&D will be cut deeper than that. Our amendment attempts to correct that error in some critical program areas. I urge my colleagues to support this amendment.

Mr. BOND. Mr. President, I rise in opposition to the Hollings amendment. The amendment includes $62 million for EPA's environmental technology initiative, a program which the conference agreement on the VA–HUD bill sought to reduce funding for, in order to fund higher priority EPA programs.

During consideration of the fiscal year 1996 VA–HUD bill last fall, not a single member raised concerns about the reduction to this program in the committee markup, on the floor, or in conference on the legislation.

This program was initiated by President Clinton 3 years ago, and a total of $100 million has been appropriated for the first 2 years. What has the program accomplished? Not a whole lot as far as I can tell.

We have funded energy efficient housing conferences, lighting research centers' education of electric utilities about the benefits of energy efficient lighting, and marketing programs to increase the purchase of energy efficient lighting products.

Mr. President, what the environmental technology program has amounted to is corporate pork. Mr. President, we cannot afford this sort of corporate subsidy.

These sort of activities are not geared to ensuring the U.S. gains a strong foothold in the market for environmental technology, as the administration has claimed.

I should also add that the budget request for this program has quadrupled from $30 million in fiscal year 1994 to $127 million in fiscal year 1996. Much of that funding has been passed through from EPA to other agencies—NIST, DOE, agencies which have their own budgets for technology activities. This, at a time when the administration claims it cannot find funds to set drinking water standards for cryptosporidium or control toxic water pollutants.

Given the importance of ensuring that EPA's limited resources are spent on those activities resulting in the most direct and significant gains to environmental protection, additional funding for this program above the $10 million available in this bill is not acceptable.

Mr. BINGAMAN. Mr. President, I rise in support of the Hollings technology programs amendment. I want to commend the Senator from South Carolina for his consistent advocacy of these programs for the entire 13 years I have had the honor to serve in this body. It is disheartening for some of us to find all of these programs so out of favor with many of our majority colleagues.

Mr. President, as we prepare for the challenges and opportunities of the 21st century, these technology programs are among the last programs we should be sacrificing to balance the budget. I have given many speeches over the last year about how misplaced our priorities are when we prepare to slash our civilian research and development programs by one-third by 2002. And we are doing this at the same time the Pentagon is planning to slash research and development spending by 20 to 25 percent in real terms in the same time period. These next few years will be the first time since World War II that this Nation will simultaneously cut both civilian and defense research.

Four years ago this body knew that that was the wrong thing to do. We expected cuts in defense research spending as a result of the end of the cold war. But both the Rudman and Pryor task forces and the Bush administration in 1992 advocated increases in civilian research spending to compensate for the declines in defense research and to keep pace with the investments other nations were making in civilian research. There was a consensus then that the Advanced Technology Program was a program that needed to be expanded to provide opportunities for firms to do precompetitive research, a term that President Bush coined, in a cost-effective manner.

The reason that we had that consensus then was that the Senator from South Carolina had designed the ATP Program with the help of Republican Senators like Warren Rudman. He had ensured that awards would be made on the basis of merit pursuant to competition and that industry would play a major role in selecting areas for competition. He had ensured that there would be cost sharing from industry, so it was not just Government saying these technologies were worthy of further development. The firms themselves were putting their money at risk. Out of these Government-industry partnerships the Senator from South Carolina expected to see real innovation. He expected these partnerships to bridge the gap between basic research at which we excel as a nation and product development which the private sector should fully fund. All the reports we have received tell us the program is doing just that. And yet it is on the chopping block.

The same could be said for the other programs supported by the Hollings amendment. All had bipartisan origins. All are designed to provide real leverage for Federal funds by fostering partnerships and requiring cost sharing. They are precisely the sort of programs we should be expanding as we approach the 21st century. Instead, we are forced into a debate on terminating them.

Mr. President, I am going to close by displaying two charts which I have used before over the past year on the Senate floor. The first shows Federal civilian research as a percentage of gross domestic product. In the next few years that spending is headed toward a half-century low. Is that how we should be building a future for our children and grandchildren?

The second chart compares our Federal civilian research spending with that of the Japanese Government. Very soon, if not this year then in the next few years, Japanese Government research and development investments will exceed our own. That is a nation with half our population and half our wealth. How long will we as a nation be able to live off our previous research investments?

Mr. President, study after study has shown that Federal civilian research investments since World War II have paid for themselves many times over. We need to sustain that investment as we head into the 21st century, particularly since we will continue to cut defense research investments in light of the end of the cold war. The Pentagon is planning to make greater use of our civilian research programs to meet its needs at the same time we are cutting civilian research.

The Senator from South Carolina is making a stand for some of our best civilian research investments. He stands in a bipartisan tradition of supporting civilian research that goes back to Presidents Truman and Eisenhower and clearly included President Bush. He stands against what one columnist, E.J. Dionne, Jr., in today's Washington

Post called the ''smash-the-state'' revolutionaries, who want to demolish essentially all Government programs.

Government can work and has the capacity to make investments that do great good for this country. Our research investments have been in that category for decades. They are Government at its best, building a better future for our children. I urge my colleagues to stand with the Senator from South Carolina in support of these research programs. Please vote for the Hollings amendment.

Mr. KERREY. Mr. President, I support the Hollings-Daschle technology amendment, which I am pleased to cosponsor. In particular, this amendment adds $32 million for the Telecommunications Information and Infrastructure Assistance Program [TIIAP] under the National Telecommunications and Information Administration [NTIA], which I strongly support.

When TIIAP was slated for elimination in the fiscal year 1996 Commerce-Justice-State-Judiciary appropriations bill (H.R. 2076), I offered an amendment with Senators SNOWE, DASCHLE, LEAHY, LIEBERMAN and JEFFORDS that restored $18.9 million for this valuable program. The motion to table my amendment was defeated overwhelmingly by a bipartisan vote of 64 to 33, reversing a death sentence for a competitive, merit-based program that empowers people by linking rural and underserved communities to advanced telecommunications technologies.

Mr. President, the Federal seed money from TIIAP is generating partnerships and matching investments that are helping communities in my State of Nebraska and across the Nation join the information revolution. In Beatrice, NE, which previously had no meaningful way to communicate electronically, a TIIAP grant is funding the Beatrice Connection. Beginning next month, the Beatrice Connection will link the entire community—its public schools, library, community college, city government, and residents—using a metropolitan area network [MAN] and wireless communications. In Lincoln, NE, TIIAP is empowering people through InterLinc, which provides dial-up, toll-free Internet access to low-income, ethnically diverse, and rural areas of Lincoln and its surrounding rural communities. InterLinc also provides on-line access to Government agencies, thus permitting citizens greater ease in using Government services.

Information and communications are fast becoming the keys to economic success in this country and around the world. By the 21st century, these industries will represent close to one-sixth of the world economy. Yet according to a recent study, by the year 2000, 60 percent of jobs in this country will require skills held by only 20 percent of the population. Our kids will not be able to compete with a software programmer in New Delhi or Tokyo if they do not have access to computers and the Internet.

Currently, however, many communities do not have access to advanced information or communications either at home, in the local school, or the local library. I receive numerous letters and telephone calls from Nebraskans, particularly from educators and health care practitioners, who want affordable access to Internet and other advanced telecommunications resources. According to NTIA, this lack of access is most pronounced in rural and inner city communities, which could spell disaster for the future of many youths.

TIIAP is specifically designed to connect these communities to the kinds of information they need to find educational opportunities, job training, new employment, and better medical care.

TIIAP grants are bridging information gaps for children from farming communities, who are downloading images of the planets and exchanging e-mail with space scientists. Emergency room doctors in remote rural areas are using computer networks and video imaging to consult with specialists in major medical centers to diagnose injuries and deliver life-saving care. And teachers are upgrading their skills by taking advanced courses through the Internet without leaving their school building. TIIAP provides seed money for everything from computer links to professional development to advanced software.

Many innovative projects would never get off the ground without the assistance provided by this program. TIIAP represents the best Federal investment we can make in this area—it is oriented toward the future, it is highly competitive, and every Federal dollar is matched by one or more private dollars. Grants totaling $24.4 million in 1994 generated $40 million in matching funds to support projects in health care, education, economic development, infrastructure planning, and library services.

Mr. President, the constant fight to fund TIIAP shows how difficult it is becoming to make investments in the United States as entitlement programs continue to grow and consume large portions of the Federal budget. I am committed to reforming entitlements precisely because, if we fail to do so, programs like TIIAP and others funded by the Hollings-Daschle amendment will become a memory.

The amendment which I am cosponsoring today would fund 100 additional TIIAP awards in fiscal year 1996, connecting more schools, libraries, and public health facilities to telecommunications technology. I urge my colleagues to vote for the Hollings-Daschle amendment, to ensure that major portions of our country are not left out of the information age.

Mr. LEVIN. Mr. President, I support the Hollings amendment that would restore funding for key industry and technology programs that provide high-wage jobs for American workers.

This appropriations bill would make short-sighted cuts to programs that build American industry, increase exports, and promote American jobs. In the final analysis, these cuts would damage the long-term economic prospects of American families.

The cuts I am talking about target the Department of Commerce, which opponents label as unimportant to the country. In fact, the Department of Commerce is a Federal agency that works day in and day out to help keep American businesses one step ahead of foreign rivals in an era of increasing competition. It is the agency that supports the kind of cutting-edge technologies crucial to U.S. businesses winning the international trade wars and capturing markets for U.S. manufactured goods at the dawn of the 21st century.

If we abandon our support for research and development in this time of expanding global markets, we will find ourselves fighting an uphill battle for economic security in the years ahead. Not only are these cuts penny-wise and pound-foolish, they sacrifice our economic future for meager budget savings.

This bill would hold important programs hostage by making their funding contingent on a budget agreement between the President and Congress. The contingency would require the passage of a separate bill necessary.

The bill would withhold funding for the Advanced Technology Program, or ATP, which promotes research in cross-cutting technologies that are too long term in payoff for private firms to pursue alone. The enabling technologies developed under this program help American firms compete in fast-paced international markets. Other governments are far more aggressive in funding technology.

Some of my colleagues have called the Advanced Technology Program corporate welfare, but that misses the point that the real benefactors are American workers who will profit from high-technology and high-wage jobs. The ATP is a forward-looking cost-effective investment in America's technology base essential to our long-term economic growth. To abandon it as this bill does is a mistake and a blow to American competitiveness.

The ATP is a young program, but early results show that it's working. The Autobody Consortium from my home State of Michigan, for example, used an ATP grant to develop a new measurement technology that has led to dramatic improvements in reliability and performance of American cars. The technology is giving us a leg up on foreign automakers. That means that we'll sell more cars and create more high-paying jobs for American workers.

The Hollings amendment would rescue ATP funding from the proposed contingency fund so that ATP's important work can continue uninterrupted.

It would also provide funds to allow ATP to support new research rather than only fund ongoing research.

Another short-sighted measure of this bill is the grab of funds set aside for the National Institute of Standards and Technology's lab modernization effort. NIST provides basic infrastructure for the whole gamut of this country's industries by developing state-of-the-art measurement technologies. The current facilities at the Institute are almost 40 years old and in desperate need of renovation or replacement. Without new facilities, NIST risks becoming technologically obsolete and unable to continue its world-class research efforts.

While this bill restores half of the funds taken in an earlier Senate version, it still takes back too much from the moneys set aside for the NIST modernization effort. It also penalizes an agency that showed initiative and restraint by husbanding these funds over the years to make physical plant investments. Why should any agency save money when accumulated savings are snatched back and years of planning demolished?

The ATP and NIST modernization effort are just 2 examples of many cuts in critical industry and technology programs. Other examples include the Telecommunications and Infrastructure Assistance Program, that provides seed money to connect our schools to the Internet, and the Environmental Technology Initiative at EPA, that supports cost-shared development of innovative pollution-control technologies.

It is wrong to cut cost-effective R&D programs to achieve minimal budget savings. If our primary goal in balancing the budget is long-term economic growth, then we should safeguard initiatives that will help us reach that objective. The programs cut in this bill are precisely the kind that will promote long-term economic growth, by giving American firms the technological edge they need to build exports, increase profits, and create high-wage jobs.

We are cutting our investment in industry and technology at the same time our competitors are stepping up their efforts. A recent report by the Council of Economic Advisors [CEA] showed that the United States invests far less in technology and trade than our primary competitors. In fact, over the last two decades, the United States has increasingly lagged behind both Germany and Japan in nondefense R&D expenditures as a percentage of GDP. We currently ranked dead last among our major trading partners in spending to build exports.

And the news gets worse, Mr. President. The CEA report further reveals that the congressional budget resolution may slash Federal civilian R&D spending by almost 30 percent by the year 2002. In contrast, the Japanese Government plans to double its R&D investment by the year 2000. Even though the United States has traditionally spent a lower percentage of GDP on R&D than its competitors, it has always been first in absolute expenditures. In the near future even this will change. By 1997, the Japanese Government will actually spent more on R&D, in total dollars, than the United States.

The proposed cuts to the Commerce Department budget are bad for the country and bad for my home State of Michigan. Michigan is the third largest exporting State behind California and Texas. Last year, $35 billion in exports, almost all from manufactured goods, supported about 500,000 Michigan jobs. Thousands of Michigan companies benefit from the industry and technology support programs administered by the Department of Commerce.

Many of those companies have written to me to offer their enthusiastic support for the Advanced Technology Program and other Commerce Department initiatives.

''NIST has a tradition of being a positive contributor to the competitiveness of U.S. industry and the ATP program is an excellent example of how the federal government can help,'' wrote Perceptron, a small high-technology company in Farmington Hills.

''With an expanding global economy and increasing challenges facing U.S. companies, U.S. businesses today have a critical need for assistance from the U.S. Department of Commerce to enter and successfully compete in world markets,'' wrote the S.I. Company of Ann Arbor.

The Commerce Department ''has concentrated on helping small- and medium-sized firms export. These are the same companies that have driven our surge in exports and our growth in employment. Are we trying to 'kill the goose that lays the golden egg'?'' wrote Keesee and Associates of Birmingham.

Mr. President, if we choose to turn our backs on technology at this critical juncture, we weaken the prospects for a more productive, more prosperous America. I hope the Senate will adopt the Hollings amendment.

Mr. HARKIN. Mr. President, I strongly support passage of the Hollings amendment. We need to keep our Nation on the cutting edge in technology and the amendment helps to do that. It helps businesses bring creative ideas into the international marketplace. It promotes finding more efficient technologies to reduce environmental problems and it helps educational institutions provide the tools they need to teach our children with the latest computer technology.

I want to particularly note the debt collection provisions contained in the amendment. Because of those provisions, CBO has scored the amendment as fully paid for. The debt collection provisions are complicated. But, its goal is very simple: The Government needs to systematically do a better job of collecting the money that is owed to it. And, it does a pretty poor job of doing that now.

Many may not like the debt collector. But, if the Government does not collect, other taxpayers must make the payment instead. That is not fair. The United States has billions of dollars in uncollected debts. School loans unpaid, businesses that did not pay back the SBA, farmers who did not pay their loans, all kinds of debts. Yet, the Government is writing checks to some of those same people month after month for various payments anyway. The Government is making new loans on top of the old ones. And, those who do not pay, usually suffer no damage to their credit ratings.

Under this measure, that changes. First, the collection of bad debts are more centralized and given to staff who focus on collecting those debts, including when necessary private attorneys. Second, the Government can start garnishing most kinds of government payments. Third, the Government is not going to make new loans or loan guarantees to those who don't pay their debts. Fourth, the Government is going to act like most businesses and will pass the information on to credit agencies. Fifth, the Government is going to be able to more efficiently forclose on property. And, the measure provides for a lot of other provisions that makes it more likely that different parts of the Government will work together to make collecting bad debts a priority.

The amendment also makes these methods available to collect delinquent child care payments. Few causes are more significant to the cause of children living in poverty and women going on welfare than the failure of parents to support the child. And, I very strongly feel that the Government should do more in that area.

Mr. GREGG. Mr. President, I suggest we go to vote.

VOTE ON AMENDMENT NO. 3474

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

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Louisiana [Mr. BREAUX] is necessarily absent.

The results was announced—yeas 47, nays 52, as follows:

The result was announced—yeas 47, nays 52, as follows:

[Rollcall Vote No. 28 Leg.]

YEAS—47

Akaka	Ford	Lieberman
Baucus	Glenn	Mikulski
Biden	Graham	Moseley-Braun
Bingaman	Harkin	Moynihan
Boxer	Heflin	Murray
Bradley	Hollings	Nunn
Bryan	Inouye	Pell
Bumpers	Jeffords	Pryor
Burns	Johnston	Reid
Byrd	Kennedy	Robb
Conrad	Kerrey	Rockefeller
Daschle	Kerry	Sarbanes
Dodd	Kohl	Simon
Dorgan	Lautenberg	Wellstone
Exon	Leahy	Wyden
Feinstein	Levin	

NAYS—52

Abraham	Frist	McConnell
Ashcroft	Gorton	Murkowski
Bennett	Gramm	Nickles
Bond	Grams	Pressler
Brown	Grassley	Roth
Campbell	Gregg	Santorum
Chafee	Hatch	Shelby
Coats	Hatfield	Simpson
Cochran	Helms	Smith
Cohen	Hutchison	Snowe
Coverdell	Inhofe	Specter
Craig	Kassebaum	Stevens
D'Amato	Kempthorne	Thomas
DeWine	Kyl	Thompson
Dole	Lott	Thurmond
Domenici	Lugar	Warner
Faircloth	Mack	
Feingold	McCain	

NOT VOTING—1

Breaux

So the amendment (No. 3474) was rejected.

The PRESIDING OFFICER (Mr. BROWN). The Senator from Nevada is recognized.

Mr. REID. Mr. President, without losing my right to the floor, I would like to yield to my friend from New Hampshire.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NOS. 3476 AND 3477 TO AMENDMENT NO. 3466

Mr. GREGG. Mr. President, I send two amendments to the desk and ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Hampshire [Mr. GREGG], for Mr. LAUTENBERG, for himself, Mr. HOLLINGS, and Mr. KERRY, proposes an amendment numbered 3476 to amendment No. 3466.

The Senator from New Hampshire [Mr. GREGG], for Mr. REID, proposes an amendment numbered 3477 to amendment No. 3466.

Mr. GREGG. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 3476

At the appropriate places in Title II of the Hatfield Substitute amendment, insert the following new sections:

DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

For an additional amount for emergency expenses necessary to enhance the Federal Bureau of Investigation's efforts in the United States to combat Middle Eastern terrorism, $7,000,000, to remain available until expended: *Provided,* That such activities shall include efforts to enforce Executive Order 12947 (''Prohibiting Transactions with Terrorists Who Threaten to Disrupt the Middle East Peace Process'') to prevent fundraising in the United States on the behalf of organizations that support terror to undermine the peace process: *Provided further,* That the entire amount is hereby designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(I) of the Balanced Budget Act and Emergency Deficit Control Act of 1985, as amended: *Provided further,* That the entire amount shall be available only to the extent an official budget request, for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted to Congress.

DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

For an additional amount for emergency expenses necessary to enhance the Office of Foreign Assets Control's efforts in the United States to combat Middle Eastern terrorism, $3,000,000, to remain available until expended: *Provided,* That such activities shall include efforts to enforce Executive Order 12947 (''Prohibiting Transactions with Terrorists Who Threaten to Disrupt the Middle East Peace Process'') to prevent fundraising in the United States on the behalf of organizations that support terror to undermine the peace process: *Provided further,* That the entire amount is hereby designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(I) of the Balanced Budget Act and Emergency Deficit Control Act of 1985, as amended: *Provided further,* That the entire amount shall be available only to the extent an official budget request, for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted to Congress.

AMENDMENT NO. 3477

(Purpose: To amend title 18, United States Code, to carry out certain obligations of the United States under the International Covenant on Civil and Political Rights by prohibiting the practice of female circumcision)

At the appropriate place under the heading of ''General Provisions'' at the end of the bill, insert the following new section:

SEC. .(a) This section may be cited as the ''Federal Prohibition of Female Genital Mutilation Act of 1996''.

(b) Congress finds that—

(1) the practice of female genital mutilation is carried out by members of certain cultural and religious groups within the United States;

(2) the practice of female genital mutilation often results in the occurrence of physical and psychological health effects that harm the women involved;

(3) such mutilation infringes upon the guarantees of rights and secured by Federal and State law, both statutory and constitutional;

(4) the unique circumstances surrounding the practice of female genital mutilation place it beyond the ability of any single State or local jurisdiction to control;

(5) the practice of female genital mutilation can be prohibited without abridging the exercise of any rights guaranteed under the First Amendment to the Constitution or under any other law; and

(6) Congress has the affirmation power under section 8 of article I of the Constitution, as well as under section 5 of the Fourteenth Amendment to the Constitution, to enact such legislation.

(c) It is the purpose of this section to protect and promote the public safety and health and activities affecting interstate commerce by establishing Federal criminal penalties for the performance of female genital mutilation.

(d)(1) Chapter 7 of title 18, United States Code, is amended by adding at the end the following new section:

''§ 116. Female genital mutilation

''(a) Except as provided in subsection (b), whoever knowingly circumcises, excises, or infibulates the whole or any part of the labia majora or labia minora or clitoris of another person who has not attained the age of 18 years shall be fined under this title or imprisoned not more than 5 years, or both.

''(b) A surgical operation is not a violation of this section if the operation is—

''(1) necessary to the health of the person on whom it is performed, and is performed by a person licensed in the place of its performance as a medical practitioner; or

''(2) performed on a person in labor or who has just given birth and is performed for medical purposes connected with that labor or birth by a person licensed in the place it is performed as a medical practitioner, midwife, or person in training to be come such a practitioner or midwife.

''(c) In applying subsection (b)(1), no account shall be taken of the effect on the person on whom the operation is to be performed of any belief on the part of that or any other person that the operation is required as a matter of custom or ritual.

''(d) Whoever knowingly denies to any person medical care or services or otherwise discriminates against any person in the provision of medical care or services, because—

''(1) that person has undergone female circumcision, excision, or infibulation; or

''(2) that person has requested that female circumcision, excision, or infibulation be performed on any person;

shall be fined under this title or imprisoned not more than one year, or both.''.

(2) The table of sections at the beginning of chapter 7 of title 18, United States Code, is amended by adding at the end of the following new item:

''116. Female genital mutilation.''.

(e)(1) The Secretary of Health and Human Services shall do the following:

(A) Compile data on the number of females living in the United States who have been subjected to female genital mutilation (whether in the United States or in their countries of origin), including a specification of the number of girls under the age of 18 who have been subjected to such mutilation.

(B) Identify communities in the United States that practice female genital mutilation, and design and carry out outreach activities to educate individuals in the communities on the physical and psychological health effects of such practice. Such outreach activities shall be designed and implemented in collaboration with representatives of the ethnic groups practicing such mutilation and with representatives of organizations with expertise in preventing such practice.

(C) Develop recommendations for the education of students of schools of medicine and osteopathic medicine regarding female genital mutilation and complications arising from such mutilation. Such recommendations shall be disseminated to such schools.

(2) For purposes of this subsection, the term ''female genital mutilation'' means the removal of infibulation (or both) of the whole or part of the clitoris, the labia minor, or the labia major.

(f) Subsection (e) shall take effect on the date of enactment of this Act, and the Secretary of Health and Human Services shall commence carrying out such section not later than 90 days after the date of the enactment of this Act. Subsection (d) shall take effect on the date that is 180 days after the date of the enactment of this Act.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, the first amendment is the Lautenberg-Hollings amendment which has been cleared on both sides. The amendment would provide $7 million for the FBI and $3 million for Treasury to combat Middle

Eastern terrorism. Funds would only be available if and to the extent the President designates such an emergency.

The second amendment is the Reid amendment dealing with female genital mutilation. It has been cleared on both sides.

I ask unanimous consent that both amendments be agreed to.

The PRESIDING OFFICER. Is there objection? Without objection, both amendments are agreed to.

So the amendments (Nos. 3476 and 3477) were agreed to.

Mr. GREGG. Mr. President, I move to reconsider the vote on the Hollings amendment.

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

The motion to lay on the table was agreed to.

Mr. GREGG. That motion ran to the Hollings amendment, which was offered two amendments prior to this.

The PRESIDING OFFICER. The Chair thanks the Senator for the clarification.

Mr. GREGG. I thank the Senator from Nevada for his cooperation.

The PRESIDING OFFICER. The Senator from Nevada has the floor.

AMENDMENT NO. 3477

Mr. REID. Mr. President, even though my friend from New Hampshire has quietly offered an amendment that has been accepted, it is extremely important. It is an amendment that I have been trying to pass for a number of years in this body. We have been successful, but it has been knocked out in the other body. That deals with a subject which is difficult to talk about, female genital mutilation. It is a horrible procedure that is perpetrated on women all over this world. What this amendment does is stop it from being done to women in the United States.

I express my appreciation to my friend from New Hampshire for making this part of the managers' amendment to this legislation.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. LAUTENBERG. Mr. President, I want to just take a few minutes. I have waited patiently. I want to talk about the Lautenberg-Hollings-Kerry amendment. Our amendment would provide $7 million for the Federal Bureau of Investigation and $3 million for the Department of the Treasury to address the emergency of terrorism in the Middle East.

The funding would be used to enhance efforts to prevent illegal fundraising in the United States on behalf of organizations, such as the ill-famed Hamas organization, that support terror to undermine the Middle East peace process.

Now, the funding we are proposing would bolster the FBI and the Treasury Department's efforts to promote greater enforcement of Executive Order 12947, which is listed as ''Prohibiting Transaction with Terrorists Who Threaten to Disrupt the Middle East Peace Process.'' Under that Executive order and subsequent notices that are published by the Treasury Department, American citizens are prohibited from making contributions to Hamas along with organizations and individuals that front for Hamas. Even more, the assets of such terrorists and terrorist organizations are frozen by the Treasury Department. That is in the Executive order.

Mr. President, I ask unanimous consent that a copy of the President's Executive order be printed in the RECORD at the end of my statement.

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

(See exhibit 1.)

Mr. LAUTENBERG. Despite the existence of this Executive order, Mr. President, from the United States, funds are still being sent to Hamas, the organization that takes credit for suicide bombings, for killing innocent people, for injuring scores of others. One report I heard on the radio this morning estimated that $10 million was being sent annually by Americans to Hamas.

By the way, that is tax-exempt, if my understanding is correct, tax-exempt funds to help terrorists work their dastardly deeds. Even the FBI acknowledges Americans are still contributing money to Hamas. In one article, Robert Bryant, Assistant Director of the Federal Bureau of Investigation's National Security Division, said, ''U.S. financial support is funding for Hamas.''

I ask unanimous consent that a copy of the article be printed in the RECORD at the end of my remarks.

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

(See exhibit 2.)

Mr. LAUTENBERG. While some of these contributions may not be used to promote terrorism in the Middle East, I think we need to be more certain. Blood for the despicable murders in Israel that the world has witnessed in the past few weeks is already on the hands of the Hamas militants. I do not want it on the hands of American citizens, as well. There are no words to express sufficient outrage at the rash of Hamas-supported suicide bombings in Israel. In four recent bus bombings, 48 innocent people have been killed by Hamas madmen. Clearly, the United States has an interest in helping our friend and ally, Israel, put an end to this madness.

We also have a more direct interest at stake. Though Hamas militants aim to strike a blow to the peace process and in the psyche of the Israeli people, its suicide bombs do not distinguish between soldier and citizen, between infant and adult, or even between Israeli and other nationals.

Unfortunately, two of the most recent victims of Hamas' senseless violence were young adults from the United States. Two were from New Jersey: Sarah Duker, from Teaneck, NJ, and her fiance, Matt Eisenfeld, from Connecticut. Another college student from New Jersey, Alisa Flatow, was killed last April in another Hamas suicide bombing.

My concern and the concern which this amendment addresses is that the funds raised in this country may be used by Hamas militants to take the lives of both American and Israeli citizens. Although American citizens are not detonating the bombs, they may be providing the financial support which enables Hamas militants to pull the pin.

Since the Executive order went into effect just over a year ago, some progress has been made in stemming the flow of financial support from the United States. Press reports indicate that $800,000 in assets have been blocked, unable to be transferred to their Middle East recipients. Unfortunately, the dramatic increase in Hamas-supported violence reminds us that the job is far from done. Despite our efforts, Hamas militants continue to gloat in the killing and continue to make martyrs of the murderers.

The graphic photographs of blood from the Middle East compel us to redouble our efforts to choke off support in the United States for Hamas militants. It is not enough to declare war against fundraising Hamas' militant activities, but we need to put our money where our mouth is and provide additional resources to get the job done, to stop terrorism.

The funding provided in this amendment would enable our Government to accelerate investigations of individuals and organizations that it has good reason to believe are attempting to fund the Hamas death machine. It would provide funding for additional analysts, equipment and intelligence-gathering equipment in the United States aimed at addressing this problem in the Middle East.

It will provide resources to allow for better tracing of funds once they leave the United States so that we can be more certain that American dollars are not ending up in the coffers of Hamas militants. It will provide resources to promote greater efficiency in freezing the assets to stop bankrolling of terrorism dead in its tracks.

Mr. President, this week our President, Bill Clinton, will join world leaders at a summit in Egypt on terrorism. He has left already. He will, among other things, call upon leaders in the Middle East to redouble efforts to ensure that the financial wealth for these extremists is going to run dry. I applaud his initiative and wish him well in this worthwhile endeavor. I hope that he will say publicly that Syria's unwillingness to come to the talks on terrorism, that their client state, Lebanon, is essentially prohibited from joining in these talks, is an action that we deplore. How can we believe and how can the Israeli people believe that Syria will talk seriously about peace

when they will not come to a discussion about the reduction or elimination of terrorism?

I want the record to reflect accurately, I think it is a terrible sign of their intention about making peace. Syria has to know that we here in the United States want them to be honest and forthcoming in their peace discussion and not to come to a meeting that consists of tens of nations' representatives in the area, willing to discuss peace, willing to discuss at least the elimination of reduction of terrorism—I think reflects very badly on the seriousness of their view.

I can think of no better way of helping our President succeed in his effort to shut off the international funding spigot for Hamas' terrorists than by showing the world, as this amendment would do, that we are doubling our efforts to do the same at home. This amendment will not solve all of the problems of terrorism in the Middle East, but it demonstrates America's resolve to ensure that our citizens are not directly or inadvertently financing the actions of terrorists.

I am grateful that we obtained the unanimous support of our colleagues to enhance our ability to fight harder against the killers of innocent people and to fight against the thugs that do not understand that the civilized world rejects their approach of murder to gain political objectives.

Mr. President, I ask unanimous consent to have printed in the RECORD a pertinent letter from the Anti-Defamation League.

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

THE LEON AND MARILYN KLINGHOFFER MEMORIAL FOUNDATION OF THE ANTI-DEFAMATION LEAGUE,

Washington DC, March 12, 1996.

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

DEAR SENATOR LAUTENBERG: On behalf of the Leon and Marilyn Klinghoffer Foundation of the Anti-Defamation League, we want to thank you for your leadership in the fight against terrorism and for seeking to keep this country from being used as a base to raise funds and finance the activity of terrorist organizations.

Ten year after the senseless murder of our father, Leon Klinghoffer, aboard the Achille Lauro cruise ship, terrorism has hit home for other Americans. Unfortunately, our laws are still inadequate to meet the changing nature of the terrorist threat.

We welcome and strongly support your amendment to increase funding for the FBI and the Treasury Department's Office of Foreign Assets Control. This would provide additional resource to facilitate and enhance their investigative abilities to uncover assets, property, and fundraising support in the United States for foreign terrorist organizations designated (under President Clinton's Executive Order 12947, January 23, 1995) as ''threatening to disrupt the Middle East Peace Process.''

We are ready to assist you in your efforts to build support among your colleagues for this initiative and are dedicated to helping to prevent another family from suffering the painful reality of terrorism.

Sincerely,

LISA KLINGHOFFER.
ILISA KLINGHOFFER.
ABRAHAM H. FOXMAN.

EXHIBIT 1

EXECUTIVE ORDER 12947 OF JANUARY 23, 1995—PROHIBITING TRANSACTIONS WITH TERRORISTS WHO THREATEN TO DISRUPT THE MIDDLE EAST PEACE PROCESS

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 et seq.), and section 301 of title 3, United States Code,

I, William J. Clinton, President of the United States of America, find that grave acts of violence committed by foreign terrorists that disrupt the Middle East peace process constitute an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States, and hereby declare a national emergency to deal with that threat.

I hereby order:

Section 1. Except to the extent provided in section 203(b)(3) and (4) of IEEPA (50 U.S.C. 1702(b)(3) and (4)) and in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date: (a) all property and interests in property of:

(i) the persons listed in the Annex to this order;

(ii) foreign persons designated by the Secretary of State, in coordination with the Secretary of the Treasury and the Attorney General, because they are found:

(A) to have committed, or to pose a significant risk of committing, acts of violence that have the purpose or effect of disrupting the Middle East peace process, or

(B) to assist in, sponsor, or provide financial, material, or technological support for, or services in support of, such acts of violence; and

(iii) persons determined by the Secretary of the Treasury, in coordination with the Secretary of State and the Attorney General, to be owned or controlled by, or to act for or on behalf of, any of the foregoing persons, that are in the United States, that hereafter come within the United States, or that hereafter come within the possession or control of United States persons, are blocked;

(b) any transaction or dealing by United States persons or within the United States in property or interests in property of the persons designated in or pursuant to this order is prohibited, including the making or receiving of any contribution of funds, goods, or services to or for the benefit of such persons;

(c) any transaction by any United States person or within the United States that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in this order, is prohibited.

Sec. 2. For the purposes of this order: (a) the term ''person'' means an individual or entity;

(b) the term ''entity'' means a partnership, association, corporation, or other organization, group, or subgroup;

(c) the term ''United States person'' means any United States citizen, permanent resident alien, entity organized under the laws of the United States (including foreign branches), or any person in the United States; and

(d) the term ''foreign person'' means any citizen or national of a foreign state (including any such individual who is also a citizen or national of the United States) or any entity not organized solely under the laws of the United States or existing solely in the United States, but does not include a foreign state.

Sec. 3. I hereby determine that the making of donations of the type specified in section 203(b)(2)(A) of IEEPA (50 U.S.C. 1702(b)(2)(A)) by United States persons to persons designated in or pursuant to this order would seriously impair my ability to deal with the national emergency declared in this order, and hereby prohibit such donations as provided by section 1 of this order.

Sec. 4. (a) The Secretary of the Treasury, in consultation with the Secretary of State and, as appropriate, the Attorney General, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to me by IEEPA as may be necessary to carry out the purposes of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government. All agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order.

(b) Any investigation emanating from a possible violation of this order, or of any license, order, or regulation issued pursuant to this order, shall first be coordinated with the Federal Bureau of Investigation (FBI), and any matter involving evidence of a criminal violation shall be referred to the FBI for further investigation. The FBI shall timely notify the Department of the Treasury of any action it takes on such referrals.

Sec. 5. Nothing contained in this order shall create any right or benefit, substantive or procedural, enforceable by any party against the United States, its agencies or instrumentalities, its officers or employees, or any other person.

Sec. 6. (a) This order is effective at 12:01 a.m., eastern standard time on January 24, 1995.

(b) This order shall be transmitted to the Congress and published in the Federal Register.

WILLIAM J. CLINTON,
January 23, 1995.

ANNEX

TERRORIST ORGANIZATIONS WHICH THREATEN TO DISRUPT THE MIDDLE EAST PEACE PROCESS

Abu Nidal Organization (ANO)
Democratic Front for the Liberation of Palestine (DFLP)
Hizballah
Islamic Gama'at (IG)
Islamic Resistance Movement (HAMAS)
Jihad
Kach
Kahane Chai
Palestinian Islamic Jihad-Shiqaqi faction (PIJ)
Palestine Liberation Front-Abu Abbas faction (PLF-Abu Abbas)
Popular Front for the Liberation of Palesine (PFLP)
Popular Front for the Liberation of Palestine-General Command (PFLP–GC)

OFFICE OF FOREIGN ASSETS CONTROL

LIST OF SPECIALLY DESIGNATED TERRORISTS WHO THREATEN TO DISRUPT THE MIDDLE EAST PEACE PROCESS—WEDNESDAY, JANUARY 25, 1995

Agency: Office of Foreign Assets Control, Treasury.

Action: Notice of blocking.

Summary: The Treasury Department is issuing a list of blocked persons who have

been designated by the President as terrorist organizations threatening the Middle East peace process or have been found to be owned or controlled by, or to be acting for or on behalf of, these terrorist organizations.

Effective date: January 24, 1995.

For further information: J. Robert McBrien, Chief, International Programs, Tel.: (202) 622–2420; Office of Foreign Assets Control, Department of the Treasury, 1500 Pennsylvania Avenue NW., Washington, DC 20220.

Supplementary information:

Electronic availability

This document is available as an electronic file on The Federal Bulletin Board the day of publication in the Federal Register. By modem dial 202/512–1387 or call 202/512–1530 for disks or paper copies. This file is available in Postscript, WordPerfect 5.1 and ASCII.

Background

On January 23, 1995, President Clinton signed Executive Order 12947, ''Prohibiting Transactions with Terrorists Who Threaten To Disrupt the Middle East Peace Process'' (the ''Order''). The Order blocks all property subject to U.S. jurisdiction in which there is any interest of 12 terrorist organizations that threaten the Middle East peace process as identified in an Annex to the Order. The Order also blocks the property and interests in property subject to U.S. jurisdiction of persons designated by the Secretary of State, in coordination with the Secretary of Treasury and the Attorney General, who are found (1) to have committed, or to pose a significant risk of committing, acts of violence that have the purpose or effect of disrupting the Middle East peace process, or (2) to assist in, sponsor or provide financial, material, or technological support for, or services in support of, such acts of violence. In addition, the Order blocks all property and interests in property subject to U.S. jurisdiction in which there is any interest of persons determined by the Secretary of the Treasury, in coordination with the Secretary of State and the Attorney General, to be owned or controlled by, or to act for or on behalf of, any other person designated pursuant to the Order (collectively ''Specially Designated Terrorists'' or ''SDTs'').

The Order further prohibits any transaction or dealing by a United States person or within the United States in property or interests in property of SDTs, including the making or receiving of any contribution of funds, goods, or services to or for the benefit of such persons. This prohibition includes donations that are intended to relieve human suffering.

Designations of persons blocked pursuant to the Order are effective upon the date of determination by the Secretary of State or his delegate, or the Director of the Office of Foreign Assets Control acting under authority delegated by the Secretary of the Treasury. Public notice of blocking is effective upon the date of filing with the Federal Register, or upon prior actual notice.

LIST OF SPECIALLY DESIGNATED TERRORISTS WHO THREATEN THE MIDDLE EAST PEACE PROCESS

Note: The abbreviations used in this list are as follows: ''DOB'' means ''date of birth,'' ''a.k.a.'' means ''also known as,'' and ''POB'' means ''place of birth.''

ENTITIES

Abu Nidal Organization (a.k.a. ANO, a.k.a. Black September, a.k.a. Fatah Revolutionary Council, a.k.a. Arab Revolutionary Council, a.k.a. Arab Revolutionary Brigades, a.k.a. Revolutionary Organization of Socialist Muslims); Libya; Lebanon; Algeria; Sudan; Iraq.

Al-Gama'A Al-Islamiyya (a.k.a. Islamic Gama'AT, a.k.a. Gama'AT, a.k.a. Gama'AT Al-Islamiyya, a.k.a. The Islamic Group); Egypt.

Al-Jihad (a.k.a. Jihad Group, a.k.a. Vanguards of Conquest, a.k.a. Talaa'al al-Fateh); Egypt.

ANO (a.k.a. Abu Nidal Organization, a.k.a. Black September, a.k.a. Fatah Revolutionary Council, a.k.a. Arab Revolutionary Council, a.k.a. Arab Revolutionary Brigades, a.k.a. Revolutionary Organization of Socialist Muslims); Libya; Lebanon; Algeria; Sudan; Iraq.

Ansar Allah (a.k.a. Party of God, a.k.a. Hizballah, a.k.a. Islamic Jihad, a.k.a. Revolutionary Justice Organization, a.k.a. Organization of the Oppressed on Earth, a.k.a. Islamic Jihad for the Liberation of Palestine, a.k.a. Followers of the Prophet Muhammad); Lebanon.

Arab Revolutionary Brigades a.k.a. ANO, a.k.a. Abu Nidal Organization, a.k.a. Black September, a.k.a. Fatah Revolutionary Council, a.k.a. Arab Revolutionary Council, a.k.a. Revolutionary Organization of Socialist Muslims); Libya; Lebanon; Algeria; Sudan; Iraq.

Arab Revolutionary Council (a.k.a. ANO, a.k.a. Abu Nidal Organization, a.k.a. Black September, a.k.a. Faith Revolutionary Council, a.k.a. Arab Revolutionary Brigades, a.k.a. Revolutionary Organization of Socialist Muslims); Libya; Lebanon; Algeria; Sudan; Iraq.

Black September (a.k.a. ANO, a.k.a. Abu Nidal Organization, a.k.a. Fatah Revolutionary Council, a.k.a. Arab Revolutionary Council, a.k.a. Arab Revolutionary Brigades, a.k.a. Revolutionary Organization of Socialist Muslims); Libya; Lebanon; Algeria; Sudan; Iraq.

Democratic Front for the Liberation of Palestine (a.k.a. Democratic Front for the Liberation of Palestine—Hawatmeh Faction, a.k.a. DFLP); Lebanon; Syria; Israel.

Democratic Front for the Liberation of Palestine—Hawatmeh Faction (a.k.a. Democratic Front for the Liberation of Palestine, a.k.a. DFLP); Lebanon; Syria; Israel.

DFLP (a.k.a. Democratic Front for the Liberation of Palestine—Hawatmeh Faction, a.k.a. Democratic Front for the Liberation of Palestine); Lebanon; Syria; Israel.

Fatah Revolutionary Council (a.k.a. ANO, a.k.a. Abu Nidal Organization, a.k.a. Black September, a.k.a. Arab Revolutionary Council, a.k.a. Arab Revolutionary Brigades, a.k.a. Revolutionary Organization of Socialist Muslims); Libya; Lebanon; Algeria; Sudan; Iraq.

Followers of the Prophet Muhammad (a.k.a. Party of God, a.k.a. Hizballah, a.k.a. Islamic, Jihad, a.k.a. Revolutionary Justice Organization, a.k.a. Organization of the Oppressed on Earth, a.k.a. Islamic Jihad for the Liberation of Palestine, a.k.a. Ansar Allah); Lebanon.

Gama'At (a.k.a. Islamic Gama'at, a.k.a. Gama'at Al-Islamiyya, a.k.a. the Islamic Group, a.k.a. Al-Gama'a Al-Islamiyya); Egypt.

Gama'at Al-Islamiyya (a.k.a. Islamic Gama'at, a.k.a. Gama'at, a.k.a. the Islamic Group, a.k.a. Al-Gama'a Al-Islamiyya); Egypt.

Hamas (a.k.a. Islamic Resistance Movement); Gaza; West Bank Territories; Jordan.

Hizballah (a.k.a. Party of God, a.k.a. Islamic Jihad, a.k.a. Revolutionary Justice Organization, a.k.a. Organization of the Oppressed on Earth, a.k.a. Islamic Jihad for the Liberation of Palestine, a.k.a. Ansar Allah, a.k.a. Followers of the Prophet Muhammad); Lebanon.

Islamic Gama'at (a.k.a. Gama'at, a.k.a. Gama'at Al-Islamiyya, a.k.a. the Islamic Group, a.k.a. Al-Gama'a Al-Islamiyya); Egypt.

Islamic Jihad (a.k.a. Party of God, a.k.a. Hizballah, a.k.a. Revolutionary Justice Organization, a.k.a. Organization of the Oppressed on Earth, a.k.a. Islamic Jihad for the Liberation of Palestine, a.k.a. Ansar Allah, a.k.a. Followers of the Prophet Muhammad); Lebanon.

Islamic Jihad for the Liberation of Palestine (a.k.a. Party of God, a.k.a. Hizballah, a.k.a. Islamic Jihad, a.k.a. Revolutionary Justice Organization, a.k.a. Organization of the Oppressed on Earth, a.k.a. Ansar Allah, a.k.a. Followers of the Prophet Muhammad); Lebanon.

Islamic Jihad of Palestine (a.k.a. PIJ, a.k.a. Palestinian Islamic Jihad—Shiqaqi, a.k.a. PIJ Shiqaqi/Awda Faction, a.k.a. Palestinian Islamic Jihad); Israel; Jordan; Lebanon.

Islamic Jihad of Palestine (a.k.a. PIJ, a.k.a. Palestinian Islamic Jihad—Shiqaqi, a.k.a. PIJ Shiqaqi/Awda Faction, a.k.a. Palestinian Islamic Jihad); Israel; Jordan, Lebanon.

Islamic Resistance Movement (a.k.a. Hamas); Gaza; West Bank Territories; Jordan.

Jihad Group (a.k.a. Al-Jihad, a.k.a. Vanguards of conquest, a.k.a. Talaa'al Al-fateh); Egypt.

Kach; Israel.

Kahane Chai; Israel.

Organization of the Oppressed on Earth (a.k.a. Party of God, a.k.a. Hizballah, a.k.a. Islamic Jihad, a.k.a. Revolutionary Justice Organization, a.k.a. Islamic Jihad for the Liberation of Palestine, a.k.a. Ansar Allah, a.k.a. Followers of the Prophet Muhammad); Lebanon.

Palestine Liberation Front (a.k.a. Palestine Liberation Front—Abu Abbas Faction, a.k.a. PLF-Abu Abbas, a.k.a. PLF); Iraq.

Palestine Liberation Front-Abu Abbas Faction (a.k.a. PLF-Abu Abbas, a.k.a. PLF, a.k.a. Palestine Liberation Front); Iraq.

Palestinian Islamic Jidad—Shiqaqi (a.k.a. PIJ, a.k.a. Islamic Jihad of Palestine, a.k.a. PIJ Shiqaqi/Awda Faction, a.k.a. Palestinian Islamic Jihad); Israel; Jordan; Lebanon.

Party of God (a.k.a. Hizballah, a.k.a. Islamic Jihad, a.k.a. Revolutionary Justice Organization, a.k.a. Organization of the Oppressed on Earth, a.k.a. Islamic Jihad for the Liberation of Palestine, a.k.a. Ansar Allah, a.k.a. Followers of the Prophet Muhammad); Lebanon.

PFLP (a.k.a. Popular Front for the Liberation of Palestine); Lebanon; Syria; Israel.

PFLP-GC (a.k.a. Popular Front for the Liberation of Palestine—General Command); Lebanon; Syria; Jordan.

PIJ (a.k.a. Palestinian Islamic Jihad—Shiqaqi, a.k.a. Islamic Jihad of Palestine, a.k.a. PIJ Shiqaqi/Awda Faction, a.k.a. Palestinian Islamic Jihad); Israel; Jordan; Lebanon.

PIJ Shiqaqi/Awda Faction (a.k.a. PIJ, a.k.a. Palestinian Islamic Jihad—Shiqaqi, a.k.a. ISlamic Jihad of Palestine, a.k.a. Palestinian Islamic Jihad); Israel, Jordan; Lebanon.

PLF (a.k.a. PLF-ABu Abbas, a.k.a. Palestine Liberation Front—Abu Abbas Faction, a.k.a. Palestine Liberation Front); Iraq.

PLF-Abu Abbas (a.k.a. Palestine Liberation Front—Abu Abbas Faction, a.k.a. PLF, a.k.a. Palestine Liberation Front); Iraq.

Popular Front for the Liberation of Palestine (a.k.a. PFLP); Lebanon; Syria; Israel.

Popular Front for the Liberation of Palestine—General Command (a.k.a. PFLP-GC); Lebanon; Syria; Jordan.

Revolutionary Justice Organization (a.k.a. Party of God, a.k.a. Hizballah, a.k.a. Islamic Jihad, a.k.a. Organization of the Oppressed on Earth, a.k.a. Islamic Jihad for the Liberation of Palestine, a.k.a. Ansar Allah, a.k.a. Followers of the Prophet Muhammad); Lebanon.

Revolutionary Organization of Socialist Muslims (a.k.a. ANO, a.k.a. Abu Nidal Organization, a.k.a. Black September, a.k.a.

Fatah Revolutionary Council, a.k.a. Arab Revolutionary Council, a.k.a. Arab Revolutionary Brigades); Libya; Lebanon; Algeria; Sudan; Iraq.

Talaa'al al-Fateh (a.k.a. Jihad Group, a.k.a. Al-Jihad, a.k.a. Vanguards of Conquest); Egypt.

The Islamic Group (a.k.a. Islamic Gama'at, a.k.a. Gama'at, a.k.a. Gama'at al-Vanguards of Conquest (a.k.a. Jihad Group, a.k.a. Al-Jihad, a.k.a. Talla'al al-Fateh); Egypt.

INDIVIDUALS

Abbas, Abu (a.k.a. Zaydan, Muhammad); Director of Palestine Liberation Front— Abu Abbas Faction: DOB 10 December 1948.

Al Banna, Sabri Khalil Abd Al Qadir (a.k.a. Nidal, Abu); Founder and Secretary General of Abu Nidal Organization; DOB May 1937 or 1940; POB Jaffa, Israel.

Al Rahman, Shaykh Umar Abd; Chief Ideological Figure of Islamic Gama'at; DOB 3 May 1938; POB Egypt.

Al Zawahiri, Dr. Ayman: Operational and Military Leader of Jihad Group; DOB 19 June 1951; POB Giza, Egypt; Passport No. 1084010 (Egypt).

Al-Zumar, Abbud (a.k.a Zumar, Colonel Abbud); Factional Leader of Jihad Group; Egypt; POB Egypt.

Awda, Abd Al Aziz; Chief Ideological Figure of Palestinian Islamic Jihad—Shiqaqi; DOB 1946.

Fadlallah, Shaykh Muhammad Husayn; Leading Ideological Figure of Hizballah; DOB 1938 or 1936; POB Najf Al Ashraf (Najaf), Iraq.

Habash, George (a.k.a. Habbash, George); Secretary General of Popular Front for the Liberation of Palestine.

Habbash, George (a.k.a. Habash, George); Secretary General of Popular Front for the Liberation of Palestine.

Hawatma, Nayif (a.k.a. Hawatmeh, Nayif, a.k.a. Hawatmah, Nayif, a.k.a. Khalid, Abu); Secretary General of Democratic Front for the Liberation of Palestine—Hawatmeh Faction; DOB 1933.

Hawatmah, Nayif (a.k.a. Hawatma, Nayif; a.k.a. Hawatmeh, Nayif, a.k.a. Khalid, Abu); Secretary General of Democratic Front for the Liberation of Palestine—Hawatmeh Faction; DOB 1933.

Hawatmeh, Nayif (a.k.a. Hawatma, Nayif; a.k.a. Hawatmah, Nayif, a.k.a. Khalid, Abu); Secretary General of Democratic Front for the Liberation of Palestine—Hawatmeh Faction; DOB 1933.

Islambouli, Mohammad Shawqi; Military Leader of Islamic Gama'at; DOB 15 January 1955; POB Egypt; Passport No. 304555 (Egypt).

Jabril, Ahmad (a.k.a. Jibril, Ahmad); Secretary General of Popular Front for the Liberation of Palestine—General Command; DOB 1938 POB Ramleh, Israel.

Jibril, Ahmad (a.k.a. Jabril, Ahmad); Secretary General of Popular Front for the Liberation of Palestine—General Command; DOB 1938; POB Ramleh, Israel.

Khalid, Abu (a.k.a. Hawatmeh, Nayif, a.k.a. Hawatma, Nayif, a.k.a. Hawatmah, Nayif); Secretary General of Democratic Front for the Liberation of Palestine—Hawatmeh Faction; DOB 1933.

Mughniyah, Imad Fa'iz (a.k.a. Mughniyah, Imad Fayiz); Senior Intelligence Officer of Hizballah; DOB 7 December 1962; POB Tayr Dibba, Lebanon; Passport No. 432298 (Lebanon).

Mughniyah, Imad Fayiz (a.k.a. Mughniyah, Imad Fa'iz); Senior Intelligence Officer of Hizballah: DOB 7 December 1962; POB Tayr Dibba, Lebanon; Passport No. 432298 (Lebanon).

Naji, Talal Muhammad Rashid; Principal Deputy of Popular Front for the Liberation of Palestine—General Command; DOB 1930; POB Al Nasiria, Palestine. .

Nasrallah, Hasan; Secretary General of Hizballah; DOB 31 August 1960 or 1953 or 1955 or 1958; POB Al Basuriyah, Lebanon; Passport No. 042833 (Lebanon).

Nidal, Abu (a.k.a. Al Banna, Sabri Khalil Abd Al Qadir); Founder and Secretary General of Abu Nidal Organization; DOB May 1937 or 1940; POB Jaffa, Israel.

Qasem, Talat Fouad; Propaganda Leader of Islamic Gama'at; DOB 2 June 1957 or 3 June 1957; POB Al Mina, Egypt.

Shaqaqi, Fathi; Secretary General of Palestinian Islamic Jihad—Shiqaqi.

Tufayli, Subhi; Former Secretary General and Current Senior Figure of Hizballah; DOB 1947; POB Biqa Valley, Lebanon.

Yasin, Shaykh Ahmad; Founder and Chief Ideological Figure of Hamas; DOB 1931.

Zaydan, Muhammad (a.k.a. Abbas, Abu); Director of Palestine Liberation Front—Abu Abbas Faction; DOB 10 December 1948.

Zumar, Colonel Abbud (a.k.a. Al-zumar, Abbud); Factional Leader of Jihad Group; Egypt; POB Egypt.

Dated: January 23, 1995.

R. RICHARD NEWCOMB,
Director, Office of Foreign Assets Control.

Approved: January 23, 1995.

JOHN BERRY,
Deputy Assistant Secretary (Enforcement).

EXHIBIT 2

FBI SAYS HAMAS RAISING FUNDS IN UNITED STATES

WASHINGTON.—A top FBI official acknowledged Wednesday that Americans are contributing money to Hamas, the Islamic Resistance Movement, which has claimed responsibility for recent deadly attacks in Israel.

''U.S. financial support is funding for Hamas,'' Robert Bryant, assistant director of the Federal Bureau of Investigation's national security division, told reporters. He said most of the donors believe the money is being used for charitable purposes.

''I think the people believe in good faith it's going to charitable purposes. I think there will be a very determined effort to cut it off,'' he told the Defense Writers Association, declining to specify how this would be done.

Israeli Ambassador Itamar Rabinovich told a news conference this week that Americans were contributing funds to Hamas. ''It's not a question of opinion. It's a question of facts. And I'm afraid they still do,'' he said.

''That Hamas became very sophisticated in fund-raising and disguising the true purpose of fund-raising and these are facts. These are not a matter of opinion,'' Rabinovich said.

Hamas has claimed responsibility for recent attacks in Israel including a suicide bombing Monday that killed 12 people in Tel Aviv and one Sunday that killed 18 people in Jerusalem. The attacks, which followed the killing of a key Hamas figure with a booby-trapped cellular telephone in January, have stalled Middle East peace negotiations.

President Bill Clinton, responding to previous attacks against Israel, signed an executive order in January 1995 blocking assets in the United States of ''terrorist organizations that threaten to disrupt the Middle East peace process'' and prohibiting financial transactions with them.

Hamas, which was founded in 1987 and funds its strength among Palestinians in the West Bank and Gaza Strip, was one of a dozen groups listed in the order.

In last year's terrorism report, the State Department said Hamas receives funds from Palestinian expatriates, Iran and private benefactors in Saudi Arabia and other moderate Arab states.

In addition to launching violent attacks against Israel, Hamas provides medical and social services to Palestinians.

The U.S. Treasury Department, whose Office of Foreign Assets Control executes the presidential order, said Monday that since January 1995, $800,000 worth of Hamas-related assets, involving three individuals, have been frozen.

But a Treasury spokesman could not immediately say whether the effort was considered successful and what the total amount of Hamas fund-raising in the United States was believed to be. Nor could he say if the three individuals whose assets were frozen have been charged with any crimes.

Mr. HOLLINGS. Mr. President, I want to thank the Senator from New Jersey for bringing this issue to the Senate and I am pleased to cosponsor this amendment. Getting directly to the point, this amendment provides an additional $10 million to the Federal Bureau of investigation and the Department of Treasury to combat international terrorism.

We have all been shocked and saddened to see the death and destruction caused by Hamas terrorists in Israel. These fanatics, and that is just what they are—these zealots are doing everything they can to stop the peace process. The scenes from the Middle East are simply revolting. Several times in the past few weeks we have watched innocent people—men, women, and children both Israeli and American—killed in senseless terrorist bombings. It is as if the people of Israel are being subjected to a tragedy like the Oklahoma City bombing—over and over again. They cannot even safely take public transportation without risking their lives.

President Clinton and Secretary of State Christopher will be in Egypt tomorrow to convene an international conference to combat terrorism. The President recently sent the Deputy Director of the CIA to meet with Israeli and Palestinian officials to see what technical assistance the United States can provide. I applaud him for the leadership he has shown on this issue and I hope he can achieve concrete progress at the conference.

Mr. President, I am appalled when I hear reports that funding to support Hamas and other Middle-Eastern terrorism is coming from the United States. It is hard for this Senator to believe that any American would knowingly contribute money to support these cold blooded killers. But, apparently that is the case.

So, this amendment provides Judge Freeh and his FBI with the resources needed to get to the bottom of this issue. It will help them uncover groups and institutions that are providing millions of dollars to support terrorism in the Middle East. And, it provides the Treasury Department with funding so they can moving expeditiously to freeze the assets of foundations and others that knowingly support Hamas and criminals that seek to derail the peace process through committing terrorist acts. It bolsters these agencies enforcement of Executive Order 12947 which is titled ''Prohibiting Transactions with Terrorists Who Threaten

to Disrupt the Middle East Peace Process.'' It is at least one way that we in the Senate can do something to respond to this emergency.

Mr. President, I urge my colleagues to support this amendment.

AMENDMENT NO. 3478 TO AMENDMENT NO. 3466

(Purpose: To restore funding for, and otherwise ensure the protection of, endangered species of fish and wildlife)

Mr. REID. Mr. President, I send an amendment to the desk on my behalf and that of Senators LAUTENBERG, LIEBERMAN, GRAHAM, BOXER, and MOYNIHAN.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows.

The Senator from Nevada [Mr. REID], for himself, Mr. LAUTENBERG, Mr. LIEBERMAN, Mr. GRAHAM, Mrs. BOXER, and Mr. MOYNIHAN, proposes an amendment numbered 3478.

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

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

The amendment is as follows:

On page 75, strike lines 1 through 9.

On page 412, line 23, strike ''$497,670,000'' and insert ''$501,420,000''.

On page 412, line 24, after ''1997,'', insert the following: ''of which $4,500,000 shall be available for species listings under section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533),''.

On page 413, strike ''1997:'' on line 11 and all that follows through line 20 and insert ''1997.''.

On page 461, line 24, strike ''$1,255,005,000'' and insert ''$1,251,255,000''.

On page 462, line 5, before the colon, insert the following: '', of which not more than $81,250,000 shall be available for travel expenses''.

Mr. REID. Mr. President, what this amendment does say to my colleagues is, do away with, repeal the moratorium that is on listing of endangered species under the Endangered Species Act. I indicated to the Appropriations Committee when it was meeting to discuss this omnibus bill that I would offer this amendment.

Mr. HATFIELD. Mr. President, will the Senator yield for a question?

Mr. REID. I would be happy to yield to the chairman for a question.

Mr. HATFIELD. Mr. President, I thank the Senator for yielding. I believe, in the previous conversation, the Senator from Nevada indicated he would need 40 minutes for the presentation of his amendment. I have just cleared on our side the additional 40 minutes for the opposition, so that would be a total of 1 hour 20 minutes to be equally divided, or 40 minutes each.

Will the Senator from Nevada agree to that as a time limit?

Mr. REID. Mr. President, since talking to the chairman, I say through the Chair to the chairman, that I have been—if I can have 45 minutes? So I ask the unanimous-consent request be altered to allow 45 minutes on a side.

Mr. LAUTENBERG. I wonder if my friend from Nevada would just respond to an inquiry?

Mr. REID. If I could, just before doing this, and I say to my friend, it is my understanding there will be no second-degree amendments.

The PRESIDING OFFICER. Does the Senator wish to propose a unanimous-consent agreement?

Mr. REID. I would propose that, subject to the question of the Senator from New Jersey.

Mr. LAUTENBERG. My question has nothing to do with the amendment of the Senator. It has to do with some time availability. I understand the Senator needs 40 minutes or some such time?

Mr. REID. Does the Senator wish some time?

Mr. LAUTENBERG. I would appreciate a chance, about 10 minutes, if possible, just to make a statement. If that is acceptable to my friend from Nevada, then I would ask for recognition from the Chair. If not, Mr. President, I suggest the absence of a quorum.

Mr. REID. Mr. President, if the Senator will withdraw the request, I inquire if the Senator from New Jersey wishes 10 minutes of the 45 minutes?

Mr. LAUTENBERG. No, 10 minutes off, on a totally different subject.

Mr. REID. Mr. President, if I could propose a unanimous consent request? Would that be appropriate? I ask unanimous-consent there be 1-½ hours equally divided, no second-degree amendments.

The PRESIDING OFFICER. Is there objection?

Mr. HATFIELD. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The unanimous-consent request is for 1-½ hours equally divided, with the chairman of the Appropriations Committee controlling half the time and the Senator from Nevada controlling the other half. Does the request also include a provision that no second-degree amendments be in order?

Mr. HATFIELD. Mr. President, I cannot agree to that, relating to the second-degree amendments.

The PRESIDING OFFICER. Objection is heard with regard to the second-degree aspect.

The Senator from Nevada is recognized.

Mr. REID. Mr. President, as I indicated when I stood on the floor of the Appropriations Committee, chaired by the Senator from Oregon, I indicated at that time I would offer this amendment. I am offering the amendment because we have had ample opportunity to understand what the effect is of having a moratorium on the Endangered Species Act.

Mr. President, I am the ranking member on the subcommittee that will reauthorize the Endangered Species Act. I understand the Endangered Species Act and that we need to reauthorize it. I have worked with my friend, the distinguished junior Senator from Idaho, to come up with a bipartisan bill. I do not know if we are going to be able to do that. But we are going to attempt to reauthorize this bill. Whether it is the bill offered by my friend from Idaho or a bill offered by the Senator from Nevada, we are going to get into reauthorizing the Endangered Species Act. There are some things we need to do, in effect, to modernize the Endangered Species Act.

I doubt there is any Member of this body who has not been contacted by one group or another regarding the moratorium on the Endangered Species Act. Most of us in this body, during the last few days, have been visited by the homebuilders. They are concerned about the Endangered Species Act, as are other special interest groups that come to us on a frequent basis, some in favor of the Endangered Species Act and some opposed to it. But never is there anyone who has come to me and said, ''We want to do away with the Endangered Species Act.''

There are a great many arguments being tossed about to keep the moratorium in place. I have heard some say that the moratorium would be leverage to get the Endangered Species Act reauthorized. That certainly has not proven to be the case to this point. In fact, I think they are wrong. The moratorium has nothing to do with efforts to reauthorize the Endangered Species Act. We need to reauthorize the Endangered Species Act, and I underline and underscore that. If an Endangered Species Act reform bill comes to the Senate floor, it will be because that is the right thing to do. And it is the right thing to do.

I have heard some want reform and better science procedures in place before we lift the moratorium. That type of argument is backward and it is illogical. We, in this body, on this floor, placed a moratorium on listing further species without a hearing, without any procedures that are normal to this body or the other body. We simply said we are going to have a moratorium. Why? Based on these stories that come from people about what is wrong with the Endangered Species Act.

I had some people come to my office today, and they said they wanted me to be real careful about the Endangered Species Act, be careful if we remove the moratorium because they had heard there was some flower in southern California that had been identified by the Fish and Wildlife Service that caused a reduction of the speed on I–15 to 15 miles an hour because, if they drove faster than that, it would blow the petals off the flower. We hear these stories all the time. They are ridiculous. There is no foundation to them. They are scare tactics.

I repeat, I am in favor of doing something to change the Endangered Species Act. We need to do that. We need more input from the public. We need States to be involved. We need to make sure that someone who has an endangered species on their property has some incentives for coming to the Federal Government and saying, ''I found

this endangered species on my land and I want to work with you to do something about it,'' and they are not, in effect, penalized for telling us. We need to do some of those kinds of things to make the Endangered Species Act more consumer friendly. And we can do that.

But that has nothing to do with this amendment. This amendment, in effect, says that we should remove this careless, illogical moratorium. While we debate the reauthorization of the Endangered Species Act, there are species needing protection, facing greater risks, and threatened and endangered species could be decreasing to irreparable numbers. The science, all the science in the world, is irrelevant if a specie becomes extinct, because extinction is forever.

Not a single plant or animal has been added to the list since April 10, 1995. There might be some people cheering about this, saying, ''Good.'' The fact of the matter is, that is not good. I know there are probably going to be efforts to, what we call in the jargon of the Congress, to second-degree my amendment, the purpose of which would be to say, ''Let us have emergency listings.'' That will give some people, programs, a way to hide, saying they now can have emergency listings.

Of course, I am sure the amendment will be very clear in not providing any money to do this, which is different from the amendment I am offering. This amendment, in effect, would end the counterproductive moratorium in adding new species to the endangered species for both the Fish and Wildlife Service and the National Marine and Fisheries Service. It will also provide sufficient funding for the Fish and Wildlife Service for listing activities for the balance of the year; that is some $4.5 million. The offset would be $3.75 million of the Fish and Wildlife travel expenses, and $750,000 would be reprogrammed within the Fish and Wildlife Service. The National Marine Fisheries Service, with funding of $1 million, would administer the reprogramming.

The moratorium is poor policy because it does nothing to promote the endangered species reform that we need to go forward on, and it only increases the costs and uncertainty of recovery of species.

The moratorium is a poor piece of legislation that should be removed so that public policy for endangered species can resume with certainty and with stability. The moratorium fails to acknowledge the permanency of extinction and has increased the risk that unlisted species face.

The public has awakened to this agenda in this Congress, which is antienvironmental. The agenda is to undermine the environmental progress made over the past 25 years. The moratorium which passed last year with little public comment, and I should say no public comment and no attention from the environmental community, was wrong. However, the public understands the implications of this moratorium.

Mr. President, this may not be important to most, but already the League of Conservation Voters has announced its intention to consider the vote on this amendment in its scorecard.

I would like to talk a little bit about why the Endangered Species Act is important and why not listing species is tragic; not only wrong, it is tragic.

There are many examples, but I have picked just a few. The night is late.

In 1992, in Kansas, a bird named the ''least tern'' had declined from 11 pairs to 1 breeding pair. The restoration on the Cimarron River nesting site reversed the saltwater invasion. Predators were excluded. Following this restoration work, the colony increased to six breeding pairs which now has produced seven young.

Another example is the 11 original trees that remained of the rare Virginia round leaf birch in southwest Virginia. Some people may say, ''Well, who cares?'' I repeat, extinction is forever.

Due to the listing and recovery work done on this tree to preserve and cultivate the seedlings, the population of the species is now 1,400 trees in 20 different locations. Remember, there were 11 trees when this was listed. Recovery enabled the Fish and Wildlife Service to propose the reclassification from endangered to threatened, and imminent delisting is a viable possibility.

Mr. President, the brown pelican, a bird found mostly in Texas but other places as well, was first listed in 1970. In 1994, we had 125 of these birds that nested at a place called Little Pelican Island in Galveston Bay. It was listed in 1970.

In 1994, for the first time in more than 40 years, we have these brown pelicans nesting and producing more than 90 young. We are probably going to save this bird. I think that is important.

In Nebraska, on the Platte River, the nesting habitat for the endangered migrating whooping crane, sandhill crane, and other waterfowl, has been seriously depleted over the past 20 years. But due to the protection of habitat upon which the birds are dependent, agreements were signed by environmental groups and individual private property owners to clear the vegetation, and now, though the whooping crane is still endangered, progress has been made in recovering population.

Recently, there was a press event celebrating the delisting of the peregrine falcon due to the recovery made in its population.

Even more popular is the success of the American bald eagle. In 1963, because of DDT in the food chain, eagles were caused to lay eggs that were simply too thin to allow hatching. There was a dramatic decline in this very powerful, strong bird, to 417 nesting pairs of this magnificent animal. A ban on the use of DDT and the protection afforded the eagle by the Endangered Species Act by 1994 increased the population nationwide to just over 4,400 nesting pairs. From a little over 400, we are now to almost 4,500.

The impressive increase in the eagle population caused the Fish and Wildlife Service to propose in 1994 the eagle be reclassified in 43 States from endangered to threatened with even actual removal from the list altogether. The eagle population is strong and increasing at incredible rates, and we may sit back and wonder what all the concern was about when you see these magnificent birds floating around. But if the concern had not been there, if the protection of the Endangered Species Act had not been available, there would be more concern today. There would be no American bald eagles. None.

I have mentioned only a few of the successes, Mr. President, of animals and birds. Why are these and other successes important? I received a letter signed by 38 physicians, scientists and those associated with health care across the community, health care providers, advocating the repeal of the moratorium.

The letter says, among other things:

> What is often lost in the debate over species conservation is the value of species to human health.

They continue:

> Recent studies have shown that a substantial proportion of the Nation's medicine is derived from plants and other natural resources. The medicines of tomorrow are being discovered today from nature.

In regard to the Endangered Species Act, the physicians continue:

> The Endangered Species Act is the best tool we have to protect species, imperiled plants and animals, but the moratorium on the endangered species list has put at risk many species which medical researchers have had no opportunity to explore.

They conclude:

> When a species is lost to extinction, we have no idea what potential medical cures are lost along with it.

Why do these 38 physicians talk that way? Fifty percent of prescription medicine sold in the United States contain at least one compound originally derived from a plant. Dr. Thomas Eisner, director of the Cornell Institute of Research and Chemical Ecology, has written:

> The chemical treasury of nature is literally disappearing before we have even had a chance to assess it. We cannot afford in years ahead to be deprived of the inventions of nature.

When I was coming back on the airplane yesterday from Nevada, I read an Audubon Society magazine. Someone had given the magazine to me because there was a wonderful article in that magazine about deserts, and, in fact, about the deserts in Nevada, the Great Basin. But what grabbed my attention was not the article on the Great Basin but an article on endangered species and what they had done to preserve human life throughout the world.

Forty percent of medical drugs were first extracted—these are not prescription drugs—first extracted from other life forms. Of the 150 most frequently used pharmaceuticals—now listen to this—of the 150 most frequently used pharmaceuticals, 80 percent come from or were first identified as living organisms.

Digitalis—there are a lot of important heart medicines, but digitalis is right up on the list of the most important. It comes from a plant called the foxglove plant, a lifesaving compound from a plant.

Cyclosporin. In the Democratic conference today, the senior Senator from Illinois asked us to look at some literature that he had dealing with organ transplants. The Senator from Illinois is 68 years old. He asked the people who came in, ''Are any of my organs worth transplanting?'' They said yes and proceeded to tell him why and how.

He was asking us to sign up to be, at the time of our demise, willing to give our organs for other people. A number of us had already agreed to do that prior to the presentation by the Senator from Illinois.

But the reason I mention his presentation to us today is because cyclosporin, a drug that makes organ transplantation possible, which is an antirejection drug that helps make organ transplants feasible, comes from a fungus.

The Pacific yew tree was once considered a junk tree by the foresters, but chemists have found that one of the tree's chemicals found only in that tree, a thing called taxol, can be used in the fight against ovarian and other cancers. And it works very well.

There is now an endangered mint that is nearly extinct in central Florida. In fact, that mint has been reduced to a few hundred acres. Doctor Eisner, from Cornell, has discovered many potent, useful chemicals in this plant, the utility of which have not been determined totally. He reports that as scientists examine the mint's leaves, they isolated 20 kinds of fungi living inside the leaves. Now, remember, cyclosporin came from a fungus. Remember, it was a mold that allows us to have penicillin.

Ergot, which is a fungus of wheat, provides us the heart medicine to block adrenaline in coronary disease. And it was snake venom from which blood pressure medications were obtained.

Captopril and enalapril are from a poison from a snake. These are life-saving medications to a significant number of our population.

In Nevada, we have a tiny, tiny little fish called a pupfish. That fish is being studied in hopes of finding new treatments for kidney disease.

I have spoken on several occasions, before the committee and on this floor, about childhood leukemia and how they have been able to find a magnificent cure for childhood leukemia from the periwinkle bush plant.

All these examples, Mr. President, should focus us on the question of what others are we missing by failing to protect them? There are many, many others.

We know that bears and other hibernating animals are being studied for treatment of kidney failure and osteoporosis. It is a remarkable part of nature how these animals can be, in effect, near a state of death, yet their kidneys function well and their bones do not go soft on them.

We have toads that are being researched, specifically a Houston toad which is on the brink of extinction that produces alkaloids that may prevent heart attacks. They also appear to have analgesic properties more powerful than morphine.

We have frogs that were being studied for neurological disease.

Bats are being studied for treatment of heart attacks and strokes because the salivary compounds that prevent blood clotting from these bats have yielded new anticoagulants, more powerful by far than those currently available for the breakdown of blood clots in heart attacks and strokes. These bats are found in very remote places.

Pit vipers for high blood pressure treatments I have already talked about.

Fireflies. The chemicals that cause fireflies to emit light have been used for tuberculosis, leading to faster tuberculosis treatment.

Mr. President, we have already identified another periwinkle bush, not the rosy, but the Madagascar perwinkle. This one is for other forms of cancer.

Mr. President, I have mentioned only a few of the multitude of plants that are now available for scientific study that are going to lead to breakthroughs that will cure people of disease. I think we have to understand what we did last April in shutting down the endangered species list.

You would think that good conscience would force us to come and start talking about why we should get rid of the moratorium. But it has been ignored. We are in this never-never land that we are going to someday reauthorize the Endangered Species Act. When? Well, we are going to do it. We will get around to it.

Mr. President, things have changed a little bit. The Endangered Species Act is not something that is being promoted by the left wing of the body politic. It is being promoted by people from all walks of life, of all political persuasions, including some evangelical and political organizations asking that we protect the species that have been placed on this Earth.

These religious people ask that we utilize our stewardship wisely and remove the moratorium from the listing process. We are doing nothing with this moratorium for the benefit of anyone. I defy anyone to tell me that there are people—organizations; I will not say people—there are organizations that support the elimination of the Endangered Species Act. I have not found any. No one has come to me and said we want to do away with the Endangered Species Act.

What some people have come and said is that they want some certainty in the process. The moratorium, though, Mr. President, increases the uncertainty because of the backlog that is now occurring.

What we are going to hear are efforts to say, well, what we are going to do is we are going to allow emergency listings. During the time we have had the Endangered Species Act in effect, there have been very, very few emergency listings. Listings need to take place in an orderly, scientific process and procedure. That is what we need to do.

We need to reform the Endangered Species Act. We need to make sure, as I have said before, that there is more State and non-Federal party involvement in the process. We need to have peer review and short, objective science. We need workers to work with landowners and have a short-form conservation plan. We need safe harbor for landowners who have agreed to implement conservation measures.

We also need voluntary conservation agreements and recovery teams that make the recovery of species a practical and a cooperative effort between the many interested parties.

This is what happened, for example, Mr. President, in Clark County where a species that was listed was the desert tortoise. It was difficult, but now, that is being used as a model in other parts of our country.

I urge my colleagues to recognize the need for substantive reform of the Endangered Species Act, to understand the devastating effect of this moratorium, to support an immediate repeal of this devastating moratorium and provide sufficient funding.

Remember, we, Mr. President, want to end the counterproductive moratorium in adding new species. We will provide sufficient funding to allow that to take place until the end of this year. The moratorium is poor policy because it does nothing to promote the Endangered Species Act reform that needs to take place. The moratorium is a poor piece of legislation that should be removed so that the public policy toward endangered species can resume with certainty and with stability. The moratorium fails to acknowledge the permanency of extinction and has increased the risk that unlisted species face.

So I ask my colleagues to not fall for some face-saving second-degree amendment that will say we are going to allow emergency listing. Remember, we need to do it in a way that is safe and sound and certainly one that is scientific. Doing something that is rarely done, that is, emergency listing, will not do the trick.

The PRESIDING OFFICER. Has the Senator from Nevada completed his statement?

Mr. REID. I yield the floor.

Mrs. HUTCHISON. Mr. President, I am willing to yield to the Senator from Montana for some period of time.

Mr. BAUCUS. Mr. President, I very much appreciate the very gracious Senator from Texas—5 or 6 minutes would be appropriate.

Mrs. HUTCHISON. I will yield that to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana is recognized for 6 minutes.

Mr. BAUCUS. I thank the Senator from Texas.

Mr. President, I rise in support of the amendment to lift the moratorium on the listing of threatened and endangered species under the Endangered Species Act.

Senator REID, who is the ranking member of our Endangered Species Subcommittee, has described why the moratorium is bad policy. I agree with him.

And I would like to emphasize one particular point. The moratorium makes a bad situation worse.

In Montana, the Endangered Species Act is not an abstraction. If affects people's daily lives. Loggers are concerned about restrictions that apply in grizzly country. Ranchers are concerned about wolves.

At the same time, average folks all across Montana believe, deep down, that Montana's wildlands, and wildlife, are an irreplaceable part of what makes Montana the Last Best Place. So people have strong feelings, and different perspectives. But one thing is clear to everyone. The Endangered Species Act is not working as well as it should. It is driving people apart rather than bringing them together. It is a situation that must be remedied.

So what does the moratorium do to improve the situation? Nothing. In fact, it makes things worse.

A moratorium on listings is a makeshift, stopgap measure. Once it expires, listing will resume, and farmers, ranchers and homeowners will face the same restrictions under the act that they face today.

In the meantime, species that would otherwise be afforded protection under the act continue to decline. For those species that survive, recovery may be much more difficult and expensive, imposing additional and unnecessary burdens on private landowners.

Is there a better approach? Yes, I believe there is. It may not be as simple as moratorium. It may not make as good a slogan. But, in the long run, it is the only way to really improve the Endangered Species Act.

What is it? Sitting down, listening to one another, and trying to resolve our differences in good faith.

Let me give you an example. During the last Congress, I introduced a bill to reform the Endangered Species Act. To improve the listing process. To involve the States more. To encourage more cooperation with landowners.

It was a good bill and it had the endorsement of the western Governors of our country, the endorsement of the environmental community, and we had several hearings on it here in Washington. We also had a hearing on the bill in Ronan, MT.

Now, as some of you may know, Ronan is in western Montana, south of Flathead Lake, in the heart of grizzly country. We had the hearing in July, on a Saturday, at the local high school. It was packed.

Hundreds of people attended. And more than 70 testified. Some represented groups like the Stockgrowers, the Mining Association, and the Sierra Club. Others were there because of their deep personal interest in this legislation.

The hearing started out a little tense. But by the time it ended 7 hours later, there was a sense that we agreed more than we disagreed. That we could get beyond politics and find ways to work together. That we could have a strong Endangered Species Act and a strong economy.

When it comes to the reauthorization of the Endangered Species Act, we need the same kind of an approach.

In fact, some of the people involved in that hearing have established the Montana Endangered Species Act Reauthorization Committee. It includes Democrats and Republicans, loggers and environmentalists.

They, too, have come together—not in support of a moratorium, but in support of commonsense reforms that will protect wildlife while improving the practical operation of the Endangered Species Act.

I suggest that we take the same approach here, that we get beyond the slogans and the politics, that we lift the moratorium, and that we concentrate on what the people back home sent us here to do—that is, to work together to resolve differences and solve problems.

I know the Senator from Idaho is going to engage in that effort on the subcommittee. Mr. President, on the Safe Drinking Water Act, he worked diligently to get groups together. There was not a lot of politicking and sloganeering going on, or headline grabbing. He did a great job in helping to get groups together in a commonsense way. It is the same approach we must take in the Endangered Species Act, not engage in sloganeering, which tends to cause more problems than solve problems.

I thank the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mrs. HUTCHISON. Mr. President, last year, Congress put a hold on listing of endangered species and the designation of critical habitat that went along with that to give us time to reauthorize the Endangered Species Act. We called a timeout on new listings so we could reexamine a 20-year-old law without the pressure of new listing decisions.

Authorization for appropriations ended on September 30, 1992 —3½ years ago. Mr. President, we have been operating without an authorization for this act, and that is because so many things have been done that are far beyond the bounds of common sense. The moratorium was to give us the timeout so that we would be able to put listings on under the new reauthorization, to pass without opposition in the House of Representatives, and with 60 votes here in the Senate—a clear mandate to say, wait a minute, let us stop doing things that do not make sense under a law that is not reauthorized, and let us talk about what we ought to be doing to protect the endangered species of our country. But let us do it without taking private property rights and without hurting jobs, without hurting the economy in this country. We can do both. We can have a positive solution.

But, Mr. President, there are 239 species that are ready to be listed. In fact, we have tried to work with the other side to make sure that the listings could be prepared and that the funding was there to prepare the listings along the way. We have done that in good faith. We did not think that someone would come up and try to use the fact that we had, in good faith, allowed the Department to continue to do all of the preliminary listing procedures, and then spring 239 species that could cause untold economic damage on States all over our country.

No, we acted in good faith. We believed that the right thing to do was to have a moratorium until we have a reauthorization so that we can then list, taking into account some of the new measures that we hope to have that will encourage conservation, that will encourage the endangered species protection, through voluntary means, or other incentives. Those are the things that are not allowed today but will be allowed under the reauthorization.

We are not putting potentially endangered species at risk. The ones that are an emergency could be listed today. In fact, one of the things that we want to do is make sure that an emergency listing would be available. But, in fact, Mr. President, we are going to debate tonight—as I understand it, we do not have a time agreement at this point, but we are going to debate the merits of lifting the moratorium prematurely. That is really the issue here.

We have agreed on two occasions in this body, and on the House side, that we should not act precipitously. Now, all of a sudden, the same people who are fighting the reauthorization are now saying to lift the moratorium. I really do not think that it is the way we should do business here. I think we have been acting in good faith. We have done the things that we have been asked to do to try to take that timeout, so that when we have a reauthorized act we can come back in and make sure that the species that are scientifically designated as endangered will, in fact, be protected. That is what all of us want.

If we free those species—the 239 that we have allowed to be prepared to be listed when, in fact, they are being prepared under the old act—I think we

will do a lot of harm to many States—my State, the State of California, Arizona, and many States across this country are going to have significant economic impact if we do this. Mr. President, it is not necessary. There is no reason to act precipitously on this omnibus bill that we are trying to get through. We are trying to fund Government until the end of this fiscal year.

Mr. President, there is no reason to put something on that is so extraneous, that causes this kind of debate right at a time when we are trying to work with the other side to come up with an agreement that will fund Government until the end of this fiscal year so that we can start turning toward the next fiscal year, which is going to take our time.

Mr. President, I think this is the wrong thing at the wrong time. This is like saying we have this modern, new automobile but we are going to put Model T parts in it because that is what we have on hand. Let us not do that. That is not the way to do business.

I am going to speak on this issue again. But, Mr. President, I want to lay the groundwork for what I think is a terrible injustice. I think it is breaking a gentleman's agreement that we had that we would work together for reauthorization because I assumed that was everyone's goal. But to have a lifting of the moratorium before the reauthorization comes, I think, is the wrong thing to do for our country, for the private property owners in our country, for the small business people in our country, and for the working people who could lose their jobs if this happens. This is not right, and I hope the Members will turn it back. I hope the Members will do the right thing and let us proceed with Senator KEMPTHORNE to reauthorize in a judicious way.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. CHAFEE. Mr. President, there have been several references to people resisting the reauthorization of the Endangered Species Act. I do not know who the references are to. But it certainly is clear that if this moratorium is extended, the pressure to reauthorize the Endangered Species Act is reduced. The best way to get the Endangered Species Act reauthorized is to get rid of this moratorium and have everybody concentrate their energies on the reauthorization. Certainly, as far as I am concerned, those on the committee—and certainly the subcommittee headed by the Senator from Idaho—have been working to get this act reauthorized. So, I for one have seen no resistance to the reauthorization of the act from any individual that I know.

Let us just review the bidding, if we might. When President Nixon signed the Endangered Species Act in 1973, this is what he said:

> Nothing is more priceless or more worthy of preservation than the rich array of animal life with which our country has been blessed. It is a many faceted treasure for valued scholars, scientists, and nature lovers alike, and it forms a vital part of the heritage we share as all Americans. I congratulate Congress for taking this important step toward protecting a heritage which we hold in trust to countless future generations of our fellow citizens.

That is what President Nixon said when he signed the Endangered Species Act in 1973. The importance of America's natural heritage is exactly what we are debating here today—whether as a Nation we should conserve those plants, species, and animals which we know to be threatened with extinction, or whether we should knowingly choose not to protect those imperiled species.

I support Senator REID's amendment to strike the provisions which would impose a moratorium on adding new species to the threatened and endangered list. A blanket moratorium on listing new species undercuts the goals of the Endangered Species Act and undermines our Nation's strong bipartisan—I stress bipartisan—history of conservation. This is not a Republican measure. This is not a Democratic measure. The efforts to preserve the endangered species of America has been a bipartisan effort, signed, as I pointed out, by President Nixon in 1973 and passed by a Democratic Congress at that time.

Let me take a moment, if I might, to speak about the broader issue that led me to support an effective law to protect endangered species. I share the belief of many across our land that each species is intrinsically valuable whether or not it is of obvious use to mankind.

I note that when Noah led the animals into the ark, he included all species. If I could quote, ''One pair male and female of all beasts, clean and unclean, of birds and everything that crawls on the ground.'' And God did not direct him to select only the most beautiful animals or those plants that might have some particular use to mankind and perhaps to help him to cure cancer, whatever it might be. Noah saved all creatures.

One great strength of the Endangered Species Act is that it does not just single out the bald eagle, or the bison, or the California whale, or whatever it might be—some majestic symbol such as the grizzly bear. It protects every endangered species and its essential habitat—and I stress the habitat—simply because it is threatened with extinction. Despite all the advantages of modern science, we really do not understand the implications, the chain reaction that will be set in motion when a given species vanishes. So, we should do all we can to avoid taking such a chance.

Since last April, a moratorium has been in place on adding any new species to the threatened and endangered list maintained by the Fish and Wildlife Service. Listen to this. Since last April a moratorium has been in place on adding any new species to the threatened and endangered list, and for the past 5 months the Service has had no funding to carry out any new listing activities. As a result, species in need are not protected by the law. They are piling up on the proposed candidate list. There are no new listings of endangered or threatened. The Service can put those on the proposed and candidate list but not the threatened or the endangered list.

Under the regular process established under the Endangered Species Act, species are added to the endangered and threatened list by the Secretary of the Interior based upon the best scientific knowledge available. This takes years and involves several stages of review. It is not done haphazardly. It takes public notice, comment, and hearings, if requested, and, once listed, the Federal Government is committed to conserve these species, and they are subject to the protections of the act; that is, if they are listed as threatened or endangered.

Currently, the Fish and Wildlife Service has 243 species, 196 of which are plants proposed for listing under the Endangered Species Act. Proposed species have been subject to a full scientific review and considered to be at risk so as to require the protections of the act. There are 182 species on the Fish and Wildlife Service list of candidates. That is species thought to warrant protection for which the Service has not yet had the resources to conduct a full review. Neither the proposed nor the candidate species are subject to the protections of the Endangered Species Act.

In other words, all that is taking place now, there is no protection out there for those that are proposed or candidate. If they are already on the list and endangered, and they have been so listed in the past, that is OK. But they are discovering new species that are proposed and candidates but they are not subject to any of the protections of the Endangered Species Act. In other words, proposed and candidate species—let us take plants for example—can be ripped up, hunted, and sold, or the animals can still be hunted. In other words, what we are doing is taking those that once upon a time seemed in pretty good shape, but they were proposed, or candidates, and now they are becoming more and more endangered because there is no protection of them.

That is no way to do business. Why should we care that species that are in danger of extinction are left unprotected and are piling up on these lists of proposed and candidates? The reasons are practical as well as ethical. Failure to recognize and address the risk to imperiled species and doing something about them now will make it much more difficult and more expensive to conserve in the future. For one thing, destruction of habitat that is essential for the survival of the proposed and candidate species can proceed unchanged.

In other words, yes, they are potentially in danger, but you cannot do anything about it. You cannot do anything about their habitat preservation.

Thus, a prolonged moratorium on listing is likely to cause further declines in the status of those species that are precluded from the protections of the Endangered Species Act. The moratorium may eliminate conservation options that are available now. In other words, the longer the moratorium goes on, the less chance there is to come up with a variety of options to save these endangered species. You cannot do anything about them.

Each month the moratorium drags on increases the size of the backlog of work for the biologists at the Fish and Wildlife Service. This backlog and the lack of funding for listing activities such as research and monitoring will lead inevitably to further delays and inefficiencies down the road. Most importantly, it seems to me, Mr. President, by refusing to protect these species, we fail to live up to our moral obligation to act as good stewards.

Mr. President, the Endangered Species Act is far from perfect. It can and should be improved. And with respect to private property rights, the act should include more carrots and fewer sticks—more inducements and fewer prohibitions. We recognize that. But we are not going to solve the problems of the Endangered Species Act by ignoring species that we know are in grave danger.

That is no way to solve the problem. The problems with the current Endangered Species Act are not solved by cutting off funds that are necessary for Fish and Wildlife to carry out its responsibilities.

The problems with the current Endangered Species Act should be addressed through the normal authorization process, and that is what we are trying to do.

I pay tribute to the chairman of the particular subcommittee in the Environment and Public Works Committee, the junior Senator from Idaho, for the hearings he has held and attempts he is making to reauthorize this act. It is no easy job. We have had six hearings, three of them in the West, on the reauthorization of the act. We have heard from 100 witnesses, and many of them have come up with good proposals. These hearings, as I say, ably chaired by the junior Senator from Idaho, were constructive and form the basis for continuing discussions.

So we are meeting, the staffs and members of the committee are meeting regularly, working on legislation to reform the law. Certainly, my best efforts will be put toward supporting a responsible Endangered Species Act this year, and I look forward to working with all Senators to complete successfully that important task.

However, I do not believe that the moratorium provisions contained in this appropriations bill constitute a responsible step toward completion of the reauthorization process. Enactment of the reauthorization is not going to be easy. We know that through these meetings and hearings that we have had. The only way it is going to come about is if Senators are willing to back away from fixed positions and inform their constituents that their constituents are not going to get everything each one wants, either the environmentalists, the lumbermen, or whoever it might be. So Senator KEMPTHORNE, Senator BAUCUS, Senator REID, and I are working together striving to reach a consensus on legislation to improve the act. Our staffs are meeting, and we believe we are making good progress.

So, again, I wish to make it clear that I am in favor of passing legislation to improve the act. And I seek to report a bill from the committee this spring. But I believe a moratorium on adding new species to the threatened and endangered list is just plain wrong. A moratorium causes new problems and compounds the difficulties we are facing. It does not make it easier. It makes it more difficult. Meanwhile, the protections are not there that should be there, the protections of the flora and fauna, the animals involved, and also their habitat that should be theirs.

So, Mr. President, I hope the Reid amendment will be adopted.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. Mr. President, before the chairman of the committee leaves, I wish to extend to him my appreciation for the work he has done as chairman of the committee, and especially the guidance and, in effect, free hand he has given the chairman of the subcommittee, the junior Senator from Idaho, and myself to work on reauthorizing this legislation.

As the chairman has pointed out, it is difficult legislation. We have been working hard on this. Our staffs have had numerous meetings not once every quarter, once every month, but numerous times. We have come a long way toward each other's position. As I mentioned in my opening statement, it is not unthinkable that we could come up with an agreement on reauthorization of the Endangered Species Act. So I appreciate the statement of the chairman. I appreciate the support of this amendment.

Also, Mr. President, I underline and underscore what the full committee chairman has said. This amendment should not be approached on a partisan basis. For instance, as important and as successful as it has been, Democrats cannot take all the credit for passing the Clean Water Act. One President who did a great deal for environmental matters in this country was President Nixon. Some of the most influential environmental legislators we have had this century have been Republicans.

So I hope that my friends on the other side of the aisle will approach this matter with an open mind because all we are trying to do is remove this moratorium. We talk about emergency listing. Mr. President, it is used very rarely—only in imminent risk of a species being wiped out. We need, before we list species, to have good science, and this is not the way to go. This is not good science.

The emergency listing does nothing for the vast majority of 243 species that are already proposed for listing, let alone 182 candidate species. In the meantime, these species continue to decline. The emergency listing exception to the moratorium is a Band-Aid approach, Mr. President, largely a cosmetic solution to a very real problem. And there is no better example of that than what has happened with the spotted owl. The longer you wait to list, the more difficult and complicated the problem becomes.

So, Mr. President, I know there are many others on the floor who wish to speak. It is late at night. I understand there will be an offer of an agreement that will allow the Senator from Texas and the Senator from Nevada in the morning to close the debate. With that in mind, I will yield the floor.

Mr. EXON. Will the Senator yield for a question before he yields the floor?

Mr. REID. I will be happy to yield to the Senator.

Mr. EXON. Let me see if I understand the amendment the Senator is offering. As I understand it, the situation we are now confronted with is that the continuing resolutions that have been offered, the series of them and potentially more, in each and every instance the funding mechanism has been tied to a caveat that no new Endangered Species Act may be placed in force. In other words, there is a prohibition from changing or adding to the endangered species list, period, as we face the situation right now. Is that correct?

Mr. REID. The Senator is absolutely correct. Not only was there a moratorium back in April of last year offered and passed, but in addition to that, each time we come up with a continuing resolution there is no additional funding placed, so that the Fish and Wildlife Service and the National Marine Fisheries Service simply are without any funds to list anything. So we have two problems: One is no money and a moratorium on further listing.

Mr. EXON. I was able to hear only the tail end of the remarks made by the chairman of the committee. I hope something could be worked out.

I have some concerns that the EPA and the Fish and Wildlife Service are so restricted now that they could not put something on the list that was really endangered. On the other hand, I happen to feel that the bureaucracy in this area has gone overboard in some areas, by the number of species that they have placed on this list. If the amendment offered by the Senator from Nevada becomes law, would that open up the situation to where the Federal bureaucracy, who has the responsibility for doing the scientific research,

supposedly, and then making a determination as to what species should go on the endangered list—would they be free and clear to proceed with the investigation and the identification of endangered species exactly the way they were before the prohibition was put into the law on the continuing number of continuing resolutions?

Mr. REID. I respond to my friend, we have talked about this. I am happy to, again, address this.

As the chairman of the full committee and I feel, the moratorium has been very detrimental to scientific listing of plants and animals. During the period of time this moratorium has been in effect, the Senator from Nevada and the junior Senator from Idaho have been working on a reauthorization of the Endangered Species Act. I acknowledge that we need to reauthorize the Endangered Species Act and make some changes in it. We need more public input. We need more involvement of the State governments that simply are not allowed in the act anymore. We need peer review. We need better science in listing these species. And there are a number of other proposals that I think—I do not think, I know the Senator from Idaho, as chairman of the subcommittee, and I want to put into a bill for reauthorization. What the moratorium has done, as far as this Senator is concerned, is it has prevented us from going forward on reauthorization, because there are some who simply want no further listing.

As I mentioned just a short time ago, I say to the Senator from Nebraska, when the moratorium went into effect we had 182 candidate species, and in addition to that we had 243 species already listed with which we have not been able to go forward. I spent a good part of the debate earlier this afternoon talking about how, really, that is not helpful to us.

I say to my colleague, 80 percent of the prescription drugs that the American public goes to a drugstore to get have in them elements taken from plants. I read a series of statements from physicians saying, ''You cannot stop now. You have some of these listed. By the time you get around to listing some others they are going to be gone.'' I also say to my friend, although recognizing the Endangered Species Act as it is written needs changing, we cannot, while we are trying to make the act better, let these species become extinct. And it is not a left-wing cabal that is pushing getting rid of this moratorium. There is a group of Evangelical Christians who are saying, ''You cannot do this. You have to support the listing of these endangered species. Because once they are gone they are gone.''

So I say to my friend from Nebraska, I recognize that the Endangered Species Act has some problems, but we are trying to correct that. The junior Senator from Idaho and the Senator from Nevada have been working to come up with a bill that we hope to get out on the floor this session, I hope. But in the meantime we cannot let all these species that are becoming extinct become extinct.

Mr. EXON. I am not a member of the committee so I am not fully informed on all of these issues. I appreciate very much the explanation that is being given by my friend from Nevada.

Under the system that we have always had with regard to the identification of endangered species, as I understand it, it was that the agency of jurisdiction would do scientific research which they would manage and direct to determine whether something was really endangered or not, or to what degree it was endangered.

But after the agency of jurisdiction makes that determination, then do they have, under the law, authority, as part of the bureaucracy, to say, All right, that plant or that animal or that fish is an endangered species, and we so designate it as an endangered species and that is it?

Mr. REID. Well, yes, I guess in short term that is it. One of the things we need to work on, and we are working on in the reauthorization of this bill, is to allow better science and to allow more than just the Federal agencies to have some voice in whether or not a species is threatened.

Mr. EXON. How do you propose to do that?

Mr. REID. We are going to do that in a number of different ways. We are going to allow better peer review, that is more scientific input, and also allow State and/or local government some input into whether or not the listing should take place.

Mr. EXON. But the final decision still rests with the agency of jurisdiction?

Mr. REID. The final decision would rest with the agency of jurisdiction. However, I think under the proposal of the Senator from Idaho and myself, prior to arriving at that point there would be a much more deliberative process than there is now.

Mr. EXON. Has the Senator ever considered the possibility of having these people proceed as they have with the identification of an endangered species, and then, before we added more species to that list, it be voted on by the Congress of the United States?

Mr. REID. There has been consideration given to that. But, I would say to my friend from Nebraska, that I think, as I have indicated, we now have 243 species that have already been listed and we have 182 candidate species. I do not really think that should be the role of Congress, to vote on each of those.

We could spend a lot of time that should be spent in the agencies of government, both Federal and State. Of all of the numerous special interest groups I have listened to—homebuilders and contractors, labor unions, environmental groups—I do not think anyone has suggested we should vote on each one of those. I think they all suggest that the process should be more deliberative in nature and allow more input from the private sector, not because the Federal agencies have done anything wrong in listing the endangered species, but the purpose is to allow State governments and the local entities to feel better about the listing, so they understand it better.

To this point it has all been done by the Federal Government and there has not been enough input from State and local governments. So, I would say to my friend, I think the main thing we have to take into consideration is there probably have been some listings that have been wrong, although I do not know of any. But I think the problem is—take, for example, in Nevada. We have, surprisingly enough, word that we are the fourth highest State in the whole Nation for endangered species. It is surprising to some people because we are an arid State. But one that caused a lot of attention was the desert tortoise in southern Nevada. It literally brought construction in rapidly growing Las Vegas to a standstill until we worked it out.

I do not think, in hindsight, there was anything wrong in listing the desert tortoise. But State and local governments should have had more input in that listing, rather than having it just given to us all at one time, and that is what we are trying to do in the reauthorization.

Mr. EXON. I agree with my friend. I am not sure with how much I disagree, though. I generally have been supportive of all the agencies that have something to do with this matter. I think the environment is very, very important. I do, though, think maybe sometimes we, here in the Congress, give too much authority to the bureaucracy to make determinations. At one time —I do not know whether it is by the boards or not, now—but they talked about putting the rattlesnake on the endangered species list. Those of us who have been born and raised and been around rattlesnakes, we really do not believe they are endangered now, and I do not believe they are.

But it seems to me at least maybe we should consider—not that we can take the time to go through each and every one of these things, but certainly, possibly, we should at least consider the possibility, when something is put on the endangered species list, whether it is one species or 100 species, at one time, maybe the bureaucracy should have to make a better case to the people's representatives here, to say yes or no, rather than, carte blanche, giving them the authority after the input that you say should be improved with regard to State and local governments.

I am just saying that I have some concerns. I think this whole matter of endangered species has been overstated, and yet, I must say to my friend, I congratulate him for bringing this up, because when we have a situation today when we cannot add on anything, even though they are critically endangered, it is a concern to me.

Mr. REID. I respond to my friend, we not only have a danger of the listing, but to this Senator a real concern about not listing. If we wait too long—and that is what we are doing in this instance. I indicated we have 243 that are waiting to be listed. We need to proceed. Not listing is a concern.

I also say to my friend from Nebraska, in a Nickles-REID amendment that was adopted by this body 100 to 0 last year, which was an amendment to the Comprehensive Regulatory Reform Act which we received from the House of Representatives, we said that if there is a regulation promulgated by a Federal Agency that has a certain financial impact, we in Congress would have 45 days to look at that, and if we did not like it, we could rescind it legislatively. That is, I am quite certain, going to come back when we do regulation reform in the next few days.

So under that proposal, if something happened like listing an endangered species in Las Vegas that certainly had a financial impact on the level Senator NICKLES and I talked about, in that instance, we would have had the ability in Congress, if the action had been grievous enough, to rescind the action of the Fish and Wildlife Service.

Mr. EXON. To use an example, and then I will yield the floor, if the controlling agency would declare the rattlesnake an endangered species, we in the Congress could override that under what you have in place?

Mr. REID. Under the Nickles-REID amendment, if the financial impact is such, as they were told it was in southern Nevada, if there is no financial impact, we continue. But if there is a financial impact, this Congress would have a right because that is a regulation and rule promulgated by the Fish and Wildlife Service.

Mr. EXON. I thank my friend for answering my questions. I have some concerns on both sides of the issue. Mr. President, I thank him very much. I yield the floor.

Mr. REID. I say, as usual, my friend from Nebraska asked piercing questions, and during his entire time in the Senate he has always been on top of the issues. I appreciate the questions.

Mr. President, I ask unanimous consent that Senator AKAKA be added as a cosponsor to this amendment.

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

Mr. LIEBERMAN. Mr. President, I believe this Congress erred last year when it allowed passage of a moratorium on new listings of endangered species, and new designations of critical habitat. This action did nothing to reduce the decline of wild plants and animals in our Nation, and across the world. If anything, the need to prevent their loss has grown, as God's creatures continue to lose a growing war against them. The moratorium did nothing to reduce the complications or costs of protecting them. In all likelihood, it has only made it more difficult as valuable time, and preferable management options, have been lost. The moratorium provided no funds to stimulate new approaches for conservation. It provided no financial incentives for private landowners. It did nothing to streamline listing procedures or tighten the quality of scientific determinations of species' risk. Instead, it built a false hope that somehow these problems would simply go away if we tried to put them away.

It is understandable that nature does not heed man's advice. But it is unfortunate that we fail to heed nature's advice when it is so plain. Wild plants and animals are declining at rates thousands of times faster today than ever before in the fossil record. It is no coincidence that man's population, our thirst for natural resources, and our environmental problems, have grown just as fast in the opposite direction. Our ability to intelligently and effectively manage our resources has not kept pace with our ability, or desire, to use them. That is why we developed an Endangered Species Act and other laws for the conservation of wild plants and animals, and the basic natural resources upon which both they, and we, depend. We must do a better job of managing all natural resources for the complete spectrum of human needs they satisfy, and all of the values they provide. Man cannot live by bread alone.

There are many arguments pro and con about the effectiveness of the ESA. Some say our success rate at saving species is too low to be worth the effort. Others say that it is too little, too late. For sure, the odds are against us when we let problems get so far out of hand. So it is a great credit to everyone involved in recovery of endangered species that we have so many great success stories like the peregrine falcon, bald eagle, and Pacific yew tree. But I say that the single most important measure of success for the ESA is whether it has really made us better stewards of our resources.

Without a doubt it has. Federal and State agencies pursue multiple use goals and conflict resolution with far greater expertise than they otherwise might. Some very bad government projects have been scrapped or modified over the years. Private conservation efforts are far more sophisticated and widespread. Other nations look more carefully at their actions. Science has pushed farther and wider to understand the causes of species decline, as well as the cures. Because of our concern about other creatures we have learned more about saving ourselves and leading better, more sustainable lives than we could ever have hoped all alone. Perhaps that is one reason God put them here with us. Perhaps our journey should not be alone.

I recognize that stewardship comes with sacrifice. And I recognize that it can be misdirected at times. I support reforms to the ESA that ensure that the sacrifices involved are reasonable, supportable, and specifically targeted toward the prevention of species' decline, or their recovery. While the ESA moratorium has done virtually nothing to further progress in these areas, we are fortunate to have an administration that has been busy nonetheless.

In this past year the Secretary of the Interior has implemented a broad series of administrative reforms to the ESA, including listing procedures for endangered species, that go a long way toward solving problems that may have existed with it. This reform plan includes stronger peer review of listings to ensure good science; a safe harbor policy for landowners creating new habitat; speedy habitat conservation plans and negotiated regional habitat protection approaches; greater State and local involvement in recovery planning; and recommendations for new positive incentives for landowners. In addition, the list of so called ''candidate species'' has been updated after careful scientific peer review. The procedure for listing candidates has been changed so that only those species meeting a higher standard of scientific information are included.

Last April when Congress added the ESA moratorium to the Defense supplemental appropriations bill it singled out the ESA, and inaccurately portrayed it as the cause of many of our Nation's economic woes. For the past year our economy has been no significantly different than it would have without this moratorium. Today we can set the record straight by ending this moratorium and providing an appropriate level of funds to get the law working again.

More than a century ago Sir Arthur Conan Doyle, author of the famous Sherlock Holmes mysteries, wrote: ''so often those who try to rise above nature are condemned to fall beneath it.'' Let's not make that mistake with the ESA by suggesting that a blind eye sees a brighter future. Let's get back on track with the implementation of the ESA with its new reforms, and resolve not to waste any more time. For many creatures, time is running out.

Mr. CRAIG. Mr. President, authorization of the Endangered Species Act expired nearly 4 years ago on September 30, 1992. Since then, Congress has kept the law alive by feeding it new appropriations each year. Funding without authorization is not the way to enact policy, especially one with such a high profile and one which produces such profound effects on our environment and our economy.

I have been to the floor numerous times in those 4 years to recount serious problems with the law as it is being administered.

It is far too costly; $500 million per year is being spent on Snake River salmon alone. No economic commonsense is being applied—or required—under the current law.

The section 7 consultation process is out of control. Dozens of projects have

been delayed past the point of economic viability while waiting for concurrence from the National Marine Fisheries Service.

One year ago, a complete shutdown of all multiple use activities on 6 Idaho national forests nearly became a reality because of confusion over section 7.

Even today, the Forest Service is proposing to shut down guided rafting trips on the Salmon River to protect spawning salmon. But they are proposing to stop rafting at times of the year when there are no fish in the river. None of this makes any sense, and it unnecessarily angers people, but that is the way the law is being applied.

The law makes enemies of private landowners because of the regulation and fear it engenders. You don't build cooperation for endangered species by taking a person's rights or their land.

Despite the obvious need to reauthorize the ESA, reform legislation has been locked in the Senate Environment and Public Works Committee year after year.

My patience has run out. The authorizing committee must generate action on the two reform bills which have sat in committee for months—Senator GORTON's S. 768 and Senator KEMPTHORNE's S. 1364. I am a cosponsor of both bills.

Until we turn seriously to the matter of reauthorization, I will continue to support the moratorium on new listings and designations of critical habitat.

The people of Idaho and the Nation continue to believe that conserving fish and wildlife species for the enjoyment of future generations is still the right thing to do. They want to make changes to the law, but don't want to see the Endangered Species Act eliminated.

Senator KEMPTHORNE's bill walks that line by: using incentives on private lands, not regulations; granting States a greater role; offering realistic conservation alternatives; and requiring that priorities be set and costs controlled.

The committee has been ignoring these good ideas. They are covering their eyes and pretending that no significant problems exist while holding ESA reauthorization at bay.

I am confident we can reform the law in a way which will win the confidence of the American public. We must give it a try. I challenge the committee to move toward open debate and consideration of reform legislation.

Until that happens, I will support the moratorium.

AMENDMENT NO. 3479 TO AMENDMENT NO. 3478

Mrs. HUTCHISON. Mr. President, I offer an amendment to the Reid amendment. I send it to the desk and ask for its immediate consideration. This is a Hutchison-Kempthorne amendment.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON], for herself and Mr. KEMPTHORNE, proposes an amendment numbered 3479 to amendment No. 3478.

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

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

The amendment is as follows:

In the language proposed to be stricken, on page 75 insert the following: ''*Provided further,* That no monies appropriated under this Act or any other law shall be used by the Secretary of Commerce to issue final determinations under subsections (a), (b), (c), (e), (g) or (i) of section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533), until such time as legislation reauthorizing the Act is enacted or until the end of fiscal year 1996, whichever is earlier, except that monies appropriated under this Act may be used to delist or reclassify species pursuant to subsections 4(a)(2)(B), 4(c)(2)(B)(I), and 4(c)(2)(B)(ii) of the Endangered Species Act, and may be used to issue emergency listings under section 4(b)(7) of the Endangered Species Act.''

On page 412, line 23, strike ''$497,670,000'' and insert ''$497,670,001''.

On page 412, line 24, after ''1997,'', insert the following: ''of which $750,001 shall be available for species listings under section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533),''.

In the language proposed to be stricken, strike all after the word 1997 on page 413, line 11, through the word Act on page 413, line 20, and insert the following: ''*Provided further,* That no monies appropriated under this Act or any other law shall be used by the Secretary of the Interior to issue final determinations under subsections (a), (b), (c), (e), (g) or (i) of section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533), until such time as legislation reauthorizing the Act is enacted or until the end of fiscal year 1996, whichever is earlier, except that monies appropriated under this Act may be used to delist or reclassify species pursuant to subsections 4(a)(2)(B), 4(c)(2)(B)(I), and 4(c)(2)(B)(ii) of the Endangered Species Act, and may be used to issue emergency listings under section 4(b)(7) of the Endangered Species Act.''

On page 461, line 24, strike ''$1,255,005,000'' and insert ''$1,255,004,999''.

On page 462, line 5, before the colon, insert the following: '', of which not more than $81,349,999 is available for travel expenses''.

UNANIMOUS-CONSENT AGREEMENT

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the Senate resume consideration of the Hutchison-Kempthorne amendment to the Reid amendment at 9:30 a.m. on Wednesday, March 13, after the Members who are here have had a chance to debate, of course; that there be 30 minutes of debate equally divided between Senators HUTCHISON and REID; further, that immediately following that debate, the amendments be temporarily set aside; that immediately following the cloture vote at 2 o'clock p.m., Senator REID be recognized to make a motion to table the Hutchison amendment; further, if the Hutchison amendment is not tabled, the Senate proceed to a vote on the amendment without intervening action, to be followed immediately by a vote on the Reid amendment, as amended, if amended.

The PRESIDING OFFICER. Is there objection?

Mr. CHAFEE. Mr. President, I do not intend to object, but I want to ask one question, if I might. If I understood the proposal correctly, there will be adequate time this evening for further discussion. So the Senator is not cutting things off right now, as I understand it?

Mrs. HUTCHISON. That is correct, Mr. President. The floor will be open for debate unlimited tonight, but this will take effect after the debate has finished tonight, and it will be the procedural order.

Mr. CHAFEE. Mr. President, I thank the Senator.

Mr. REID. Reserving the right to object, Mr. President.

The PRESIDING OFFICER. There is no reservation of the right to object. The Senator is recognized for an inquiry.

Mr. REID. Mr. President, just so I understand the unanimous-consent request, there will be 15 minutes controlled by the Senator from Nevada and 15 minutes controlled by the Senators from Idaho and Texas in the morning?

Mrs. HUTCHISON. That is correct, Mr. President.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Texas is recognized.

ORDER OF PROCEDURE

Mrs. HUTCHISON. Mr. President, I announce, on behalf of the leader, that there will be no further votes tonight, and that the votes will occur as described in the previous order.

The PRESIDING OFFICER. Who seeks recognition? The Senator from Idaho is recognized.

Mr. KEMPTHORNE. Mr. President, let me acknowledge the chairman of the Environment and Public Works Committee, Senator CHAFEE, who spoke just a few moments ago. He referenced the hearings that we held around the country. I want to compliment Senator CHAFEE, because while he is the chairman of the full committee, he still attended all the hearings. In addition to the hearings, he took part in the field trips associated with them. That fact just speaks volumes as to how he is approaching this issue—trying to see the perspective of those of us from States that are natural resource based who feel how onerous the Endangered Species Act has been in its administration. I think he also heard from the people in the West that they support the goals of the Endangered Species Act. They want to make it work. Right now, it is not working.

Senator REID, who is the ranking member of the subcommittee that I am privileged to chair, has pointed out that we are engaged in those sessions

where we regularly are discussing the elements of a reauthorization of the Endangered Species Act. Our staffs are fully engaged in this so that we can come up with a reform of the Endangered Species Act, because just as Senator REID has stated that he has heard no group say that we ought to abolish the Endangered Species Act, I do not think I have heard of any Senator saying we should not reform the existing act. So we are engaged in that.

Senator CHAFEE and Senator BAUCUS, who spoke moments ago, said that we ought to abandon any sloganeering and the rhetoric. Boy, do I agree with that.

This issue on the Endangered Species Act, without question, is one of the most polarized issues that Congress will deal with, because you are so quickly labeled if you deal with the Endangered Species Act. You are going to be labeled either antibusiness or antienvironment. Now choose. But which of those is a winning label?

That is why we have to stop this nonsense of the rhetoric that is escalating this and do what is right for the species and for the people who are the stewards of this land trying to protect the species and bring about the well-being of these species.

We undertook this same sort of effort with the Safe Drinking Water Act: 10 months of sitting down at the table, back and forth, back and forth. And I will tell you, for a number of those months, Senator CHAFEE and I did not agree. But we ultimately agreed, as did Senator BAUCUS and Senator REID.

We are trying to do the same sort of process so that we can bring about meaningful reform of the Endangered Species Act.

I do not know if it is possible this year. I do not know if this thing has been so highly politically charged and if somebody has made a determination that this is going to be the political litmus test on whether or not you are proenvironment or not. If that has happened, then we can stop right now, because it will not happen. We will play politics with it. And that is wrong.

I stood here on the floor of the Senate when we dealt with the enactment of the funds for listing activities, the rescission package. I stood here and I defended the money that was authorized and appropriated because it is a meaningful activity. I am pleased to cosponsor the second-degree amendment offered by the Senator from Texas, Senator HUTCHISON, because the amendment is very straightforward. It allows all listing-related activities except the final determination that a species is threatened or endangered. And significantly, it also allows the Secretary to emergency list a species under the existing regulations. It also allows the down listing of endangered to threatened and the delisting of final rules. Straightforward.

I want to discuss then the very real need for Endangered Species Act reform and the role of the current moratorium that is on the books right now and how it applies. When we enacted the moratorium initially last year there was a sense that we needed a timeout from the listing process, a sense that the Endangered Species Act as it is currently implemented is not working. The act is not saving the species that we all want to preserve. It is not saving those species.

The purpose of the moratorium was to give all of us and the administration and Congress an opportunity to explore meaningful reform of the act to make it work better.

That purpose for the moratorium is just as relevant today and maybe even more so. Together with my colleague, Senator REID, who is the ranking member of the subcommittee that I chair, I am using this timeout to reform and improve the Endangered Species Act.

Our goal—and I emphasize the words ''our goal''—is to develop the bill over the next few weeks that will actually preserve endangered species and improve their habitat. This is a goal that we can all share. But the moratorium is an important element of that effort. People outside of the beltway who have to live with the real-life impact of the Endangered Species Act understand the importance of the moratorium.

Let me read an excerpt from a letter I received last week from the American Farm Bureau. They state:

> Authorization of the Endangered Species Act expired over 3 years ago. Congress has clearly failed in its responsibility to address the issue surrounding how our Nation is protecting endangered species. This has occurred despite the calls for change in the act from business, the environmental community, Secretary Babbitt, and others. Farmers and ranchers, thousands of whom attended ESA field hearings throughout the Nation, are concerned that a new Endangered Species Act will never even be considered by the Congress. Clearly without a listing moratorium, there is no incentive to reauthorize the act.

It is for that reason that I cosponsored the amendment by Senator HUTCHISON. The Hutchison amendment as I stated, will continue the moratorium until we either reauthorize the law or at the end of the existing fiscal year. This will keep the pressure on all of us to craft a bill that we believe addresses the real problems with the Endangered Species Act.

The moratorium also applies only to final listings. The Secretary can still perform all of his other functions under the Endangered Species Act, including all preliminary activities up to final listing and actions related to the recovery of listed species.

The Hutchison amendment improves on the current moratorium by recognizing that situations may arise where a species is really in trouble. I do not want to drive any species to extinction. I do not know of anyone else who would willingly do so. Therefore, if there is an emergency and the Secretary has complied with the other requirements of the act, the Secretary can add the species to the list and would have the authority to use this emergency listing power to protect the species.

Finally, the Hutchison amendment allows the Secretary to delist and downlist species if that action is appropriate. The moratorium is an important first step in our effort to achieve substantial reform of the Endangered Species Act.

As chairman of the Drinking Water and Fisheries and Wildlife Subcommittee I have held a number of field hearings as well as hearings here in the Nation's capital to look at the current Endangered Species Act and to identify ways to improve the act.

It is clear from the testimony we gather that the Endangered Species Act has not accomplished what Congress intended when it was written more than 20 years ago. And it is clear that it is possible to achieve better results for species by improving the act. That is what we are engaged in, trying to improve the act.

When Congress passed the Endangered Species Act of 1973, it was intended to slow the extinction of plants and animals that we share this Earth with. When former Senator Jim McClure, who was here when the ESA was first written, testified before the Environment and Public Works Committee just 2 years ago, he referred to the Endangered Species Act as a ''great and noble experiment.''

He stated it was the intent of Congress in 1973 to ''legislate the lofty ideal of a National effort to conserve species * * *.'' He also made it clear that the way the Endangered Species Act has been regulated has made a mockery of that intent. He stated that ''* * * lack of specific direction in some areas of the act could be corrected by the administrative agencies charged with implementing the act.''

But in Roseburg, OR, in Lewiston, ID, and Casper, WY, the people who live with the ESA told us correction has not happened. We heard from a rancher in Joseph, OR, who described how Federal regulators under the threat of a lawsuit from environmentalists tried to stop all grazing on forest lands in the mountains because salmon were spawning in streams that ran through the private lands below. But, in his words, ''the cows were up in the high mountains, as far from the spawning habitat as you could get.'' The ranchers had supporting letters from the Northwest Power Planning Council and the Oregon Department of Fish and Wildlife, but the Federal regulators would not see the reason to this.

We also heard from county officials in Challis, ID, about another lawsuit to shutdown all resource related activities on national forests in Custer the Lemhi Counties for the sake of preserving salmon habitat. The lawsuit would have resulted in a loss of 31 percent of the county's job and a 38-percent decrease in earnings. The impact on salmon would have been negligible since over 90 percent of the salmon spawning ground in Custer County is on private land.

We need to do a better job of making this act work, while recognizing the legitimate needs of people at the same time. We have let the regulators use the Endangered Species Act as a club against the very people who ought to help make the Endangered Species Act work * * * that is the citizens of the United States. The fact is the people spend too much time trying to comply with too much paperwork and too many regulations from too many Federal agencies. Just the consultation process alone can take years, particularly when the agencies involved disagree as they often do. In one case in Idaho, for example, a simple bridge was held up for over a year while the National Marine Fisheries Service reviewed a proposed construction plan that had been already approved by the Corps of Engineers, the Idaho Department of Fish and Game, Idaho Department of Water Resources, and Idaho Department of Environmental Quality. The National Marine Fisheries Service ultimately prevailed. Their bridge cost over four times as much as the original approved design.

Citizens spent too much time being afraid that a threatened or an endangered species will appear on their land and they will then be told what they can and cannot do with their land. In our field hearings, for example, several people testified that land owners who had previously managed their land intelligently in a way to preserve older trees are now cutting them down quickly because they are scared. They are scared that the Federal Government will find new endangered or threatened species down the road and come in and tell them that they will not be able to cut down their trees in the future.

The Endangered Species Act needs to be carefully reviewed, carefully debated, carefully rewritten so that it accomplishes its fundamental purpose to conserve species. We cannot wait any longer. The original reasons for the moratorium remain valid. Until the Endangered Species Act is reformed to accomplish what it was intended to do, there is no reason to add more species to it.

The only condition for removing the moratorium was reform to the Endangered Species Act. Interior Secretary Bruce Babbitt initially said there was no need for legislative changes in the act. After 2 years, though, of initiating administrative corrections to the act, he told my subcommittee that he was recommending a 10-point legislative plan to address endangered species. A 10-point legislative plan.

It appeared the changes he recommended were largely to bring the Endangered Species Act into compliance with his administrative changes. In fact, a major landowner who has spent literally millions of dollars to comply with the Secretary's administrative changes told our committee that they were not sure how their investment would hold up in the courts if they were ever challenged because the changes are not part of the law.

I saw a very real need to include the Secretary's plan in my bill, and so the Secretary's 10-point plan is part of the reform that is being offered.

I also looked at the Western Governor's Association who had been through an exhaustive process to determine what that bipartisan group of Governors needed by way of Endangered Species Act reform. We have incorporated all of the language of the Western Governor's Association into this reform that we are bringing forward.

Last month the President was in Idaho addressing the needs of flood victims in the northern part of my State. During the course of his visit we had a good discussion about these environmental issues. Working off of the cooperation between Federal, State and local governments who are working together to help flood victims, the President acknowledged and made the point that we need to establish the same sort of partnership to reform the Endangered Species Act. I want to take him up on that challenge.

I want to take this opportunity to again compliment Senator REID, because we are working through this process. I hope it will bear the results that we are after. It should. We are making a good-faith effort. It should because it needs to be done. It should because we ought to do it this year instead of having to see that it becomes political fodder and we cannot deal with it.

I want to move forward this year with kind of a bipartisan bill that will incorporate the very real changes that everyone agrees are needed. Until then it only seems appropriate that the timeout represented by the moratorium is the best way to encourage everyone to stay at the table until we get this job done.

Perhaps the administration agrees. The moratorium was not in force during certain periods between continuing resolutions during 1995. The Secretary announced that he was not going to rush through various listing packages or critical habitat designations during that time. Instead, he honored the intent of the moratorium. Why honor the intent of the moratorium when it did not apply, and now seek to overturn it during an emergency bill?

There is an emergency in America concerning the Endangered Species Act. And from the view of my State, that need must be addressed by reform, not just adding more species to the list. If there is an emergency with regards to a particular species as a result of this moratorium, let Members address that.

It is evident to me that if we are to move forward to a safer, cleaner, healthier future, we have to change the way Washington regulates laws like the Endangered Species Act. States and communities must be allowed, even encouraged, to take a greater role in environmental regulations and oversight. After all, who knows better about what each community needs, a local leader or someone hundreds of miles away in Washington, DC?

There are national environmental standards that must be set in the Endangered Species Act, and the Federal Government must make that determination, but Federal resources must be targeted and allocated more effectively, and that's why we must have a greater involvement by State and local officials.

The improvements we need in Washington go beyond State and local involvement. We need to plan for the future of our children, not just for today. Science and technology are constantly changing and improving. In the case of the Endangered Species Act, the Federal Government hasn't kept up with these improvements, and old regulations have become outdated and don't do the best job they can. That is why I want to reform the Endangered Species Act.

In the meantime, Mr. President, I think the moratorium on listings is the best tool we have to ensure that we continue to work toward meaningful reform of the Endangered Species Act.

I conclude by saying this: As I listened to Senator REID make his points about the areas that he thinks we should focus on, I do not find myself in disagreement. He is touching on a number of those issues that I do think we need to deal with. We may have a different approach as to how we correct them. That is what we are discussing at our sessions that we regularly conduct. We need to deal with this.

Senator CHAFEE referenced Noah and the flood—now when I had the discussion with the President, we referenced that too. I have heard people say that you should not change the Endangered Species Act, and they call it Project Noah, where Noah was charged to save those animals two by two. I believe that Noah had to have two-by-fours in order to construct the ark to save those animals, so we need balance. If there had been an Endangered Species Act in existence at the time that Noah was charged with saving those species, I do not know if he would have gotten permits before the floods came.

That is how a lot of landowners feel right now. They want to save the species. They can do it. Who are the very people that can do it? Is it the attorneys in the courtrooms litigating all of this? Absolutely not. Where you save the species is on the ground. On the ground, where their habitat is.

So why do we not change this whole atmosphere from adversaries to advocates? Why do we not enlist all of the American people in this great crusade to save these species? Right now we have them divided right down the middle. I challenge all of us that are dealing with this issue to step up to the plate so that Congress no longer abdicates its responsibility because it is too politically sensitive. We should

deal with it, deal with it for the species, and deal with it for the people who in too many instances are finding that it threatens their well-being, it threatens entire communities.

That is not what was intended by Congress in 1973 when it first enacted the Endangered Species Act. We should be realistic. I am being realistic in cosponsoring the Hutchison second-degree amendment. It is going to keep us at the table. It is at the table that we are going to write the reform that is necessary with regard to the Endangered Species Act.

Mr. President, I ask unanimous consent to have printed in the RECORD the letter from the American Farm Bureau Federation, referenced earlier in my remarks.

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

WASHINGTON, DC,
March 7, 1996.

Hon. DIRK KEMPTHORNE,
U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR KEMPTHORNE: During consideration of the Continuing Resolution, we urge you to oppose any effort to remove the moratorium on listing of endangered species or the designation of habitat for endangered species.

Authorization of the Endangered Species Act expired over three years ago. Congress has clearly failed in its responsibility to address the issues surrounding how our nation protects endangered species. This has occurred despite the calls for change in the Act from business, the environmental community, Secretary Babbitt and landowners. Farm Bureau, at every level, has involved itself in providing the Congress with a wealth of information on ESA and how farmers and ranchers can be part of the solution in protecting species. Our members, thousands of whom have attended ESA field hearings throughout the nation, are concerned that a new Endangered Species Act will never be even considered by the Congress. Clearly, without a listing moratorium, there is no incentive to reauthorize the Act.

Again, we ask that you oppose any effort to remove the moratorium and support any effort to reauthorize the Act this year.

DEAN R. KLECKNER,
President.

Mr. CHAFEE. Mr. President, I want to express my appreciation for all that the junior Senator from Idaho has done in connection with working on the reauthorization of this act. As he pointed out, he has a determination, and I share that determination, to get this act reauthorized this year.

Here is the situation, Mr. President: As I understand the second-degree amendment that the Senator from Texas and the Senator from Idaho have submitted, and if I am wrong I would appreciate if he would correct me, I have a copy of it here, but there may have been changes to it since. What this does is say to the Secretary of Interior that in an emergency there can be a listing of the animal or plant as endangered.

What that means to me, and here is the problem, the situation has gotten so desperate that it therefore qualifies for an emergency listing. By that time it is close to being too late. That is the whole problem. That is why this moratorium is bad business. Now it said here, well, we agreed to a moratorium last April so, therefore, we agreed to a moratorium in perpetuity. No, I never agreed to anything like that. I agreed to a moratorium last April that took us through to the end of that fiscal year. That does not mean I am for going on and on with this business, especially because of the very point that it seems to me that the second-degree amendment stresses, that by having these moratoriums the situation gets worse and worse, no action is taken, and then you come rushing in under an emergency listing. Yes, that is better than nothing but by that time it is probably too late. The cost is so significant.

In connection with that, I might say they reduce the money that has been proposed by the Senator from Nevada very, very substantially. The moneys that are available are not going to do the trick here as far as saving these species that have now reached the emergency situation.

For those reasons, Mr. President, I do not find that the second-degree amendment solves the problems we have been dealing with here this evening. I hope, as I hoped the original amendment would be approved, namely, the Reid amendment, I hope that careful consideration would be given by all to this second-degree amendment and there will be a motion—I presume by the Senator from Nevada—to table that second-degree amendment. I urge favorable consideration of that motion to table because of the reasons enunciated. Namely, we do not want this situation to reach the emergency status.

Mr. BURNS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BURNS. Mr. President, the debate Senate REID has started regarding the Endangered Species Act is a good one. We need to reexamine this act and where we have succeeded and where we have failed.

However, the amendment by my friend from Nevada moves a step away from reforming a well-intended law. Therefore, I must oppose Senator REID'S amendment.

The Endangered Species Act [ESA] was well intended. But, like many good ideas, its original intent has been twisted and misused. It has been turned away from an act designed to protect species, and instead is being used to close down thousands, if not millions, of acres of land throughout our country.

In Montana, we have wolves being placed in Yellowstone as an experimental population under the Endangered Species Act. We have miles and miles of roads being closed in order to protect grizzly bears. And, we face the threat of listing of the Bull Trout even though our State is taking an incredibly active role in managing this specie. While Montanans are proud of our wildlife, we are equally proud of the lifestyle we cherish. This is based on the balance and wise-use of our lands.

Senator REID'S amendment would repeal a moratorium on the listing of new species on the endangered list. Under the moratorium, prelisting work and recovery activities are still under way. The moratorium does not effect these activities.

But, the moratorium on listing is important because it gives the Congress and the administration an opportunity to reexamine the Endangered Species Act. We need to allow the Environment and Public Works Committee an opportunity to do their job. The committee held a number of hearings last year throughout the United States on the act. Now, we need to allow the committee to report a bill which will address the inadequacies of the act.

While most Americans agree we need to protect and recover endangered species, there are a wide range of beliefs on the extent and costs which should be incurred.

The process is out of control. For every dollar we spend on recovery, we spend another on process. This includes consultation, law enforcement, listing, and permits. That ratio needs to change. We need more recover for our money.

One example for Montana, Idaho, Oregon, and Washington is the salmon. Should we spend $1 billion each year and increase electric rates in the name of the salmon in the Columbia River? Yet we have not recovered one fish in the process.

We can do a better job at protecting species at a lesser cost to the Federal treasury, local communities dependent on natural resources and landowners. I hope the Reid amendment will be rejected and that we can continue to consider a complete reauthorization of the act in the near future.

Mr. President, the work that has been going on now for the reauthorization of the Endangered Species Act has been going on ever since I walked through these doors. I would like to have a nickel for every word that has been spoken about the good intentions of reauthorizing the act. It has not been done yet. Given that track record, it just goes to prove that the way Washington works and the way we regulate have to be looked at.

I would rather this amendment not come up. I do not think this is the time or place to consider this issue, as an amendment on this bill. The Committee on Environment and Public Works has the reauthorization now under consideration and should come forth with legislation for this body to vote on.

We should let that process move forward. The law, in its present form, is not working in the manner in which it was intended or in a way it can be successful. If we who serve here in the Senate are to pursue sensible environmental policy that preserves the gains

that we have made in the last two decades, then this law will have to be changed to make it user friendly, and also to approach the problem of endangered species in a plain, everyday, commonsense way. If there is anything we are short of here, it is common sense.

However, that not being the case in this instance, let us look and see the merits of this amendment and, of course, the second-degree amendment. The moratorium now in effect is just on listings. Until a couple of weeks ago, we had 2,500 to 3,000 candidates on the list to be considered for listing. Under the moratorium, we now have 184. The Secretary of the Interior using a model in which to cut those way back so it does not sound like they are not working to make it work. And recovery plans on those who are actually on the endangered list continue.

Now, I suggest to this body that for as much money as it has cost, the recovery record has not been very good. If the sponsor of this amendment wants to take credit for delaying this bill, thus leaving the employees for the respective departments not knowing—we should give them some predictability and planning for which they are responsible with regard to this Endangered Species Act.

Recovery plans must move on. It cannot move on as long as the appropriation is hung up here in the U.S. Senate. It is not fair to the employees, nor is it fair to the taxpayers of this country, nor is it fair to what we are trying to do, which is to preserve a base of biological diversity that we all know is very, very important.

The sponsors of this amendment must understand that the very people who are administering this law are the ones that are funded by this legislation. But sometimes I do not understand the motives on such predictability.

I do not think we have an endangered species crisis or an environmental crisis here. I do not feel there is any great urgency or a great care for the maintenance or restoration of a healthy biological base or diversity—not in this particular exercise, not on this day. I have a feeling there is a little bit of politics in this. But, after all, that should not surprise any of us. It is like I said, the work goes on. Right now, there are around 900 domestic species that are listed on the threatened or endangered list. There are another 900 on the foreign endangered species list. There were 3,500 to 4,000 a couple of weeks ago on the candidate list, which is now down to 182. So the work continues.

So it is not that the U.S. Fish and Wildlife Service does not have enough work to do without this moratorium, because they do. This has been a very, very expensive law. And, at times, it has defied common sense. In most areas, the law has not worked. It is being used for a purpose that it was not intended for.

I would like to look at a couple of species that have been listed. We have spent over $2 billion in recovery, both in taxpayers' money and ratepayers' money, on the Columbia River trying to recover the sockeye and the chinook salmon. You can buy salmon in any grocery store fresh, frozen, or canned. As you know, we had the terrible accident in Prince William Sound in 1989 when the *Exxon Valdez* ship hit a rock and spilled the crude. Everybody said the fishing would be gone forever. The other day in that particular part of the world—I noticed that the Secretary of Agriculture, Dan Glickman, went to Alaska, and the harvest of salmon was so big that the Department of Agriculture has decided to buy an extra amount of salmon for the school lunch programs around this country.

The market is depressed because of an oversupply. Mr. President, I am sure not opposed to the School Lunch Program. In fact, I am a great supporter of it. I even like the idea that salmon should be a part of the diet. But it does seem strange to me that we have chinook and sockeye salmon on the endangered species list where we will be able to buy it anywhere in the world, and yet, we have spent all that money with the possibility of endangering hydro power production on the Columbia River. I think we can cite a lot of those kinds of instances where common sense has absolutely been laid aside to make it work.

I hope my colleagues will reject this amendment and allow the committee of jurisdiction to complete its work in reforming the law. Let us involve local government; let us involve local citizens when we start talking about listing; and let us separate this business of listing from the business of recovery. Right now, the way the law is written, if a species is put on the endangered list, it is head-over-heels costs. It means nothing. We start the recovery program and, as we have found out, that becomes very expensive. Let us not knee-jerk this around because it is a highly charged issue, just to appease some folks who want an environmental record.

When one has to answer and solve a problem or policy, or enable problem solving to go forward, and we do it by just throwing taxpayer money at it, I do not think that is the correct approach. And if we are to pass on to the next generation a world where clean water and clean air is the hallmark, and a broad-based biological diversity is intact, then we must approach it and we have to make sure that this law survives.

As it is right now, it may not—the total law—because of people and the actions that they take to prevent it being applied to my property or my neighbors' property.

So, Mr. President, the moratorium should stay intact. And there are those who are dedicated. I know that my friend from Nevada—I worked with him on another committee—when he commits himself to something, he does it wholeheartedly and with a great deal of integrity.

They should keep working on this law. They should bring it forward. But I am kind of like the Nike commercial: ''Let's do it.'' Let us quit talking about it and do it. Let us quit dealing with people that might be like a featherbed because the last one that sits on it leaves the biggest impression. Let us do it because the law needs to be reformed. My friend from Nevada understands that, and also my friend from Idaho does.

We want to see it survive, and we want to see it work in the best interest of mankind and also for the species that are involved. Let us look at fairness. Let us look at balance. But let us make sure that it works. Let us involve local government from the county commissioners to the city council. Let us work with Governors and State government. Let us work with the fish and game people and the wildlife biologists that are found in each and every State, because each and every State is unique and they have a very unique biological base.

So let us reject the Reid amendment totally, and let us bring forth a new bill. Let us dedicate ourselves to it because I think we owe it to the taxpayers of this country.

Mr. President, I yield the floor.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I reluctantly disagree with my friend from Montana on the bulk of his statement. I say to my friend before he leaves the floor that one of the most pleasant experiences I have had in the U.S. Senate has been working with the junior Senator from Montana on the Appropriations Committee, he being chairman of the Military Construction Subcommittee and me being the ranking member. He is easy to work with, and I think we have been very productive in that subcommittee.

Mr. President, first of all, let us go back and reflect on how we arrived at the point where we are now. The junior Senator from Texas offered an amendment to stop listing further species until the end of the fiscal year. That was the end of last fiscal year—not this fiscal year.

I read from the CONGRESSIONAL RECORD where the Senator said the amendment rescinds $1.5 million of funding for new listings of endangered or threatened species, or designation of critical habitat, through the end of the fiscal year, which is a little more than 6 months from now. It provides remaining funds not to be used for final listings.

Mr. President, this so-called emergency moratorium was to end last October 1. Here it is October, November, December, January, February, and we are in the middle of March—6 months later, almost 1 year later, and it is still going on. That is wrong. The record is replete with examples of why we should not have this moratorium.

There are species of plants and animals that are life-sustaining that will

relieve pain and misery throughout the world. Eighty percent of the drugs prescribed to the American public are compounds that initially come from a plant or other species.

Mr. President, I say to my friend from Montana who gave the example of the oil spill in 1989 that I hope—I am sure—the intent of the Senator was not that we have more oil spills to increase the population of fish around the world. We all know that there is a lot of fish where the oil was spilled. It was not because of the oil being spilled there.

I also say to my friend from Montana that the numbers of species that he talked about is daily. The Department of the Interior published within the past couple of weeks; the prepublication copy was February 23 of this year. The Department of the Interior Fish and Wildlife Service, 50 Code of the Federal Register, Part 17, Endangered/Threatened Wildlife and Plants, revealed plants and animals that are candidates of listing as endangered or threatened species. There are 182. They eliminated the others.

So, as I indicated earlier, Mr. President, we have 243 species that have already been proposed for listing. We have 182 that are candidate species. This is what we have to make sure of —that we are allowed to process these in an appropriate order. This does not mean when the moratorium is lifted that we are going to have 182 or 243 thrown at the American public in a day or two. It will take years. But the process needs to go forward for the reasons that I have mentioned.

We are dealing literally with life and death. We have been very patient. The chairman of the full committee voted with the junior Senator from Texas on the original moratorium. I think everyone who voted for it was willing to say, ''Well, we will give it until the end of this fiscal year.'' But then, after the fiscal year, we got into the continuing resolution process. I think there were 10 CR's offered in the past few months, and in each one of those the moratorium was extended and extended and extended, and it has been to the detriment of the American public. We owe it to the American public to process these species of plants and animals that are listed. Doing so, Mr. President, will benefit mankind and certainly do the thing that is fair.

The emergency listing in the second-degree amendment is very transparent. It is only a way to give people who want to say they want an environmental vote to vote environmentally. As we have already established an emergency listing, that is not how we should list things. We should not wait until the animals are gone before we list them. It should be an orderly process so we make it much better and easier on everyone.

Mr. President, I will await the debate in the morning, and I yield the floor.

The PRESIDING OFFICER. According to the previous order, there is no further debate.

Does the Senator from Montana seek recognition?

Mr. BURNS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

MODIFICATION TO AMENDMENT NO. 3473

Mr. BURNS. Mr. President, I ask unanimous consent to modify amendment No. 3473, to make technical changes that I will send to the desk.

Further, I ask unanimous consent to restore text at the end of amendment No. 3473. Language that appears on pages 778, line 1 through 781, line 4 of amendment No. 3466 was inadvertently deleted.

I send the technical changes to the desk.

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

So, the modification to amendment No. 3473 is as follows:

Under the heading ''Departmental Management, Salaries and Expenses'', $12,000,000, of which $10,000,000 shall be only for terminal leave, severance pay, and other costs directly related to the reduction of the number of employees in the Department.

In addition to the amounts provided for in Title I of this Act for the Department of Health and Human Services:

Under the heading ''Health Resources and Services'', $55,256,000: *Provided*, That $52,000,000 of such funds shall be used only for State AIDS Drug Assistance Programs authorized by section 2616 of the Public Health Service Act and shall be distributed to States as authorized by section 2618(b)(2) of such Act; and

Under the heading ''Substance Abuse and Mental Health Services'', $134,107,000.

PART 3—GENERAL PROVISION

Notwithstanding any other provision of this Act, section 4002 shall not apply to part 1 of chapter 3 of title IV.

On page 539, lines 18 and 19, and page 540, line 10, decrease each amount by $200,000,000.

On page 546, increase the rescission amount on line 21 by $15,000,000.

On page 583, lines 4 and 14, decrease each amount by $224,000,000.

ADMINISTRATION FOR CHILDREN AND FAMILIES
JOB OPPORTUNITIES AND BASIC SKILLS

(RESCISSION)

Of the funds made available under this heading elsewhere in this Act, there is rescinded an amount equal to the total of the funds within each State's limitation for fiscal year 1996 that are not necessary to pay such State's allowable claims for such fiscal year.

Section 403(k)(3)(F) of the Social Security Act (as amended by Public Law 100–485) is amended by adding: ''reduced by an amount equal to the total of those funds that are within each State's limitation for fiscal year 1996 that are not necessary to pay such State's allowable claims for such fiscal year (except that such amount for such year shall be deemed to be $1,000,000,000 for the purpose of determining the amount of the payment under subsection (1) to which each State is entitled),''.

FEDERAL AVIATION ADMINISTRATION GRANTS-IN-AID FOR AIRPORTS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION OF CONTRACT AUTHORIZATION)

Of the available contract authority balances under this account, $616,000,000 are rescinded.

FLOODING

Mr. GORTON. Mr. President, as Senator HATFIELD knows, Cowlitz County has been digging out, literally and figuratively, from the effects of Mt. St. Helens ever since 1980. These last two floods have exacerbated the movement of sediment in the Toutle, Cowlitz and Columbia Rivers creating both flooding and navigation concerns. Will the current Senate bill provide funding so the Corps of Engineers can use authorities available to them to review and correct these newly created problems?

Mr. HATFIELD. Yes, this bill provides funding for the corps to address problems such as those raised by my good friend, the Senator from Washington.

Mr. CONRAD. Mr. President, I note that the chairman and ranking member of the Commerce/State/Justice Appropriations Subcommittee are on the floor at this time. Senator DORGAN and I would like to engage them in a colloquy concerning the amendments which we offered and which were accepted yesterday to help prevent flooding at Devils Lake, ND

The omnibus appropriations bill now includes emergency funding to address flooding at Devils Lake, ND. The lake is located in Benson and Ramsey Counties, as well as in the Devils Lake Sioux Indian Reservation. Last year, as my colleagues know, the lake reached a 120-year high water level, causing more than $35 million in damages. The National Weather Service projects that the lake will rise an additional 2½ to 3 feet this year. It is our understanding that the additional $10 million provided to the Economic Development Administration is to undertake emergency flood prevention efforts at Devils Lake. These emergency funds are critical to the area's economy, and will help prevent some of the $50 million in flood damages expected this year at Devils Lake.

Mr. DORGAN. It is also our intention that the State of North Dakota or its designee be the EDA grant recipient in order to get emergency funding to the Devils Lake area as quickly as possible. An Interagency Task Force, headed by FEMA Director James Lee Witt, has recommended that 100,000 acre-feet of water be stored on upper basin lands as part of a comprehensive strategy to deal with the unprecedented high water. Additionally, the Army Corps of Engineers' Contingency Plan and the Interagency Task Force recommended raising essential roads that are expected to experience flood damage. Would the Chairman of the Commerce, Justice, and State Appropriations Subcommittee agree that water storage and elevating roadways are critical to ensuring the economic well-being of Devils Lake?

Mr. GREGG. It is my understanding that water storage and elevating roadways are essential to the area's economy, and that only those projects recommended by the Interagency Task Force or identified by the Corps of Engineers' contingency plan would be appropriate uses of the emergency supplemental funds for Devils Lake under

this bill. Is it the Senators' understanding that the State of North Dakota would provide the customarily required non-Federal cost share?

Mr. DORGAN. It is my understanding that North Dakota would provide whatever non-Federal share is customarily required by EDA.

Mr. CONRAD. That is my understanding as well.

Mr. HOLLINGS. Let me add that I agree with the comments of Senator GREGG. Projects of those types would fit well within the parameters of the emergency supplemental appropriations language.

Mr. DORGAN. I thank the Senators for their comments. I want to express my appreciation to the chairman and ranking member of the Appropriations Subcommittee on Commerce, Justice, and State for their assistance.

Mr. CONRAD. I also want to thank the Senators for clarifying the intent of Congress regarding emergency funding for Devils Lake. This funding will help prevent tens of millions of dollars of damages in Benson and Ramsey Counties and on the Devils Lake Sioux Indian Reservation.

Mr. CRAIG. Mr. President, the disastrous flooding in the northwestern United States has covered many areas with layers of flood-borne boulders, gravel, woody debris, and associated materials. Among those areas of particular concern are U.S. Department of Agriculture [USDA] Conservation Reserve Program [CRP] lands. The CRP program provides cost-share assistance to reestablish destroyed permanent vegetative cover. It is my understanding that present Department policy prohibits USDA from providing cost-share assistance of clear CRP lands of debris to reestablish permanent cover. However, the severity of this flood has covered these lands with unusually heavy and extensive deposits of materials that must be removed before permanent cover can be reestablished. It is also my understanding that the Department has the discretion to allow cost-sharing assistance to remove such materials. We are told that these lands are not eligible to use Emergency Conservation Program funds for clearing debris.

Mr. HATFIELD. Mr. President, our states, which border each other and have suffered from the same natural disaster, have similar and shared problems. I would inform the Senator that section 1101 of chapter 11 of title II of this bill gives cabinet secretaries of involved departments authority to waive or specify alternative requirements of any statute of regulation to expedite the provision of disaster assistance to affected areas. I believe that the Secretary of Agriculture can and should use this authority to provide cost sharing assistance to clear lands enrolled in the CRP reestablished cover.

Mr. COCHRAN. Mr. President, I concur with my friend from Oregon, the distinguished Chairman of the Appropriations Committee, that this would be an appropriate use of this authority.

Mr. CRAIG. Mr. President, as you know, my State of Idaho was devastated like others in the Northwest from floods in recent months. Many agricultural lands have sustained damage which must be repaired if the land is to be returned to productive use. It is my understanding that a need of $1,167,000 has been determined for conservation work and streambank stabilization in Idaho through the Agricultural Conservation Program, which was not requested by the President. However, it is also my understanding that the Department of Agriculture administers the Emergency Watershed and Flood Prevention Operations Program and the Emergency Conservation Program, which could fund these needed activities in Idaho and other affected states in the Northwest. I would ask my colleague, the chairman of the Appropriations Subcommittee on Agriculture, Rural Development and Related Agencies if this is his understanding as well?

Mr. COCHRAN. Mr. President, I appreciate the distinguished Senator's inquiry. This bill includes $107,514,000 for watershed and flood prevention operations and $30,000,000 for the Emergency Conservation Program. USDA has determined that these amounts should be sufficient to cover the damage sustained in the Northwest and other areas which have experienced natural disasters.

Mr. PRESSLER. Mr. President, the omnibus appropriations bill before us today is a wide ranging piece of legislation with programs that impact teachers, doctors, job trainees, police officers, and businessmen. I do want to single out one small piece of this legislation that is very important for South Dakota students and families, especially those in rural areas.

You see, many small banks and credit unions have been leaving the Federal student loan program due to burdensome audits imposed by the Department of Education. The audits on guarantee agencies and schools were extended to lenders in the Higher Education Act Amendments of 1992. I fully agree with the goal of cracking down on fraud and abuse in the student loan program.

However, these audits on small lenders are clearly a case of the cure being worse than the illness. The audits are duplicative and in the case of many small financial institutions, exceeding the profitability of the program. The audits are bureaucratic overkill. Expenditures are wasted, as the Department of Education does not even review all of the audits. For lenders with small portfolios, it does not make sense to stay in a program that is losing money. As a result, small lenders are leaving the program, forcing students and families to take their student loan business away from their hometown banks. When hometown lenders leave the program, students and communities are the real losers.

I was pleased to have worked with the chairman of the Labor and Human Resources Committee, Senator KASSEBAUM, to include language in the Balanced Budget Act to correct this problem by creating an exemption for lenders with portfolios under $5 million. I am equally pleased that the Appropriations Committee included the same language in the bill before us today. I want to thank the chairman of the Appropriations Committee, Senator HATFIELD, and the Subcommittee Chairman, Senator SPECTER, for adding this provision, which will allow students to continue doing business with their hometown banks. I am pleased this problem will be resolved for small lenders and their communities.

Mr. KENNEDY. Mr. President, I wish to make an observation about funding in this Appropriations bill for the Police Corps program.

I have long supported the Police Corps concept, because I believe it represents an innovative way to improve public safety and strengthen the ties between police departments and the communities they serve. I was proud to be an original sponsor of the Police Corps legislation, which was enacted into law in 1994 as part of the omnibus crime bill.

In the Senate-passed version of the crime bill, the Police Corps program was authorized at $100 million for the first year, $250 million the second year, and such sums as were necessary thereafter. Clearly, the Senate contemplated a truly national program. Regrettably, the pending bill contains only $10 million for this important program, so a national effort is not feasible at this time. I am nonetheless pleased that the Police Corps will finally get off the ground.

It is my view that the $10 million appropriated in this bill should be used to support a limited number of pilot programs, rather than spread thinly over many jurisdictions. With this much reduced amount, the Police Corps concept can only receive a fair trial if the money is concentrated in a few jurisdictions that make a serious effort to implement the program comprehensively. If instead the money were dispersed across the country as 435 separate Police Corps grants, each grant would support only one Police Corps officer. The administrative overhead alone would essentially swallow the entire appropriation.

This program will be administered by the Department of Justice. I expect—and I believe that my view is shared by the Appropriations Committee and the full Senate—that the Attorney General will allocate the $10 million to no more than four or five jurisdictions. It is my understanding that several police departments are already prepared to apply for grants and then implement the program swiftly and conscientiously.

I also understand that the administration intends to request increased funds for the Police Corps Program in fiscal year 1997, at which time other jurisdictions can be added.

I look forward to the commencement of the Police Corps effort, and expect that in the jurisdictions in which it is implemented it will make a real difference in public safety and police-community relations.

MORNING BUSINESS

Mr. BURNS. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak up to 5 minutes each.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, March 11, 1996, the Federal debt stood at $5,017,403,575,141.97.

On a per capita basis, every man, woman, and child in America owes $19,044.49 as his or her share of that debt.

LOBOS WIN WAC BASKETBALL TOURNAMENT

Mr. BINGAMAN, Mr. President, I would like to take a moment to say a few words about the University of New Mexico men's basketball team, which this week completed one of its best seasons ever by winning the Western Athletic Conference Tournament title.

This has been an excellent year for the Lobo basketball program, winning 27 games so far and winning the conference tournament in dramatic fashion. The Lobos were able to pull out a triple-overtime win over Fresno State in the semi-final, and then were able to come back from that emotional game to upset an excellent Utah team for the conference tournament championship.

What makes the victories especially gratifying for New Mexicans is the large number of New Mexico high school basketball players that make up this team. Being a sparsely populated state, our universities have often needed to recruit from throughout the country for athletes. Often our schools would field teams, both successful and unsuccessful, that included no native New Mexicans. It is a tribute to the quality of New Mexico's high school athletic programs that athletes such as Kenny Thomas, David Gibson, Royce Olney and Daniel Santiago have played such an integral part in this season's achievements.

I congratulate coach Dave Bliss and his team for making its fourth appearance in six years in the NCAA Men's Basketball Tournament and for winning the Western Athletic Conference Championship.

I also congratulate Don Flanangan and the UNM Women's which made it to the conference finals.

I would also like to take this opportunity to recognize the coaching efforts of Lou Henson, who has announced his retirement from coaching after 21 years at the University of Illinois. Before beginning his fine career at Illinois, Henson both played and coached at New Mexico State University. He coached the 1970 Aggies to the Final Four and in 1989 brought the Illini there as well. Henson leaves collage basketball with an overall record of 663 wins against 223 losses. He has been a credit to the game and to New Mexico.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting one nomination which was referred to the Committee on Foreign Relations.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–2012. A communication from the Director of the Office of Management and Budget, the Executive Office of the President, transmitting, pursuant to law, the report on appropriations legislation within five days of enactment; to the Committee on the Budget.

EC–2013. A communication from the Assistant Secretary of the Interior for Water and Science, transmitting, pursuant to law, the report of a proposed contract amendment; to the Committee on Energy and Natural Resources.

EC–2014. A communication from the Director of Administration and Management, Office of the Secretary of Defense, transmitting, pursuant to law, a report relative to the Pentagon Reservation; to the Committee on Appropriations.

EC–2015. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-180 adopted by the Council on January 4, 1996; to the Committee on Governmental Affairs.

EC–2016. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-181 adopted by the Council on January 4, 1996; to the Committee on Governmental Affairs.

EC–2017. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-185 adopted by the Council on January 4, 1996; to the Committee on Governmental Affairs.

EC–2018. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-189 adopted by the Council on January 4, 1996; to the Committee on Governmental Affairs.

EC–2019. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-190 adopted by the Council on January 4, 1996; to the Committee on Governmental Affairs.

EC–2020. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-191 adopted by the Council on January 4, 1996; to the Committee on Governmental Affairs.

EC–2021. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-192 adopted by the Council on January 4, 1996; to the Committee on Governmental Affairs.

EC–2022. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-193 adopted by the Council on January 4, 1996; to the Committee on Governmental Affairs.

EC–2023. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-194 adopted by the Council on January 4, 1996; to the Committee on Governmental Affairs.

EC–2024. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-195 adopted by the Council on January 4, 1996; to the Committee on Governmental Affairs.

EC–2025. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-196 adopted by the Council on January 4, 1996; to the Committee on Governmental Affairs.

EC–2026. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-198 adopted by the Council on January 4, 1996; to the Committee on Governmental Affairs.

EC–2027. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-199 adopted by the Council on January 4, 1996; to the Committee on Governmental Affairs.

EC–2028. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-200 adopted by the Council on January 4, 1996; to the Committee on Governmental Affairs.

EC–2029. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-197 adopted by the Council on January 4, 1996; to the Committee on Governmental Affairs.

EC–2030. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-201 adopted by the Council on January 4, 1996; to the Committee on Governmental Affairs.

EC–2031. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-202 adopted by the Council on January 4, 1996; to the Committee on Governmental Affairs.

EC–2032. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-215 adopted by the Council on January 4, 1996; to the Committee on Governmental Affairs.

EC–2033. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-217 adopted by the Council on January 4, 1996; to the Committee on Governmental Affairs.

EC–2034. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of

D.C. Act 11-218 adopted by the Council on January 4, 1996; to the Committee on Governmental Affairs.

EC–2035. A communication from the District of Columbia Auditor, transmitting, pursuant to law, the report entitled ''Audit of the Boxing and Wrestling Commission for Fiscal Year 1994''; to the Committee on Governmental Affairs.

EC–2036. A communication from the District of Columbia Auditor, transmitting, pursuant to law, the report entitled ''Evaluation of the D.C. Lottery Board's Wagering Cancellation Methodology''; to the Committee on Governmental Affairs.

EC–2037. A communication from the District of Columbia Auditor, transmitting, pursuant to law, the report entitled ''Review of the Fiscal Year 1995 Comprehensive Annual Financial Report''; to the Committee on Governmental Affairs.

EC–2038. A communication from the District of Columbia Auditor, transmitting, pursuant to law, the report entitled ''Review and Analysis of the District's Accounts Receivable''; to the Committee on Governmental Affairs.

EC–2039. A communication from the District of Columbia Auditor, transmitting, pursuant to law, the report entitled ''Analysis of the Revised Fiscal Year 1996 General Fund Revenue Estimates in Support of the Mayor's Budget for Fiscal Year 1996''; to the Committee on Governmental Affairs.

EC–2040. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-213 adopted by the Council on February 6, 1996; to the Committee on Governmental Affairs.

EC–2041. A communication from the District of Columbia Auditor, transmitting, pursuant to law, the report entitled ''Review of the Boxing Event of October 15, 1995 Regulated by the District of Columbia Boxing and Wrestling Commission''; to the Committee on Governmental Affairs.

EC–2042. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the report under the Chief Financial Officers Act for fiscal year 1995; to the Committee on Governmental Affairs.

EC–2043. A communication from the Chief Financial Officer of the Export-Import Bank, transmitting, pursuant to law, the report under the Chief Financial Officers Act for fiscal year 1995; to the Committee on Governmental Affairs.

EC–2044. A communication from the Executive Officer of the National Science Board, transmitting, pursuant to law, the report under the Government in the Sunshine Act for calendar year 1995; to the Committee on Governmental Affairs.

EC–2045. A communication from the General Counsel and Corporate Secretary of the Legal Services Corporation, transmitting, pursuant to law, the report under the Government in the Sunshine Act for calendar year 1995; to the Committee on Governmental Affairs.

EC–2046. A communication from the Chairman of the Federal Housing Finance Board, transmitting, pursuant to law, the report under the Government in the Sunshine Act for calendar year 1995; to the Committee on Governmental Affairs.

EC–2047. A communication from the Chairman of the Board of Governors of the U.S. Postal Service, transmitting, pursuant to law, the report under the Government in the Sunshine Act for calendar year 1995; to the Committee on Governmental Affairs.

EC–2048. A communication from the Secretary of the Mississippi River Commission, Corps of Engineers, Department of the Army, transmitting, pursuant to law, the report under the Government in the Sunshine Act for calendar year 1995; to the Committee on Governmental Affairs.

EC–2049. A communication from the Chairman of the National Transportation Safety Board, transmitting, pursuant to law, the report under the Government in the Sunshine Act for calendar year 1995; to the Committee on Governmental Affairs.

EC–2050. A communication from the Executive Secretary of the National Labor Relations Board, transmitting, pursuant to law, the report under the Government in the Sunshine Act for calendar year 1995; to the Committee on Governmental Affairs.

EC–2051. A communication from the Chairman of the U.S. Parole Commission, Department of Justice, transmitting, pursuant to law, the report under the Government in the Sunshine Act for calendar year 1995; to the Committee on Governmental Affairs.

EC–2052. A communication from the Director of the Office of Communications and Legislative Affairs, Equal Employment Opportunity Commission, transmitting, pursuant to law, the report under the Government in the Sunshine Act for calendar year 1995; to the Committee on Governmental Affairs.

EC–2053. A communication from the Chairman of the Merit Systems Protection Board, transmitting, pursuant to law, the report under the Government in the Sunshine Act for calendar year 1995; to the Committee on Governmental Affairs.

REPORTS OF COMMITTEE

The following report of committee was submitted:

By Mr. HATFIELD, from the Committee on Appropriations:

Special Report entitled ''Revised Allocation to Subcommittees of Budget Totals From the Concurrent Resolution for Fiscal Year 1996'' (Rept. No. 104–240).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on Armed Services:

The following-named officers for promotion in the Regular Air Force of the United States to the grade indicated under title 10, United States Code, section 624:

To be brigadier general

Col. Brian A. Arnold, 000–00–0000
Col. John R. Baker, 000–00–0000
Col. Richard T. Banholzer, 000–00–0000
Col. John L. Barry, 000–00–0000
Col. John D. Becker, 000–00–0000
Col. Robert F. Behler, 000–00–0000
Col. Scott C. Bergren, 000–00–0000
Col. Paul L. Bielowicz, 000–00–0000
Col. Franklin J. Blaisdell, 000–00–0000
Col. John S. Boone, 000–00–0000
Col. Clayton G. Bridges, 000–00–0000
Col. John W. Brooks, 000–00–0000
Col. Walter E.L. Buchanan III, 000–00–0000
Col. Carrol H. Chandler, 000–00–0000
Col. John L. Clay, 000–00–0000
Col. Richard A. Coleman, Jr., 000–00–0000
Col. Paul R. Dordal, 000–00–0000
Col. Michael M. Dunn, 000–00–0000
Col. Thomas F. Gioconda, 000–00–0000
Col. Thomas B. Goslin, Jr., 000–00–0000
Col. Jack R. Holbein, Jr., 000–00–0000
Col. John G. Jernigan, 000–00–0000
Col. Charles L. Johnson II, 000–00–0000
Col. Lawrence D. Johnston, 000–00–0000
Col. Dennis R. Larsen, 000–00–0000
Col. Theodore W. Lay II, 000–00–0000
Col. Fred P. Lewis, 000–00–0000
Col. Stephen R. Lorenz, 000–00–0000
Col. Maurice L. McFann, Jr., 000–00–0000
Col. John W. Meincke, 000–00–0000
Col. Howard J. Mitchell, 000–00–0000
Col. William A. Moorman, 000–00–0000
Col. Teed M. Moseley, 000–00–0000
Col. Robert M. Murdock, 000–00–0000
Col. Michael C. Mushala, 000–00–0000
Col. David A. Nagy, 000–00–0000
Col. Wilbert D. Pearson, Jr., 000–00–0000
Col. Timothy A. Peppe, 000–00–0000
Col. Craig P. Rasmussen, 000–00–0000
Col. John F. Regni, 000–00–0000
Col. Victor E. Renuart, Jr., 000–00–0000
Col. Richard V. Reynolds, 000–00–0000
Col. Earnest O. Robbins II, 000–00–0000
Col. Steven A. Roser, 000–00–0000
Col. Mary L. Saunders, 000–00–0000
Col. Glen D. Shaffer, 000–00–0000
Col. James N. Soligan, 000–00–0000
Col. Billy K. Stewart, 000–00–0000
Col. Francis X. Taylor, 000–00–0000
Col. Rodney W. Wood, 000–00–0000

The following-named captains in the line of the U.S. Navy for promotion to the permanent grade of rear admiral (lower half), pursuant to title 10, United States Code, section 624, subject to qualifications therefore as provided by law:

UNRESTRICTED LINE OFFICER

To be rear admiral (lower half)

Capt. William Wilson Pickavance, Jr., 000–00–0000

ENGINEERING DUTY OFFICER

To be rear admiral (lower half)

Capt. George Richard Yount, 000–00–0000

Pursuant to an order of the Senate of June 29, 1990,

Ordered, that the following nomination be referred jointly to the Committees on Armed Services and Energy and Natural Resources:

*Alvin L. Alm, of Virginia, to be an Assistant Secretary of Energy (Environmental Management)

The following-named officers for promotion in the Regular Army of the United States to the grade indicated, under title 10, United States Code, sections 611(a) and 624:

To be brigadier general

Col. Joseph W. Arbuckle, 000–00–0000
Col. Barry D. Bates, 000–00–0000
Col. William G. Boykin, 000–00–0000
Col. Charles M. Burke, 000–00–0000
Col. Charles C. Campbell, 000–00–0000
Col. James L. Campbell, 000–00–0000
Col. Joseph R. Capka, 000–00–0000
Col. George W. Casey, Jr., 000–00–0000
Col. John T. Casey, 000–00–0000
Col. Dean W. Cash, 000–00–0000
Col. Dennis D. Cavin, 000–00–0000
Col. Robert F. Dees, 000–00–0000
Col. Larry J. Dodgen, 000–00–0000
Col. John C. Doesburg, 000–00–0000
Col. James E. Donald, 000–00–0000
Col. David W. Foley, 000–00–0000
Col. Harry D. Gatanas, 000–00–0000
Col. Robert A. Harding, 000–00–0000
Col. Roderick J. Isler, 000–00–0000
Col. Dennis K. Jackson, 000–00–0000
Col. Alan D. Johnson, 000–00–0000
Col. Anthony R. Jones, 000–00–0000
Col. William J. Lennox, Jr., 000–00–0000
Col. James J. Lovelace, Jr., 000–00–0000
Col. Jerry W. McElwee, 000–00–0000
Col. David D. McKiernan, 000–00–0000
Col. Clayton E. Melton, 000–00–0000
Col. Willie B. Nance, Jr., 000–00–0000
Col. Robert W. Noonan, Jr., 000–00–0000
Col. Kenneth L. Privratsky, 000–00–0000
Col. Hawthorne L. Proctor, 000–00–0000
Col. Ralph R. Ripley, 000–00–0000
Col. Earl M. Simms, 000–00–0000
Col. Zannie O. Smith, 000–00–0000
Col. Robert L. VanAntwerp, Jr., 000–00–0000
Col. Hans A. VanWinkle, 000–00–0000

Col. Robert W. Wagner, 000–00–0000
Col. Daniel R. Zanini, 000–00–0000

AIR FORCE

The following-named officers for promotion in the Regular Air Force of the United States to the grade indicated under title 10, United States Code, section 624:

To be major general

Brig. Gen. Thomas R. Case, 000–00–0000
Brig. Gen. Donald G. Cook, 000–00–0000
Brig. Gen. Charles H. Coolidge, Jr., 000–00–0000
Brig. Gen. John R. Dallager, 000–00–0000
Brig. Gen. Richard L. Engel, 000–00–0000
Brig. Gen. Marvin R. Esmond, 000–00–0000
Brig. Gen. Bobby O. Floyd, 000–00–0000
Brig. Gen. Robert H. Foglesong, 000–00–0000
Brig. Gen. Jeffrey R. Grime, 000–00–0000
Brig. Gen. John W. Hawley, 000–00–0000
Brig. Gen. Michael V. Hayden, 000–00–0000
Brig. Gen. William T. Hobbins, 000–00–0000
Brig. Gen. John D. Hopper, Jr., 000–00–0000
Brig. Gen. Raymond P. Huot, 000–00–0000
Brig. Gen. Timothy A. Kinnan, 000–00–0000
Brig. Gen. Michael C. Kostelnik, 000–00–0000
Brig. Gen. Lance W. Lord, 000–00–0000
Brig. Gen. Ronald C. Marcotte, 000–00–0000
Brig. Gen. Gregory S. Martin, 000–00–0000
Brig. Gen. Michael J. McCarthy, 000–00–0000
Brig. Gen. John F. Miller, Jr., 000–00–0000
Brig. Gen. Charles H. Perez, 000–00–0000
Brig. Gen. Stephen B. Plummer, 000–00–0000
Brig. Gen. David A. Sawyer, 000–00–0000
Brig. Gen. Terryl J. Schwalier, 000–00–0000
Brig. Gen. George T. Stringer, 000–00–0000
Brig. Gen. Gary A. Voellger, 000–00–0000

AIR FORCE

The following-named officers for appointment in the Air National Guard of the U.S. Air Force, to the grade indicated, under the provisions of Title 10, United States Code, Sections 8373, 8374, 12201, and 12212:

To be major general

Brig. Gen. James F. Brown, 000–00–0000
Brig. Gen. James McIntosh, 000–00–0000

To be brigadier general

Col. Gary A. Brewington, 000–00–0000
Col. William L. Fleshman, 000–00–0000
Col. Allen H. Henderson, 000–00–0000
Col. John E. Iffland, 000–00–0000
Col. Dennis J. Kerkman, 000–00–0000
Col. Stephen M. Koper, 000–00–0000
Col. Anthony L. Liguori, 000–00–0000
Col. Kenneth W. Mahon, 000–00–0000
Col. William H. Phillips, 000–00–0000
Col. Jerry H. Risher, 000–00–0000
Col. William J. Shondel, 000–00–0000

AIR FORCE

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601:

To be lieutenant general

Major Gen. Richard C. Bethurem, 000–00–0000

The following-named officer for appointment to the grade of general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601:

To be general

Lt. Gen. Michael E. Ryan, 000–00–0000

The following-named officer for reappointment to the grade of general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601:

To be general

Gen. Richard E. Hawley, 000–00–0000

ARMY

The following U.S. Army National Guard officer for promotion in the Reserve of the Army to the grade indicated under Title 10, United States Code, sections 3385, 3392 and 12203(a):

To be major general

Brig. Gen. Stanhope S. Spears, 000–00–0000

(The above nominations were reported with the recommendation that they be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. KOHL:

S. 1604. A bill to improve the Juvenile Justice and Delinquency Prevention Act requirements regarding separate detention and confinement of juveniles, and for other purposes; to the Committee on the Judiciary.

By Mr. MURKOWSKI (by request):

S. 1605. A bill to amend the Energy Policy and Conservation Act to manage the Strategic Petroleum Reserve more effectively and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HATCH (for himself, Mrs. FEINSTEIN, Mr. THURMOND, Mr. DEWINE, Mr. KOHL, and Mr. BIDEN):

S. 1606. A bill to control the use of biological agents that have the potential to pose a severe threat to public health and safety, and for other purposes; to the Committee on the Judiciary.

By Mrs. FEINSTEIN (for herself, Mr. GRASSLEY, Mr. REID, and Mr. KYL):

S. 1607. A bill to control access to precursor chemicals used to manufacture methamphetamine and other illicit narcotics, and for other purposes; to the Committee on the Judiciary.

By Mr. MCCAIN (for himself and Mr. INOUYE):

S. 1608. A bill to extend the applicability of certain regulatory authority under the Indian Self-Determination and Education Assistance Act, and for other purposes; to the Committee on Indian Affairs.

By Mr. BIDEN:

S. 1609. A bill to provide for the rescheduling of flunitrazepan into schedule I of the Controlled Substances Act, and for other purposes; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. CAMPBELL:

S. Con. Res. 44. Concurrent resolution authorizing the use of the Capitol Grounds for an event sponsored by the Specialty Equipment Market Association; to the Committee on Rules and Administration.

By Mr. DOLE (for himself and Mr. HELMS):

S. Con. Res. 45. Concurrent resolution authorizing the use of the Capitol Rotunda on May 2, 1996, for the presentation of the Congressional Gold Medal to Reverend and Mrs. Billy Graham; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KOHL:

S. 1604. A bill to improve the Juvenile Justice and Delinquency Prevention Act requirements regarding separate detention and confinement of juveniles, and for other purposes; to the Committee on the Judiciary.

THE JUVENILE JAIL IMPROVEMENT ACT OF 1996

• Mr. KOHL. Mr. President, I introduce the Juvenile Jail Improvement Act of 1996.

We face a growing and frightening tide of juvenile violence. And that tide is threatening to swamp our rural sheriffs. It is increasingly common for rural sheriffs to face a terrible dilemma every time they arrest a juvenile—they either have to release a potentially violent juvenile on the street to await trial or they have to spend invaluable time and manpower chauffeuring the juvenile around their State to an appropriate detention facility. Either way, the current system makes little sense and needs to be changed.

Let me explain how this dilemma works. In most rural communities, the only jail available is built exclusively for adults. There are no special juvenile facilities. But sometimes, the community can create a separate portion of the jail for juveniles. However, under current law, a juvenile picked up for criminal activity can only be held in a separate portion of an adult facility for up to 24 hours. After that, the juvenile must be transported—often across hundreds of miles—to a separate juvenile detention facility, often to be returned to the very same jail 2 or 3 days later for a court date. This system often leaves rural law enforcement crisscrossing the State with a single juvenile—and results in massive expenses for law enforcement with little benefit for juveniles, who spend endless hours in a squad car. Such a process does not serve anyone's interests.

And that is not all that rural sheriffs face. Even qualifying for the 24-hour exception can be a nightmare. That's because juveniles can be kept in adult jails only under a very stringent set of rules. Keeping juveniles in an adult jail is known as collocation. It can only be done if there is strict sight and sound separation between the adults and the juveniles as well as completely separate staff. For many small communities, making these physical and staff changes to their jails is prohibitively expensive.

So sheriffs faced with diverting officers to drive around the State in search of a detention facility may chose to let the juvenile free while awaiting trial. This prospect should frighten anyone who is aware of the growing trend in juvenile violence.

Today, I am introducing legislation that is designed to cure this problem. My legislative solution is simple, straightforward and effective. It extends from 24 to 72 hours the time during which rural law enforcement may collocate juvenile offenders in an adult facility, as long as juveniles remain separated from adults. It also relaxes the requirements for acceptable collocation. After taking a hard look at how the collocation rules have

worked—and in what ways they have failed—this legislation comes to a reasonable compromise, and, as a result, it has the support of the Badger Sheriffs Association.

Mr. President, one of our most important goals is assuring that any changes to these rules does not sacrifice the safety and welfare of arrested juveniles. In addition to the growing fear about juvenile violence, we have witnessed a growing anger and frustration at juveniles. That frustration should not lead us to forget the painful lessons we learned many years ago about abusive and dangerous treatment of delinquent children. Twenty years ago, we learned about kids who were thrown in jail where they were victimized and abused by adult prisoners; or where, without proper supervision, they committed suicide; or, where, guarded by people who only had experience with adult prisoners, they were disciplined savagely. When we give in to the temptation to just throw juveniles in jail and teach them a tough lesson, we are often ill rewarded. So even as we loosen these collocation requirements, we must bear in mind that the juvenile justice system still has as its principle goal rehabilitation, not harsh retribution.

My conversations with administrators, sheriffs, and juvenile court judges have led me to conclude that we must bring greater flexibility—and less red-tape—to the Juvenile Justice Act. It is my hope that this legislation—which offers greater flexibility while retaining important protections regarding the separation of juveniles from adults—will meet with strong support from the Senate.

Mr. President, I ask unanimous consent that the full text of this bill be printed in the RECORD.

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

S. 1604

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Juvenile Jail Improvement Act''.

SEC. 2. FINDINGS.

Congress finds that—

(1) current Juvenile Justice and Delinquency Prevention Act rules and regulations concerning the separation of adults from juveniles during short periods of detention or confinement have proven unduly burdensome for rural law enforcement;

(2) altering requirements concerning the length of stay permitted in a State-approved portion of a county jail or secure detention facility, while retaining the separation of juveniles from adults, would diminish these burdens without harm to juveniles;

(3) the requirement of completely separate staffing during these short stays also creates large burdens yet yields little benefit for juveniles; and

(4) experience with shared staff indicates that juveniles are not harmed by the use of shared staff, so long as the staff members are appropriately trained and certified, and juveniles do not have regular contact with adults.

SEC. 3. CLARIFICATION OF CONTACT RULES.

Section 223(a)(14) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5633(a)(14)) is amended—

(1) by striking ''1997'' and inserting ''2001'';

(2) by striking ''pursuant to an enforceable State law requiring such appearances within twenty-four hours after being taken into custody (excluding weekends and holidays)'' and inserting ''and permit the detention or confinement of juveniles in a State approved portion of a county jail or secure detention facility for up to 72 hours''; and

(3) by striking ''such exceptions are'' and all that follows through the end of the paragraph and inserting the following: ''such exceptions—

''(A) are limited to areas that are in compliance with paragraph (13) and—

''(i) are outside a Standard Metropolitan Statistical Area; and

''(ii) have no existing acceptable alternative placement available that is easily accessible;

''(B) permit the same staff members to oversee both juveniles and adults only if such staff members have been properly trained and certified to supervise juveniles; and

''(C) ensure that juveniles have no regular contact with adult persons who are incarcerated because they have been convicted of a crime or are awaiting trial on criminal charges;''.●

By Mr. MURKOWSKI (by request):

S. 1605. A bill to amend the Energy Policy and Conservation Act to manage the strategic petroleum reserve more effectively and for other purposes; to the Committee on Energy and Natural Resources.

THE ENERGY POLICY AND CONSERVATION ACT AMENDMENTS ACT OF 1996

● Mr. MURKOWSKI. Mr. President, pursuant to an executive communication referred to the Committee on Energy and Natural Resources, at the request of the Secretary of Energy, I send to the desk a bill to amend and extend certain authorities in the Energy Policy and conservation Act which either have expired or will expire June 30, 1996.

Although I do not necessarily agree with all of the provisions of this bill, the reauthorization of the programs covered by the legislation, including the strategic petroleum reserve, is an important issue that must be fully considered by the committee and the Senate. Thus, I introduce this draft legislation today and ask unanimous consent that the executive communication and the bill be printed in the RECORD

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

S. 1605

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the ''Energy Policy and Conservation Act Amendments Act''.

SEC. 2. Section 2 of the Energy Policy and Conservation Act (42 U.S.C. 6201) is amended—

(1) in paragraph (1) by striking ''standby'' and '', subject to congressional review to impose rationing, to reduce demand for energy through the implementation of energy conservation plans, and'', and

(2) by striking paragraphs (3) and (6).

SEC. 3. Title I of the Energy Policy and Conservation Act (42 U.S.C. 6211–6251) is amended—

(a) by striking section 102 (42 U.S.C. 6211),

(b) in section 105 (42 U.S.C. 6213)—

(1) by amending subsection (a) to read as follows—

''(a) The Secretary of the Interior shall prohibit the bidding for any right to develop crude oil, natural gas, and natural gas liquids on any lands located on the Outer Continental Shelf by any person if more than one major oil company, more than one affiliate of a major oil company, or a major oil company and any affiliate of a major oil company, has or have a significant ownership interest in that person, when the Secretary determines prior to any lease sale that this bidding would adversely affect competition or the receipt of fair market value.'', and

(2) by striking subsections (c) and (e).

(c) by striking section 106 (42 U.S.C. 6214),

(d) in section 151 (42 U.S.C. 6231)—

(1) in subsection (a) by striking ''limited'' and ''short-term'', and

(2) by amending subsection (b) to read as follows:

''(b) It is the policy of the United States to provide for the creation of a Strategic Petroleum Reserve for the storage of up to 1 billion barrels of petroleum products to reduce the impact of disruptions in supplies of petroleum products or to carry out obligations of the United States under the international energy program.'',

(e) in section 152 (42 U.S.C. 6232)—

(1) by striking paragraphs (1) and (7), and

(2) in paragraph (11) by striking '', the Early Storage Reserve, and the Regional Petroleum Reserve '', and by adding a period after Industrial Petroleum Reserve.

(f) by striking section 153 (42 U.S.C. 6233),

(g) in section 154 (42 U.S.C. 6234)—

(1) by amending subsection (a) to read as follows:

''(a) A Strategic Petroleum Reserve for the storage of up to 1 billion barrels of petroleum products shall be created pursuant to this part.''.

(2) by amending subsection (b) to read as follows:

''(b) The Secretary, acting through the Strategic Petroleum Reserve Office and in accordance with this part, shall exercise authority over the development, operation, and maintenance of the Reserve.'', and

(3) by striking subsections (c), (d), and (e).

(h) by striking section 155 (42 U.S.C. 6235),

(i) in section 156(b) (42 U.S.C. 6236(b)), by striking ''To implement the Early Storage Reserve Plan or the Strategic Petroleum Reserve Plan which has taken effect pursuant to section 159(a), the'' and inserting ''The''.

(j) by striking section 157 (42 U.S.C. 6237),

(k) by striking section 158 (42 U.S.C. 6238),

(l) by amending the heading for section 159 (42 U.S.C. 6239) to read, ''Development, Operation, and Maintenance of the Reserve'',

(m) in section 159 (42 U.S.C. 6239)—

(1) by striking subsections (a), (b), (c), (d), and (e),

(2) by amending subsection (f) to read as follows:

''(f) In order to develop, operate, or maintain the Strategic Petroleum Reserve the Secretary may:

''(1) issue rules, regulations, or orders;

''(2) acquire by purchase, condemnation, or otherwise, land or interests in land for the location of storage and related facilities;

''(3) construct, purchase, lease, or otherwise acquire storage and related facilities;

''(4) use, lease, maintain, sell, or otherwise dispose of storage and related facilities acquired under this part, under such terms and conditions as the Secretary may deem necessary or appropriate;

''(5) acquire, subject to the provisions of section 160, by purchase, exchange, or otherwise, petroleum products for storage in the Strategic Petroleum Reserve;

''(6) store petroleum products in storage facilities owned and controlled by the United States or in storage facilities owned by others if those facilities are subject to audit by the United States;

''(7) execute any contracts necessary to develop, operate, or maintain the Strategic Petroleum Reserve;

''(8) require an importer of petroleum products or refiner to acquire and to store and maintain, in readily available inventories, petroleum products in the Industrial Petroleum Reserve, under section 156;

''(9) require the storage of petroleum products in the Industrial Petroleum Reserve, under section 156, on terms that the Secretary specifies, in storage facilities owned and controlled by the United States or in storage facilities other than those owned by the United States if those facilities are subject to audit by the United States;

''(10) require the maintenance of the Industrial Petroleum Reserve;

''(11) bring an action, when the Secretary considers it necessary, in any court having jurisdiction over the proceedings, to acquire by condemnation any real or personal property, including facilities, temporary use of facilities, or other interests in land, together with any personal property located on or used with the land, and

''(12) to the extent provided in an Appropriations Act, and not withstanding section 649(b) of the Department of Energy Organization Act (42 U.S.C. 7259(b)), the Secretary is authorized to store in unused SPR facilities by lease or otherwise petroleum product owned by a foreign government or its representative, petroleum product stored under this paragraph is not part of the Reserve, is not subject to part C of this title, and notwithstanding any provision of this Act, may be exported from the United States.''.

(3) in subsection (g)—

(A) by striking ''implementation'' and inserting ''development'', and

(B) by striking ''Plan''.

(4) by striking subsections (h) and (i),

(5) by amending subsection (j) to read as follows:

''(j) When the Secretary determines that a 750,000,000 barrel inventory can reasonably be expected to be reached in the Reserve within 5 years, a plan for expansion will be submitted to the Congress.'', and

(6) by amending subsection (l) to read as follows:

''(l) During any period in which drawdown and distribution are being implemented, the Secretary may issue rules, regulations, or orders to implement the drawdown and distribution of the Strategic Petroleum Reserve in accordance with section 553 of title 5, United States Code, without regard to rulemaking requirements in section 523 of this Act, and section 501 of the Department of Energy Organization Act (42 U.S.C. 7191).

(n) in section 160 (42 U.S.C. 6240)—

(1) in subsection (a), by striking all before the dash and inserting the following:

''(a) To the extent funds are available under section 167(b) (2) and (3) and for the purposes of implementing the Strategic Petroleum Reserve, the Secretary may acquire place in storage, transport, or exchange.''.

(2) in subsection (b), by striking ''including the Early Storage Reserve and the Regional Petroleum Reserve'' and paragraph (2), and

(3) by striking subsections (c), (d), (e), and (g).

(o) in section 161 (42 U.S.C. 6241)—

(1) by striking subsections (b) and (c),

(2) by amending subsection (d)(1) to read as follows:

''(d)(1) No drawdown and distribution of the Strategic Petroleum Reserve may be made unless the President has found drawdown and distribution is required by a severe energy supply interruption or by obligations of the United States under the international energy program.'',

(3) by amending subsection (e) to read as follows:

''(e)(1) The Secretary shall sell any petroleum products withdrawn from the Strategic Petroleum Reserve at public sale to the highest qualified bidder in the amounts for the period, and after a notice of sale the Secretary considers proper, and without regard to Federal, State, or local regulations controlling sales of petroleum products.

''(2) The Secretary may cancel in whole or in part any offer to sell petroleum products as part of any drawdown and distribution under this Section.'', and

(4) in subsection (g)—

(A) in paragraph (1), by striking ''Distribution Plan'' and inserting ''distribution procedures'',

(B) by striking paragraphs (2) and (6), and

(C) in paragraph (4), by striking ''90'' and inserting ''95''.

(p) by striking section 164 (42 U.S.C. 6244),

(q) by amending section 165 (42 U.S.C. 6245) to read as follows—

''SEC. 165. The Secretary shall report annually to the President and the Congress on actions taken to implement this part. This report shall include—

''(1) the status of the physical capacity of the Reserve and the type and quantity of petroleum in the Reserve;

''(2) an estimate of the schedule and cost to complete planned equipment upgrade or capital investment in the Reserve, including those carried out as part of operational maintenance or extension of life activities;

''(3) an identification of any life-limiting conditions or operational problems at any Reserve facility, and proposed remedial actions including an estimate of the schedule and cost of implementing such remedial actions;

''(4) a description of current withdrawal and distribution rates and capabilities, and an identification of any operational or other limitations on such rates and capabilities;

''(5) an identification of purchases of petroleum made in the preceding year and planned in the following year, including quantity, price, and type of petroleum;

''(6) a summary of the actions taken to develop, operate, and maintain the Reserve;

''(7) a summary of the financial status and financial transactions of the Strategic Petroleum Reserve and Strategic Petroleum Reserve Petroleum Accounts for the year;

''(8) a summary of expenses for the year, and the number of Federal and contractor employees;

''(9) the status of contracts for development, operation, maintenance, distribution, and other activities related to the implementation of this part, and

''(10) any recommendation for supplemental legislation or policy or operational changes the Secretary considers necessary and appropriate to implement this part.''.

(r) in section 166 (42 U.S.C. 6246) by striking all after ''appropriated'' and inserting ''the funds necessary to implement this part.'',

(s) in section 167 (42 U.S.C. 6247)—

(1) in subsection (b)—

(A) by inserting ''for test sales of petroleum products from the Reserve,'' after ''Strategic Petroleum Reserve,'', and by inserting ''for'' before ''the drawdown'',

(B) by striking paragraph (1), and

(C) in paragraph (2), by striking ''after fiscal year 1982''.

(t) in section 171 (42 U.S.C. 6249)—

(1) by amending subparagraph (b)(2)(B) to read as follows:

''(B) the Secretary notifies each House of the Congress of the determination and identifies in the notification the location, type, and ownership of storage and related facilities proposed to be included, or the volume, type, and ownership of petroleum product proposed to be stored, in the Reserve, and an estimate of the proposed benefits.''.

(u) in section 172 (42 U.S.C. 6249a), by striking subsections (a) and (b),

(v) by striking section 173 (42 U.S.C. 6249b), and

(w) in section 181 (42 U.S.C. 6251), by striking ''June 30, 1996'' each time it appears and inserting ''September 30, 2001''.

SEC. 4. Title II of the Energy Policy and Conservation Act (42 U.S.C. 6211–6251) is amended—

(a) by striking Part A (42 U.S.C. 6261 through 6264),

(b) by striking ''section 252(l)(1)'' in section 251(e)(1) (42 U.S.C. 6271(e)(1)) and inserting ''section 252(k)(1)'',

(c) in section 252(42 U.S.C. 6272)—

(1) in subsections (a)(1) and (b), by striking ''allocation and information provisions of the international energy program'' and inserting ''international emergency response provisions'',

(2) in subsection (d)(3), by striking ''known'' and inserting after ''circumstances'' ''known at the time of approval'',

(3) in subsection (e)(2) by striking ''shall'' and inserting ''may'',

(4) in subsection (f)(2) by inserting ''voluntary agreement or'' after ''approved'',

(5) by amending subsection (h) to read as follows—

''(h) Section 708 of the Defense Production Act of 1950 shall not apply to any agreement or action undertaken for the purpose of developing or carrying out—

''(1) the international energy program, or

''(2) any allocation, price control, or similar program with respect to petroleum products under this Act.'',

(6) in subsection (i) by inserting ''annually, or'' after ''least'' and by inserting ''during an international energy supply emergency'' after ''months'',

(7) in subsection (k) by amending paragraph (2) to read as follows—

''(2) The term ''international emergency response provisions'' means—

''(A) the provisions of the international energy program which relate to international allocation of petroleum products and to the information system provided in the program, and

''(B) the emergency response measures adopted by the Governing Board of the International Energy Agency (including the July 11, 1984, decision by the Governing Board on ''Stocks and Supply Disruptions'') for—

''(i) the coordinated drawdown of stocks of petroleum products held or controlled by governments, and

''(ii) complementary actions taken by governments during an existing or impending international oil supply disruption'', and

(8) by amending subsection (l) to read as follows—

''(l) The antitrust defense under subsection (f) shall not extend to the international allocation of petroleum products unless allocation is required by chapters III and IV of the international energy program during an international energy supply emergency.''.

(d) by adding at the end of section 256(h). ''There are authorized to be appropriated for fiscal years 1996 through 2001, such sums as may be necessary.'',

(e) by striking Part C (42 U.S.C. 271 through 272), and

(f) in section 281 (42 U.S.C. 6285), by striking ''June 30, 1996'' each time it appears and inserting ''September 30, 2001''.

SEC. 5. (a) Title III of the energy Policy and Conservation Act (42 U.S.C. 6291–6325 and 6361–6374) is amended—

(1) in section 365(f) (42 U.S.C. 6325(f)) by amending paragraph (1) to read as follows:

''(1) Except as provided in paragraph (2), for the purpose of carrying out this part, there are authorized to be appropriated $24,650,000 million for fiscal year 1996 and for fiscal years 1997 through 2001, such sums as may be necessary.'', and

(2) section 397 (42 U.S.C. 6371f) is amended to read as follows: ''For the purpose of carrying out this part, there are authorized $26,849,000 million to be appropriated for fiscal year 1996 and for fiscal years 1997 through 2001, such sums as may be necessary.''.

(b) in section 400BB(b) (42 U.S.C. 6374a(b)) by amending paragraph (1) to read as follows:

''(1) There are authorized to be appropriated to the Secretary for carrying out this section such sums as may be necessary for fiscal years 1996 through 2001, to remain available until expended.''.

SEC. 6. Title V of the Energy Policy and Conservation Act (42 U.S.C. 6381–6422) is amended—

(1) by striking section 507 (42 U.S.C. 6385), and

(2) by striking section 522 (42 U.S.C. 6392).

SECTION-BY-SECTION

SECTION 2. AMENDMENTS TO THE STATEMENT OF PURPOSES

Section 2 of the bill would amend section 2 of the Energy Policy and Conservation Act (EPCA).

Paragraph (1) would strike language referring to standby energy conservation and rationing authorities in title II, part A, which expired June 30, 1985.

Paragraph (2) would strike paragraphs (3) and (6) of the Statement of Purposes to reflect the bill's elimination of sections 102 (incentives to develop underground coal mines) and 106 (Production of oil or gas at the maximum efficient rate and temporary emergency production rate).

SECTION 3. AMENDMENTS TO TITLE I OF EPCA

Subsection (a) would strike section 102 of EPCA.

Section 102 of EPCA provides a loan guaranty program to encourage the opening of underground coal mines. Coal supply, however, is abundant, and the loan guarantee program has been inactive since the early 1980s. Because there is no current or foreseeable need for the program authorized by section 102 of EPCA, it is appropriate to delete the section.

Subsection (b) would amend section 105(a) of EPCA by providing that the Secretary of the Interior may allow joint bidding by major oil companies unless the Secretary determines that this bidding would adversely affect competition or the receipt of fair market value. If the Secretary decides to prohibit joint bidding, it may be done without issuing a rule, as previously required. This change would render unnecessary the exemption process required in section 105(c). The report required in section 105(e) has been issued to Congress.

Subsection (c) would strike section 106 of EPCA.

Section 106 of EPCA directs the Secretary of the Interior to determine the maximum efficient rate of production and the temporary emergency rate of production, if any, for each field on Federal lands which produces or is capable of producing significant volumes of crude oil or natural gas. The President may then require production at those rates, and the owner may sue for damages if economic loss is incurred.

Subsection (d) would amend section 151 of EPCA to clarify the policy for establishing a strategic reserve of petroleum products, and delete references to the Early Storage Reserve, the objectives of which have been achieved.

Subsection (e) would amend section 152 of EPCA by deleting the definition of ''Early Storage Reserve'' and ''Regional Petroleum Reserve.'' Requirements for and all references to these parts of the program would be deleted by this bill.

Subsection (f) would strike section 153 of EPCA and amend section 154 to reflect the transfer of the Strategic Petroleum Reserve Office from the Federal Energy Administration to the Department of Energy.

Subsection (g) would amend section 154 of EPCA to eliminate requirements for a Strategic Petroleum Reserve Plan, and for specified fill rates and schedules, but would retain authority for a one billion barrel Reserve.

The Strategic Petroleum Reserve Plan is largely obsolete because the sites that are described for development in the Plan have now been developed. The need for the Drawdown and Distribution Plan, contained in Plan Amendment 4, is eliminated by the amendment to section 159, which would codify competitive sales as the drawdown and distribution policy and elimination allocation as a method of distribution.

Subsection (h) would delete section 155 of EPCA, which requires the establishment of an Early Storage Reserve. All of the volumetric goals for the Early Storage Reserve have been accomplished, and there is no longer a distinction between the Early Storage Reserve and any other facilities or petroleum that make up the Strategic Petroleum Reserve.

Subsection (i) would amend section 156(b) of EPCA on the Industrial Petroleum Reserve authority to remove references to the Early Storage Reserve and the Strategic Petroleum Reserve Plan, which are being deleted by other amendments.

Subsection (j) would delete section 157, Regional Petroleum Reserve. Section 157 of the Act requires the establishment of regional petroleum reserve of refined products in Federal Energy Administration regions that are dependent upon imports for more than 20 percent of their consumption. The Department determined to substitute crude oil for products and also determined that the Gulf Coast area is near enough to all areas to provide protection.

Subsection (k) would delete 158 of EPCA.

Section 158 requires reports to Congress on Utility Reserves, Coal Reserves, and Remote Crude Oil and Natural Gas Reserves within six months of passage of the original Act. This requirement has been fulfilled.

Subsection (l) would amend the heading for section 159 of EPCA to reflect amendment to its contents.

Subsection (m) would amend section 159 of EPCA.

Paragraph (1) would eliminate subsections (a) through (e) of section 159 of EPCA, which require Congressional review of the Strategic Petroleum Reserve Plan and provide for Plan amendments, to reflect the deletion of the requirement for a Strategic Petroleum Reserve Plan in subsection (g) of this amendment.

Paragraph (2) would amend subsection 159(f) of EPCA to eliminate references to the Strategic Petroleum Reserve Plan and the Early Storage Reserve Plan. This amendment also would clarify and make explicit the Secretary's discretionary authority to lease, sell, or otherwise dispose of underutilized Strategic Petroleum Reserve facilities. If necessary or appropriate, lease terms could exceed the five-year limitation of section 649(b) of the Department of Energy Organization Act. In addition, the Secretary is given authority to lease under-utilized Strategic Petroleum Reserve facilities to foreign governments or their representatives. These leases also may exceed the five-year limitation of section 649(b).

Paragraph (3) would remove references in subsection (g) of section 159 of EPCA to the Strategic Petroleum Reserve Plan.

Paragraph (4) would delete subsections 159(h) and (i) of EPCA. Subsection 159(h) deals with interim storage facilities which provide for storage of petroleum prior to the creation of Government-owned facilities. That authority is no longer needed since the Reserve has 592 million barrels of oil in storage and significant unutilized storage capacity Subsection 159(i) required the submission of a report to Congress within 18 months after enactment of the 1990 EPCA Amendments on the results of contract negotiations conducted pursuant to part C of EPCA. The Department did not conclude any contracts pursuant to part C and the reporting provision has expired by its own terms.

Paragrah (5) would amend subsection 159(j) of the EPCA to reflect the elimination of the statutory requirement for a Strategic Petroleum Reserve Plan by amendment of section 154 of the Act. This amendment would continue the requirement for submission to Congress of proposed plans for expansion of storage capacity following a determination by the Secretary that the Reserve can reasonably be expected to be filed to 750 million barrels within five years. This reflects the uncertain financing situation for filling available capacity in the Reserve and makes planning for capacity expansion beyond current capacity premature.

Paragraph (6) would amend subsection 159(l) to eliminate the reference to the Distribution Plan, but would retain the Secretary's authority, during drawdown and distribution of the Reserve, to promulgate regulations necessary to the drawdown and distribution without regard to rulemaking requirements in section 523 of this Act and section 501 of the Department of Energy Organization Act.

Subsection (n) would amend section 160 of EPCA.

Paragraph (1) would amend subsection 160(a) of EPCA to provide that the Secretary's authority to acquire petroleum products for the Strategic Petroleum Reserve is contingent on the availability of funds.

Paragraph (2) would amend subsection 160(b) of EPCA by striking the references to the Early Storage Reserve and the Regional Petroleum Reserve, which would be eliminated by this bill.

Paragraph (3) would strike subsections 160 (c), (d), (e), and (g) of EPCA.

Subsection 160(c) of EPCA requires minimum fill rates. These requirements have proved unrealistic given changes in oil markets and availability of financing. The proposed amendment gives the Secretary flexibility to fill the Reserve contingent upon the availability of funds.

Subsection 160(d) links sales authority for the United States' share of crude oil at Naval Petroleum Reserve Numbered 1 to a fill level of 750,000,000 barrels or a fill rate of 75,000 barrel per day. The requirement for Strategic Petroleum Reserve fill is dependent on the availability of financing for Strategic Petroleum Reserve acquisition, and the logistics of moving Naval Petroleum Reserve Numbered 1 crude oil to the Strategic Petroleum Reserve have proved to be very problematic.

Subsection 160(e) describes various exceptions to the linkage between the Naval Petroleum Reserve Numbered 1 crude oil sales authority and the Strategic Petroleum Reserve fill rate, which would be eliminated by this bill.

Subsection 160(g) requires a refined petroleum product reserve test in fiscal years 1992–94, and a report to Congress. The test was not conducted due to insufficient appropriations in fiscal year 1992 and fiscal year 1993 and was waived in fiscal year 1994. The required report has been submitted.

Subsection (o) would amend section 161 of EPCA.

Paragraph (1) would strike subsections 161 (b) and (c) of EPCA, because they refer to both the Strategic Petroleum Reserve Plan and the Early Storage Reserve Plan which would be eliminated by this bill.

Paragraph (2) would amend subsection 161(d)(1) of EPCA by eliminating the references to the Distribution Plan contained in the Strategic Petroleum Reserve Plan but would not change the existing conditions for Presidential decision to draw down and distribute the Reserve.

Paragraph (3) would amend subsection 161(e) of EPCA to require the Secretary to distribute oil from the Reserve via a public competitive sale to the highest qualified bidder. The amendment eliminates the Secretary's allocation authority.

The amendment also would make explicit the authority of the Secretary to cancel a sale in progress. This authority would enable the Secretary to respond to inordinately low bids, changes in market conditions, or a sudden reversal in the nature of the shortage or emergency.

Paragraph (4) would amend subsection 161(g) of EPCA.

Subparagraph (4)(A) would amend subsection 161(g)(1) of EPCA to substitute ''distribution procedures'' for ''Distribution Plan''.

Subparagraph (4)(B) would strike subsection 161(g)(2) of EPCA because it refers to the Distribution Plan eliminated by the bill, and subsection 161(g)(6) of EPCA because it refers to the minimum required fill rate eliminated by the bill.

Subparagraph (4)(C) would amend section 161(g)(4) of EPCA to prevent the Secretary from selling oil during a test sale of the Strategic Petroleum Reserve at a price less than ''95 percent'' of the sales price of comparable crude oil being sold in the same area at the time the Secretary is offering crude oil for sale rather than ''90 percent'' currently stipulated in this section. Since 10 percent of current prices upward of $1.50 per barrel, the Department believes a smaller range of difference in price would protect the Department from selling the oil below normal variations in market prices.

Subection (p) would strike section 164 of EPCA. Section 164 of EPCA required a study of the use of Naval Petroleum Reserve No 4 jointly by the Secretaries of Energy, the Interior and the Navy, with a report to Congress within 180 days of the passage of the original Act. The study and report were completed.

Subsection (q) would amend section 165 of EPCA by deleting the requirement for quarterly reports on the operation of the Strategic Petroleum Reserve, and requiring instead an annual report consistent with other parts of this amendment. Quarterly reports, considered important during the early growth period of the Strategic Petroleum Reserve to inform the Congress of progress in construction and the rate of fill, are now unnecessary, and their deletion would save administrative costs. Subsection (q) would also eliminate references to the Strategic Petroleum Reserve Plan, the Distribution Plan, and the Early Storage Reserve, which are eliminated by the bill and would change some of the requirements for information to be included in the annual report to reflect more accurately the current status of the Reserve.

Subsection (r) would amend section 166 of EPCA to authorize appropriations necessary to implement the Strategic Petroleum Reserve, and to delete year specific authorizations for the early years of the Reserve.

Subsection (s) would amend section 167 of EPCA to clarify that funds generated by test sales will be deposited in the SPR Petroleum Account. The amendment would remove language specific to fiscal year 1982 which limits the amount of money in the SPR Petroleum Account that year. The amendment also would delete reference to the use of funds for interim storage, which will not be needed because the permanent facilities are complete for the storage of 750 million barrels of oil.

Subsection (t) would amend section 171 of EPCA to eliminate the reference to a requirement for information identical to that in section 154(e) of EPCA. Section 154(e) describes information that is included in the Strategic Petroleum Reserve Plan, which is deleted in this legislation. Instead, when the Secretary notifies the Congress that the Department intends to contract for storage of petroleum under part C, the notification will include a requirement for information more pertinent to the contract.

Subsection (u) would amend section 172 of EPCA.

Paragraph (1) would delete subsections (a) and (b). The exemption in subsection (a) from the requirement for a Strategic Petroleum Reserve Plan amendment is no longer necessary because the bill eliminates the requirement for Plan amendments. Subsection (b) provides that, for purposes of meeting the fill rate requirement in section 160 (d)(1) of EPCA part C contract oil which is removed from the Reserve at the end of the contract agreement shall be considered part of the Reserve until the beginning of the fiscal year following the fiscal year in which the oil is removed. This subsection is unnecessary since the requirement for specific fill rates is deleted by amendment of section 160 of the Act.

Subsection (v) would delete section 173 of EPCA which requires congressional review and therefore, public scrutiny of the details of contracts even though no implementing legislation is needed, and requires a 30-day ''lie before'' period before the contract can go into effect. This requirement is a substantial impediment to acquisition of oil for the Reserve by ''leasing'' and other alternative financing methods authorized by EPCA, part C.

Subsection (w) would amend section 181 of EPCA by extending the expiration date of title I, parts B and C from June 30, 1996 to September 30, 2001.

Public Law 103–406 extended the expiration date to June 30, 1996.

SECTION 4. AMENDMENTS TO TITLE II OF EPCA

Subsection (a) would strike part A of EPCA title II, which contains the authorities for gasoline rationing and other mandatory energy conservation measures which expired on July 1, 1985.

Subsection (b) would amend section 251(e)(1) by striking section ''252(l)(l)'' and inserting in lieu thereof ''252(k)(l).''

Subsection (c) would amend section 252 of EPCA, which makes available to United States oil companies a limited antitrust defense and breach of contract defense for actions taken to carry out a voluntary agreement or plan of action to implement the ''allocation and information provisions'' of the Agreement on an International Energy Program (''IEP''). These limited defenses are now available only in connection with the companies' participation in planning for and implementation of the IEP's emergency oil sharing and information programs. The amendment would extend the section 252 antitrust defense (but not the breach of contract defense) to U.S. companies when they assist the International Energy Agency (''IEA'') in planning for and implementing coordinated drawdown of government-owned or government-controlled petroleum stocks. In 1984, largely at the urging of the United States, the IEA's Governing Board adopted a decision on ''Stocks and Supply Disruptions'' which established a framework for coordinating the drawdown of member countries' government-owned and government-controlled petroleum stocks in those oil supply disruptions that appear capable of causing severe economic harm, whether or not sufficient to activate the IEP emergency oil sharing and information programs. During the 1990–91 Persian Gulf crisis the IEA successfully tested the new coordinated stockdraw policy.

Paragraph 1 would amend subsections 252(a) and (b) of EPCA. These sections would be amended by substituting the term ''international emergency response provisions'' for the term ''allocation and information provisions of the international energy program.'' The new term establishes the scope of oil company activities covered by the antitrust defense and includes actions to assist the IEA in implementing coordinated drawdown of petroleum stocks.

Paragraph 2 would amend paragraph 252(d)(3) of EPCA to clarify that a plan of action submitted to the Attorney General for approval must be as specific in its description of proposed substantive actions as is reasonable ''in light of circumstances known at the time of approval'' rather than ''in light of known circumstances.''

Paragraph 3 would amend paragraph 252(e)(2) of EPCA to give the Attorney General flexibility in promulgating rules concerning the maintenance of records by oil companies related to the development and carrying out of voluntary agreements and plans of action.

Paragraph 4 would amend paragraph 252(f)(2) of EPCA to clarify that the antitrust defense applies to oil company actions taken to carry out an approved voluntary agreement as well as an approved plan of action.

Paragraph 5 would amend subsection 252(h) of EPCA to strike the reference to section 708(A) of the Defense Production Act of 1950, which was repealed by Public Law 102–558 (October 28, 1992), and the reference to the Emergency Petroleum Allocation Act of 1973, which expired in 1981.

Paragraph 6 would amend subsection 252(i) of EPCA to require the Attorney General and the Federal Trade Commission to submit reports to Congress and to the President on the impact of actions authorized by section 252 on competition and on small businesses annually rather than every six months, except during an ''international energy supply emergency,'' when the reports would be required every six months.

Paragraph 7 would amend paragraph 252(k)(2) of EPCA by substituting a definition of the term ''international emergency response provisions'' for the present definition of ''allocation and information provisions of the international energy program.'' The new term, which establishes the scope of company actions covered by the antitrust defense, covers (A) the allocation and information provisions of the IEP and (B) emergency response measures adopted by the IEA Governing Board for the coordinated drawdown of stocks of petroleum products held or controlled by governments and complementary actions taken by governments during an existing or impending international oil supply disruption, whether or not international allocation of petroleum products is required by the IEP.

Paragraph 8 would amend subsection 252(l) of EPCA to make clear that the antitrust defense does not extend to international allocation of petroleum unless the IEA's Emergency Sharing System has been activated.

Subsection (d) would amend subsection 256(h) of EPCA to authorize appropriations for fiscal years 1996 through 2001 for the activities of the interagency working group and interagency working subgroups established by section 256 of EPCA to promote exports of renewable energy and energy efficiency products and services.

Subsection (e) would strike EPCA part C, which was added to the EPCA by the Energy Emergency Preparedness Act of 1982 and which required the submission to Congress of reports on energy emergency legal authorities and response procedures. The reporting requirement was fulfilled in 1982.

Subsection (f) would amend section 281 of EPCA by extending the expiration date of title II from June 30, 1996 to September 30, 2001.

Public Law 103–406 extended the expiration date to June 30, 1996.

SECTION 5. AMENDMENTS TO TITLE III OF EPCA

Subsection (a) would amend sections 365 and 397 of EPCA, which provide authorization for appropriations for fiscal years 1991, 1992, and 1993 for State Energy Conservation programs and the Energy Conservation Program for Schools and Hospitals. The amendment would authorize appropriations of $24.651 million for section 365 and $26.849 million for section 397 for fiscal year 1996 and such funds as may be necessary for fiscal years 1997 through 2001.

Subsection (b) would amend section 400BB to extend the authorization for the appropriation of the Alternative Fuels Truck Commercial Application Program to fiscal year 2001.

SECTION 6. AMENDMENTS TO TITLE V OF EPCA

Paragraph 1 would delete section 507 of the Act, which provides that the Energy Information Administration must continue to gather the same data on pricing, supply and distribution of petroleum products as it did on September 1, 1981. This section hinders the flexibility of the Administrator to collect information that is currently meaningful. There is no reason to have a statutory prohibition against modifying and amending the types of data collected.

Paragraph 2 would delete section 522 of the Act, which provides conflict of interest disclosure requirements for the Federal Energy Administration. This section was superseded by the Department of Energy Organization Act.

SECRETARY OF ENERGY,
Washington, DC, October 10, 1995.

Hon. AL GORE,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: Enclosed is a legislative proposal cited as the ''Energy Policy and Conservation Act Amendments Act of 1995.'' This proposal would amend and extend certain authorities in the Energy Policy and Conservation Act (Act) which either have expired or will expire June 30, 1996. Not all sections of the current act are proposed for extension.

The Act was passed in 1975. Title I authorizes the creation and maintenance of the Strategic Petroleum Reserve that would mitigate shortages during an oil supply disruption. Title II contains authorities essential for meeting key United States obligations to the International Energy Agency. This is our method of coordinating energy emergency response programs with other countries. The current antitrust defense available to American companies participating in the International Energy Agency would be clarified by the proposed legislation. Titles I and II are proposed for extension beyond their June 30, 1996 expiration date.

Title III contains authorities for certain energy efficiency and conservation programs. The authorization of appropriations has expired for these programs. These successful and very cost beneficial programs, designed to encourage and subsidize demand reducing investment and manufacturing, are proposed for extension without amendment. Title V contains residual provisions from the Federal Energy Administration pertaining to energy data bases and information, and general and administrative matters. Those provisions which hinder the flexibility of the Administrator of the Energy Information Administration to collect currently meaningful information are proposed for deletion.

The proposed legislation would extend the Strategic Petroleum Reserve, participation in the International Energy Program, and conservation and efficiency authorities to September 30, 2001. It would revise or delete certain provisions which are outdated or unnecessary.

The proposed legislation and a sectional analysis are enclosed.

The Office of Management and Budget advises that enactment of this proposal would be in accord with the program of the President. We look forward to working with the Congress toward enactment of this legislation.

Sincerely,

HAZEL R. O'LEARY.

Enclosures.

SECTION-BY-SECTION

SECTION 2. AMENDMENTS TO THE STATEMENT OF PURPOSES

Section 2 of the bill would amend section 2 of the Energy Policy and Conservation Act (EPCA).

Paragraph (1) would strike language referring to standby energy conservation and rationing authorities in title II, part A, which expired June 30, 1985.

Paragraph (2) would strike paragraphs (3) and (6) of the Statement of Purposes to reflect the bill's elimination of sections 102 (incentives to develop underground coal mines) and 106 (Production of oil or gas at the maximum efficient rate and temporary emergency production rate).

SECTION 3. AMENDMENTS TO TITLE I OF EPCA

Section (a) would strike section 102 of EPCA.

Section 102 of EPCA provides a loan guaranty program to encourage the opening of underground coal mines. Coal supply, however, is abundant, and the loan guarantee program has been inactive since the early 1980s. Because there is no current or foreseeable need for the program authorized by section 102 of EPCA, it is appropriate to delete the section.

Section (b) would amend section 105(a) of EPCA by providing that the Secretary of the Interior may allow joint bidding by major oil companies unless the Secretary determines that this bidding would adversely affect competition or the receipt of fair market value. If the Secretary decides to prohibit joint bidding, it may be done without issuing a rule, as previously required. This change would render unnecessary the exemption process required in section 105(c). The report required in section 105(e) has been issued to Congress.

Section (c) would strike section 106 of EPCA.

Section 106 of EPCA directs the Secretary of the Interior to determine the maximum efficient rate of production and the temporary emergency rate of production, if any, for each field on Federal lands which produces or is capable of producing significant volumes of crude oil or natural gas. The President may then require production at those rates, and the owner may sue for damages if economic loss is incurred.

Subsection (d) would amend section 151 of EPCA to clarify the policy for establishing a strategic reserve of petroleum products, and delete references to the Early Storage Reserve, the objectives of which have been achieved.

Subsection (e) would amend section 152 of EPCA by deleting the definition of ''Early Storage Reserve'' and ''Regional Petroleum Reserve.'' Requirements for and all references to these parts of the program would be deleted by this bill.

Subsection (f) would strike section 153 of EPCA and amend section 154 to reflect the transfer of the Strategic Petroleum Reserve Office from the Federal Energy Administration to the Department of Energy.

Subsection (g) would amend section 154 of EPCA to eliminate requirements for a Strategic Petroleum Reserve Plan, and for specified fill rates and schedules, but would retain authority for a one billion barrel Reserve.

The Strategic Petroleum Reserve Plan is largely obsolete because the sites that are described for development in the Plan have now been developed. The need for the Drawdown and Distribution Plan, contained in Plan Amendment 4, is eliminated by the amendment to section 159, which would codify competitive sale as the drawdown and distribution policy and eliminate allocation as a method of distribution.

Subsection (h) would delete section 155 of EPCA, which requires the establishment of an Early Storage Reserve. All of the volumetric goals for the Early Storage Reserve have been accomplished, and there is no longer a distinction between the Early Storage Reserve and any other facilities or petroleum that make up the Strategic Petroleum Reserve.

Subsection (i) would amend section 156(b) of EPCA on the Industrial Petroleum Reserve authority to remove references to the Early Storage Reserve and the Strategic Petroleum Reserve Plan, which are being deleted by other amendments.

Subsection (j) would delete section 157, Regional Petroleum Reserve. Section 157 of the Act requires the establishment of regional petroleum reserve of refined products in Federal Energy Administration regions that are dependent upon imports for more than 20 percent of their consumption. The Department determined to substitute crude oil for products and also determined that the Gulf Coast area is near enough to all areas to provide protection.

Subsection (k) would delete 158 of EPCA.

Section 158 requires reports to Congress on Utility Reserves, Coal Reserves, and Remote Crude Oil and Natural Gas Reserves within six months of passage of the original Act. This requirement has been fulfilled.

Subsection (l) would amend the heading for section 159 of EPCA to reflect amendment to its contents.

Subsection (m) would amend section 159 of EPCA.

Paragraph (1) would eliminate subsections (a) through (e) of section 159 of EPCA, which require Congressional review of the Strategic Petroleum Reserve Plan and provide for Plan amendments, to reflect the deletion of the requirement for a Strategic Petroleum Reserve Plan in subsection (g) of this amendment.

Paragraph (2) would amend subsection 159 (f) of EPCA to eliminate references to the Strategic Petroleum Reserve Plan and the Early Storage Reserve Plan. This amendment also would clarify and make explicit

the Secretary's discretionary authority to lease, sell, or otherwise dispose of underutilized Strategic Petroleum Reserve facilities. If necessary or appropriate, lease terms could exceed the five-year limitation of section 649(b) of the Department of Energy Organization Act. In addition, the Secretary is given authority to lease under-utilized Strategic Petroleum Reserve facilities to foreign governments or their representatives. These leases also may exceed the five-year limitation of section 649(b).

Paragraph (3) would remove references in subsection (g) of section 159 of EPCA to the Strategic Petroleum Reserve Plan.

Paragraph (4) would delete subsections 159(h) and (i) of EPCA. Subsection 159(h) deals with interim storage facilities which provide for storage of petroleum prior to the creation of Government-owned facilities. That authority is no longer needed since the Reserve has 592 million barrels of oil in storage and significant unutilized storage capacity. Subsection 159(i) required the submission of a report to Congress within 18 months after enactment of the 1990 EPCA Amendments on the results of contract negotiations conducted pursuant to part C of EPCA. The Department did not conclude any contracts pursuant to part C, and the reporting provision has expired by its own terms.

Paragraph (5) would amend subsection 159(j) of EPCA to reflect the elimination of the statutory requirement for a Strategic Petroleum Reserve Plan by amendment of section 154 of the Act. This amendment would continue the requirement for submission to Congress of proposed plans for expansion of storage capacity following a determination by the Secretary that the Reserve can reasonably be expected to be filled to 750 million barrels within five years. This reflects the uncertain financing situation for filling available capacity in the Reserve and makes planning for capacity expansion beyond current capacity premature.

Paragraph (6) would amend subsection 159(l) to eliminate the reference to the Distribution Plan, but would retain the Secretary's authority, during drawdown and distribution of the Reserve, to promulgate regulations necessary to the drawdown and distribution without regard to rulemaking requirements in section 523 of this Act and section 501 of the Department of Energy Organization Act.

Subsection (n) would amend section 160 of EPCA.

Paragraph (1) would amend subsection 160(a) of EPCA to provide that the Secretary's authority to acquire petroleum products for the Strategic Petroleum Reserve is contingent on the availability of funds.

Paragraph (2) would amend subsection 160(b) of EPCA by striking the references to the Early Storage Reserve and the Regional Petroleum Reserve, which would be eliminated by this bill.

Paragraph (3) would strike subsections 160(c), (d), (e), and (g) of EPCA.

Subsection 160(c) of EPCA requires minimum fill rates. These requirements have proved unrealistic given changes in oil markets and availability of financing. The proposed amendment gives the Secretary flexibility to fill the Reserve contingent upon the availability of funds.

Subsection 160(d) links sales authority for the United States' share of crude oil at Naval Petroleum Reserve Numbered 1 to a fill level of 750,000,000 barrels or a fill rate of 75,000 barrels per day. The requirement for Strategic Petroleum Reserve fill is dependent on the availability of financing for Strategic Petroleum Reserve acquisition, and the logistics of moving Naval Petroleum Reserve Numbered 1 crude oil to the Strategic Petroleum Reserve have proved to be very problematic.

Subsection 160(e) describes various exceptions to the linkage between the Naval Petroleum Reserve Numbered 1 crude oil sales authority and the Strategic Petroleum Reserve fill rate, which would be eliminated by this bill.

Subsection 160(g) requires a refined petroleum product reserve test in fiscal years 1992–94, and a report to Congress. The test was not conducted due to insufficient appropriations in fiscal year 1992 and fiscal year 1993 and was waived in fiscal year 1994. The required report has been submitted.

Subsection (o) would amend section 161 of EPCA.

Paragraph (1) would strike subsections 161 (b) and (c) of EPCA, because they refer to both the Strategic Petroleum Reserve Plan and the Early Storage Reserve Plan which would be eliminated by this bill.

Paragraph (2) would amend subsection 161(d)(1) of EPCA by eliminating the references to the Distribution Plan contained in the Strategic Petroleum Reserve Plan but would not change the existing conditions for Presidential decision to draw down and distribute the Reserve.

Paragraph (3) would amend subsection 161(e) of EPCA to require the Secretary to distribute oil from the Reserve via a public competitive sale to the highest qualified bidder. The amendment eliminates the Secretary's allocation authority.

The amendment also would make explicit the authority of the Secretary to cancel a sale in progress. This authority would enable the Secretary to respond to inordinately low bids, changes in market conditions, or a sudden a reversal in the nature of the shortage or emergency.

Paragraph (4) would amend subsection 161(g) of EPCA.

Subparagraph (4)(A) would amend subsection 161(g)(1) of EPCA to substitute ''distribution procedures'' for ''Distribution Plan.''

Subparagraph (4)(B) would strike subsection 161(g)(2) of EPCA because it refers to the Distribution Plan eliminated by the bill, and subsection 161(g)(6) of EPCA because it refers to the minimum required fill rate eliminated by the bill.

Subparagraph (4)(C) would amend section 161(g)(4) of EPCA to prevent the Secretary from selling oil during a test sale of the Strategic Petroleum Reserve at a price less than ''95 percent'' of the sales price of comparable crude oil being sold in the same area at the time the Secretary is offering crude oil for sale rather than ''90 percent'' currently stipuled in this section. Since 10 percent of current prices ranges upward of $1.50 per barrel, the Department believes a smaller range of difference in price would protect the Department from selling the oil below normal variations in market prices.

Subsection (p) would strike section 164 of EPCA. Section 164 of EPCA required a study of the use of Naval Petroleum Reserve No. 4 jointly by the Secretaries of Energy, the Interior and the Navy, with a report to Congress within 180 days of the passage of the original Act. The study and report were completed.

Subsection (q) would amend section 165 of EPCA by deleting the requirement for quarterly reports on the operation of the Strategic Petroleum Reserve and requiring instead an annual report consistent with other parts of this amendment. Quarterly reports considered important during the early growth period of the Strategic Petroleum Reserve to inform the Congress of progress in construction and the rate of fill, are now unnecessary, and their deletion would save administrative costs. Subsection (q) would also eliminate references to the Strategic Petroleum Reserve Plan, the Distribution Plan, and the Early Storage Reserve, which are eliminated by the bill and would change some of the requirements for information to be included in the annual report to reflect more accurately the current status of the Reserve.

Subsection (r) would amend section 166 of EPCA to authorize appropriations necessary to implement the Strategic Petroleum Reserve, and to delete year specific authorizations for the early years of the Reserve.

Subsection (s) would amend section 167 of EPCA to clarify that funds generated by test sales will be deposited in the SPR Petroleum Account. The amendment would remove language specific to fiscal year 1982 which limits the amount of money in the SPR Petroleum Account that year. The amendment also would delete reference to the use of funds for interim storage, which will not be needed because the permanent facilities are complete for the storage of 750 million barrels of oil.

Subsection (t) would amend section 171 of EPCA to eliminate the reference to a requirement for information identical to that in section 154(e) of EPCA. Section 154(e) describes information that is included in the Strategic Petroleum Reserve Plan, which is deleted in this legislation. Instead, when the Secretary notifies the Congress that the Department intends to contract for storage of petroleum under part C, the notification will include a requirement for information more pertinent to the contract.

Subsection (u) would amend section 172 of EPCA.

Paragraph (1) would delete subsections (a) and (b). The exemption in subsection (a) from the requirement for a Strategic Petroleum Reserve Plan amendment is no longer necessary because the bill eliminates the requirement for Plan amendments. Subsection (b) provides that, for purposes of meeting the fill rate requirement in section 160(d)(1) of EPCA, part C contract oil which is removed from the Reserve at the end of the contract agreement shall be considered part of the Reserve until the beginning of the fiscal year following the fiscal year in which the oil is removed. The subsection is unnecessary since the requirement for specific fill rates is deleted by amendment of section 160 of the Act.

Subsection (v) would delete section 173 of EPCA which requires congressional review and, therefore, public scrutiny of the details of contracts even though no implementing legislation is needed, and requires a 30-day ''lie before'' period before the contract can go into effect. This requirement is a substantial impediment to acquisition of oil for the Reserve by ''leasing'' and other alternative financing methods authorized by EPCA, part C.

Subsection (w) would amend section 181 of EPCA by extending the expiration date of title I, parts B and C from June 30, 1996 to September 30, 2001.

Public Law 103–406 extended the expiration date to June 30, 1996.

SECTION 4. AMENDMENTS TO TITLE II OF EPCA

Subsection (a) would strike part A of EPCA title II, which contains the authorities for gasoline rationing and other mandatory energy conservation measures which expired on July 1, 1985.

Subsection (b) would amend section 251(e)(1) by striking section ''252(l)(1)'' and inserting in lieu thereof ''252(k)(1).''

Section (c) would amend section 252 of EPCA, which makes available to United States oil companies a limited antitrust defense and breach of contract defense for actions taken to carry out a voluntary agreement or plan of action to implement the ''allocation and information provisions'' of the

Agreement on an International Energy Program (''IEP''). These limited defenses are now available only in connection with the companies' participation in planning for and implementation of the IEP's emergency oil sharing and information programs. The amendment would extend the section 252 antitrust defense (but not the breach of contract defense) to U.S. companies when they assist the International Energy Agency (''IEA'') in planning for and implementing coordinated drawndown of government-owned or government-controlled petroleum stocks. In 1984, largely at the urging of the United States, the IEA's Governing Board adopted a decision on ''Stocks and Supply Disruptions'' which established a framework for coordinating the drawdown of member countries' government-owned and government-controlled petroleum stocks in those oil supply disruptions that appear capable of causing severe economic harm, whether or not sufficient to activate the IEP emergency oil sharing and information programs. During the 1990–91 Persian Gulf crisis the IEA successfully tested the new coordinated stockdraw policy.

Paragraph 1 would amend subsections 252 (a) and (b) of EPCA. These sections would be amended by substituting the term ''international emergency response provisions'' for the term ''allocation and information provisions of the international energy program.'' The new term establishes the scope of oil company activities covered by the antitrust defense and includes actions to assist the IEA in implementing coordinated drawdown of petroleum stocks.

Paragraph 2 would amend paragraph 252(d)(3) of EPCA to clarify that a plan of action submitted to the Attorney General for approval must be as specific in its description of proposed substantive actions as is reasonable ''in light of circumstances known at the time of approval'' rather than ''in light of known circumstances.''

Paragraph 3 would amend paragraph 252(e)(2) of EPCA to give the Attorney General flexibility in promulgating rules concerning the maintenance of records by oil companies related to the development and carrying out of voluntary agreements and plans of action.

Paragraph 4 would amend paragraph 252(f)(2) of EPCA to clarify that the antitrust defense applies to oil company actions taken to carry out an approved voluntary agreement as well as an approved plan of action.

Paragraph 5 would amend subsection 252(h) of EPCA to strike the reference to section 708(A) of the Defense Production Act of 1950, which was repealed by Public Law 102–558 (October 28, 1992), and the reference to the Emergency Petroleum Allocation Act of 1973, which expired in 1981.

Paragraph 6 would amend subsection 252(i) of EPCA to require the Attorney General and the Federal Trade Commission to submit reports to Congress and to the President on the impact of actions authorized by section 252 on competition and on small businesses annually rather than every six months, except during an ''international energy supply emergency,'' when the reports would be required every six months.

Paragraph 7 would amend paragraph 252(k)(2) of EPCA by substituting a definition of the term ''international emergency response provisions'' for the present definition of ''allocation and information provisions of the international energy program.'' The new term, which establishes the scope of company actions covered by the antitrust defense, covers (A) the allocation and information provisions of the IEP and (B) emergency response measures adopted by the IEA Governing Board for the coordinated drawdown of stocks of petroleum products held or controlled by governments and complementary actions taken by governments during an existing or impending international oil supply disruption, whether or not international allocation of petroleum products is required by the IEP.

Paragraph 8 would amend subsection 252(1) of EPCA to make clear that the antitrust defense does not extend to international allocation of petroleum unless the IEA's Emergency Sharing System has been activated.

Subsection (d) would amend subsection 256(h) of EPCA to authorize appropriations for fiscal years 1996 through 2001 for the activities of the interagency working group and interagency working subgroups established by section 256 of EPCA to promote exports of renewable energy and energy efficiency products and services.

Subsection (e) would strike EPCA part C, which was added to the EPCA by the Energy Emergency Preparedness Act of 1982 and which required the submission to Congress of reports on energy emergency legal authorities and response procedures. The reporting requirement was fulfilled in 1982.

Subsection (f) would amend section 281 of EPCA by extending the expiration date of title II from June 30, 1996 to September 30, 2001.

Public Law 103–406 extended the expiration date of June 30, 1996.

SECTION 5. AMENDMENTS TO TITLE III OF EPCA

Subsection (a) would amend sections 365 and 397 of EPCA, which provide authorization for appropriations for fiscal years 1991, 1992, and 1993 for State Energy Conservation programs and the Energy Conservation Program for Schools and Hospitals. The amendment would authorize appropriations of $24,651 million for section 365 and $26,849 million for section 397 for fiscal year 1996 and such funds as may be necessary for fiscal years 1997 through 2001.

Subsection (b) would amend section 400BB to extend the authorization for the appropriation of the Alternative Fuels Truck Commercial Application Program to fiscal year 2001.

SECTION 6. AMENDMENTS TO TITLE V OF EPCA

Paragraph 1 would delete section 507 of the Act, which provides that the Energy Information Administration must continue to gather the same data on pricing, supply and distribution of petroleum products as it did on September 1, 1981. This section hinders the flexibility of the Administrator to collect information that is currently meaningful. There is no reason to have a statutory prohibition against modifying and amending the types of data collected.

Paragraph 2 would delete section 522 of the Act, which provides conflict of interest disclosure requirements for the Federal Energy Administration. This section was superseded by the Department of Energy Organization Act.●

By Mr. HATCH (for himself, Mrs. FEINSTEIN, Mr. THURMOND, Mr. DEWINE, Mr. KOHL, and Mr. BIDEN):

S. 1606. A bill to control the use of biological agents that have the potential to pose a severe threat to public health and safety, and for other purposes; to the Committee on the Judiciary.

THE BIOLOGICAL AGENTS ENHANCED PENALTIES AND CONTROL ACT

Mr. HATCH. Mr. President, I rise to introduce a bill that has a simple but important purpose: To decrease the opportunity for terrorists to use a biological weapons.

S. 1606 is cosponsored by Senators FEINSTEIN, THURMOND, DEWINE, KOHL, and BIDEN. I welcome this broad bipartisan support to respond quickly to this threat to the safety of Americans.

It may surprise the American people to know that very dangerous, indeed deadly, organisms that cause diseases and death in human beings are available for purchase across State lines—not only by legitimate users, but by those who may use them with criminal intent. These organisms include the agents that cause the bubonic plague, anthrax, and other diseases.

Perversely, the Federal Government has stricter regulations on the interstate transportation of biological agents causing disease in plants and animals than it has for the interstate transportation of agents that cause disease in humans.

I favor regulatory reform and a reduction in the Government's overall regulatory burden on the American people. But that is not to say that the Federal Government has no legitimate regulatory role to play. The interstate transport of dangerous biological agents should be regulated.

A recent Washington Post story reported that, in May 1995, an individual in Ohio faxed an order for three vials of the agent that causes the bubonic plague, a disease that killed one-third of the people of 14th century Europe, from the American Type Culture Collection [ATCC] in Maryland. The purchaser's letterhead appeared to be that of a laboratory.

When the purchaser called ATCC to complain about slow delivery, the sales representative became concerned about whether the caller was someone who should have the plague agent. Ohio police, public officials, the FBI, and emergency workers ultimately scoured the purchaser's home.

In the home they found nearly a dozen M–1 rifles, smoke grenades, blasting caps, and white separatist literature. The deadly micro-organisms were found in the glove compartment of the purchaser's automobile, still packed as shipped.

The purchaser was prosecuted under wire and mail fraud statutes. But these charges would not have been possible if the purchaser had not sent a false statement on the letterhead of a nonexistent laboratory stating that the laboratory assumed responsibility for the shipment, as the seller had required.

Unfortunately, both current laws and regulations are deficient in protecting Americans from the threat of the diversion of potentially dangerous biological agents. Gaps exist in current regulations that allow anyone to possess deadly biological agents, also referred to as human pathogens, and gaps exist in our criminal laws that make prosecution of people who attempt to obtain these agents for illegitimate purposes very difficult.

I would like to take a moment to discuss these problems with you.

Biological agents that cause disease in humans are available to several legitimate groups of users. First, small

quantities of biological agents can be found in patient samples that are analyzed by clinical laboratories. Second, biological agents are used in the conduct of legitimate basic and clinical science research by scientists across the country, both within and outside of Government. Third, the Department of Defense has facilities to investigate biological agents, not as weapons, but to develop protective strategies in the event of military use of these agents during war. Currently, however, anyone else can also obtain these agents under Federal law. The only limits on who may purchase deadly biological agents are those imposed by the sellers themselves.

There are many regulations in place with regard to the management of biological agents. These regulations come from many different governmental sources, including the CDC, the Postal Service, U.S. Department of Agriculture, Department of Commerce, Food and Drug Administration, and the Department of Transportation, among others. Unfortunately, the regulations were developed by these agencies with little or no apparent integration with other agencies, and with narrow purposes in mind. They were also developed in an era when domestic terrorism was not thought of as a real risk.

In addition to the lack of coordination of efforts in the regulation of biological agents, existing regulations have not kept up with advancing science. For instance, biological agents are currently classified by CDC into four classes, based on several criteria. This ranges from class 1 organisms, which are considered to be nonharmful to humans under ordinary circumstances, to class 4 organisms, which are considered to be highly harmful to humans. In the manual ''Biosafety in Microbiological and Biomedical Laboratories,''—hereafter Biosafety manual—CDC defines how legitimate laboratories should manage agents in these various classes.

Again, these biohazard levels are designed for the protection of laboratory personnel and to prevent the accidental release of these agents into the environment. They do not take into account potential theft of these agents, or attempt to prevent misdirection of these agents to terrorists. In addition, the biosafety manual that establishes biohazard levels was last revised in 1993. It has not kept up with classification changes, or with the new strains of organisms that are constantly being described by microbiologists.

Another example of how current regulation has not kept up with advancing scientific knowledge is the definition of what a biological agent actually is. The Centers for Disease Control and Prevention [CDC] defines a biological agent—human pathogen—as ''a viable micro-organism or its toxin which causes, or may cause, human disease'' [42 CFR 72]. This definition includes algae, bacteria, protozoa, fungi, and viruses.

Unfortunately, threats now exist that we did not even know about when this definition was written. For instance, we now are experiencing a rapid growth in the field of gene technology. This technology now gives scientists the ability to deliberately or accidentally insert genes into micro-organisms that could broaden their host range, alter their route of disease transmission to humans, make them more toxic, or make them more difficult to treat.

CDC has wide authority to regulate biological agents that pose a threat to human health, and could establish rules limiting who may possess these agents. Current regulations do not protect communities from intentional diversion of biological agents or the potential for these agents to be turned into weapons of mass destruction.

This fact was recognized by CDC testimony before the Senate Judiciary committee last week. Dr. James M. Hughes, the Assistant Surgeon General and Director of the National Center for Infectious Diseases for the CDC testified:

> The current safeguards governing the acquisition and distribution, in the United States, of infectious and/or toxic agents are not comprehensive. There is no single set of consistent regulations but rather a number of different departmental regulations that address the shipping and handling of infectious agents. Taken together, these are effective at controlling the packaging, labeling, and transport of infectious materials, but they are not completely effective at controlling the possession and transfer of human infectious agents within the United States.

Unfortunately, efforts by CDC and others have been slow. To date, there have been at least two multiagency task forces established to look at this issue. The first task force completed its work and made recommendations in July 1995. The second task force is well underway in the development of a regulatory system, but there does not appear to be a sufficient sense of urgency to get the job done.

According to CDC's March 6 testimony before the Judiciary Committee, CDC does not plan to release proposed regulations for at least another 6 months. That means that it might be another year before final rules regulating who may possess dangerous biological agents are in place and enforceable.

Why is that a problem? Current criminal law has gaps that prevent the prosecution of someone who obtains biological agents under false pretenses, or who possesses these agents with the intent to harm others. Under current Federal law, it is legal for anyone to possess biological agents—we must wait until they actually use it as a weapon before there is anything we can do about it.

These gaps in current criminal law were discussed in detail during the hearings before the Judiciary Committee. Mr. Mark M. Richard, the Deputy Assistant Attorney General, testified on behalf of the Department of Justice. Mr. Richard stated that the multiagency task force looking into this issue determined ''that there were no comprehensive Federal regulations governing the control of these dangerous organisms.''

My colleagues and I believe that current regulation and law have left us vulnerable to the potential use of biological agents as a terrorist weapon. We have not kept pace with science and technology, nor have we recognized that we live in a more dangerous world than we once did. We further believe that action must be taken sooner, rather than later, to avoid a potential disaster.

This bill strikes a balance between protecting citizens from the threat that biological agents will be used as a weapon of domestic terrorism and placing over-burdensome demands on legitimate users of biological agents.

The first title of our bill is directed at placing appropriate criminal provisions in place as requested by the Justice Department. Our provisions ensure that persons who develop or use biological organisms as a weapon will face severe and certain punishment.

Our bill does this by amending sections 175 to 178 of Title 18, which relate to prohibitions with respect to biological weapons. As it currently is written, this provision makes it criminal to knowingly develop, produce, transfer, acquire, or possess any biological agent, toxin, or delivery system for use as a weapon. It also prohibits knowingly assisting a foreign state or organization to do so. My bill will strengthen this provision to include an attempt, threat, and conspiracy prohibition within its scope. In addition, I broaden the definitions of biological agent, toxin, and vector in section 178 to cover biological products that can be engineered as a result of advances made in the field of biotechnology.

The second statute in Title 18 that we amend is section 2332a. That provision currently makes it a criminal offense to use a weapon of mass destruction. Under current law, a ''weapon of mass destruction'' is defined to include ''any weapon involving a disease organism.'' 18 U.S.C. §2332a(b)(2)(C). This bill will expand that definition to include in its coverage the biological agents and toxins, as defined in section 178, including bioengineered products, that can be used as a weapon of mass destruction. In addition, we add a threat provision to this statute.

The second title of our bill requires the Secretary of Health and Human Services to establish interim regulations within 90 days and to issue proposed rules within 180 days that regulate the transfer within the United States of biological agents which have the potential to pose a severe threat to the public health and safety.

I believe that the time limits required in our bill are reasonable and prudent, and allow the Secretary of Health and Human Services adequate time to develop appropriate regulations in this area. In fact, Dr. James

Hughes testified last week that this process is well underway.

The Judiciary Committee has been very concerned about the immediate potential for diversion of dangerous biological agents under the current law and regulation. In fact, at our hearing last week, we were disturbed to learn from agency representatives that no measures are in place to guard against reoccurrence of a situation like the Ohio case.

For this reason, on March 6, Senators FEINSTEIN, SPECTER, KOHL, and I sent a letter to the President urging that he:

* * * direct the Centers for Disease Control and Prevention to implement on a priority basis emergency procedures which will protect the American people against the threat of dangerous, diverted pathogenic materials.

In addition, our new legislation includes a requirement for the establishment of interim rules while the long-term rules are developed.

In closing, Mr. President, I believe that the threat for the intentional diversion of biological agents is real, and that these agents pose a threat for use as a weapon of domestic terrorism.

We are submitting a comprehensive bill that fixes the gaps in criminal code and requires the rapid development and implementation of a regulatory program that will limit the people who may possess these materials to those who have a legitimate need to possess them. Obviously, time is of the essence, and I hope that the Senate will act as quickly as possible on the Biological Agents Enforcement Enhancement and Control Act.

I ask unanimous consent that the text of S. 1606 be inserted in the RECORD.

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

S. 1606

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Biological Agents Enhanced Penalties and Control Act''.

SEC. 2. FINDINGS.

The Congress finds that—

(1) certain biological agents have the potential to pose a severe threat to public health and safety;

(2) such biological agents can be used as weapons by individuals or organizations for the purpose of domestic or international terrorism or for other criminal purposes;

(3) the transfer and possession of potentially hazardous biological agents should be regulated to protect public health and safety; and

(4) efforts to protect the public from exposure to such agents should ensure that individuals and groups with legitimate objectives continue to have access to such agents for clinical and research purposes.

SEC. 3. CRIMINAL ENFORCEMENT.

(a) BIOLOGICAL WEAPONS.—Chapter 10 of title 18, United States Code is amended—

(1) in section 175(a), by inserting ''or attempts, threatens, or conspires to do the same,'' after ''to do so,'';

(2) in section 177(a)(2), by inserting ''threat,'' after ''attempt,''; and

(3) in section 178—

(A) in paragraph (1), by striking ''or infectious substance'' and inserting ''infectious substance, or biological product that may be engineered as a result of biotechnology, or any naturally occurring or bioengineered component of any such microorganism, virus, infectious substance, or biological product'';

(B) in paragraph (2)—

(i) by inserting ''the toxic material of plants, animals, microorganisms, viruses, fungi, or infectious substances, or a recombinant molecule'' after ''means'';

(ii) by striking ''production—'' and inserting ''production, including—'';

(iii) in subparagraph (A), by inserting ''or biological product that may be engineered as a result of biotechnology'' after ''substance''; and

(iv) in subparagraph (B), by inserting ''or biological product'' after ''isomer''; and

(C) in paragraph (4), by inserting ''; or molecule, including a recombinant molecule, or biological product that may be engineered as a result of biotechnology,'' after ''organism''.

(b) TERRORISM.—Section 2332a(a) of title 18, United States Code, is amended—

(1) by inserting '', threatens,'' after ''attempts''; and

(2) by inserting '', including any biological agent, toxin, or vector (as those terms are defined in section 178)'' after ''destruction''.

SEC. 4. REGULATORY CONTROL OF BIOLOGICAL AGENTS.

(a) LIST OF BIOLOGICAL AGENTS.—

(1) IN GENERAL.—The Secretary shall, through regulations promulgated under subsection (c), establish and maintain a list of each biological agent that has the potential to pose a severe threat to public health and safety.

(2) CRITERIA.—In determining whether to include an agent on the list under paragraph (1), the Secretary shall—

(A) consider—

(i) the effect on human health of exposure to the agent;

(ii) the degree of contagiousness of the agent and the methods by which the agent is transferred to humans;

(iii) the availability and effectiveness of immunizations to prevent and treatments for any illness resulting from infection by the agent; and

(iv) any other criteria the Secretary considers appropriate; and

(B) consult with scientific experts representing appropriate professional groups.

(b) REGULATION OF TRANSFERS OF LISTED BIOLOGICAL AGENTS.—The Secretary shall, through regulations promulgated under subsection (c), provide for—

(1) the establishment and enforcement of safety procedures for the transfer of biological agents listed pursuant subsection (a), including measures to ensure—

(A) proper training and appropriate skills to handle such agents; and

(B) proper laboratory facilities to contain and dispose of such agents;

(2) safeguards to prevent access to such agents for use in domestic or international terrorism or for any other criminal purpose;

(3) the establishment of procedures to protect the public safety in the event of a transfer or potential transfer of a biological agent in violation of the safety procedures established under paragraph (1) or the safeguards established under paragraph (2); and

(4) appropriate availability of biological agents for research, education, and other legitimate purposes.

(c) TIMES LIMITS.—The Secretary shall carry out subsections (a) and (b) by issuing—

(1) interim rules not later than 90 days after the date of the enactment of this Act;

(2) proposed rules not later than 180 days after the date of the enactment of this Act; and

(3) final rules not later than 360 days after the date of the enactment of this Act.

(d) DEFINITIONS.—For purposes of this section—

(1) the term ''biological agent'' has the same meaning as in section 178 of title 18, United States Code; and

(2) the term ''Secretary'' means the Secretary of Health and Human Services.

By Mrs. FEINSTEIN (for herself, Mr. GRASSLEY, Mr. REID and Mr. KYL):

S. 1607. A bill to control access to precursor chemicals used to manufacture methamphetamine and other illicit narcotics, and for other purposes; to the Committee on the Judiciary.

METHAMPHETAMINE CONTROL ACT OF 1996

Mrs. FEINSTEIN. Mr. President, I rise today to introduce, along with Senators GRASSLEY, REID, and KYL, the Methamphetamine Control Act of 1996. This is legislation that, first, increases the regulation of precursor chemicals necessary to produce methamphetamine, a dangerous narcotic also known as speed, crank or ice.

Second, it increases the penalties for possession of controlled chemicals or paraphernalia used to make methamphetamine.

This legislation has been drafted over the past 6 months with the input of the Drug Enforcement Agency, the California Attorney General's Bureau of Narcotics Enforcement, the California Narcotics Officers Association, and local, State, and Federal law enforcement and prosecutors. I have a particular interest in this issue because of the ravaging effects that methamphetamine has had in my own State and other States in the Southwest.

Let me, for just a moment, explain how serious this problem is today. Methamphetamine has been around for a long time. But what once was a small-scale drug operation run by motorcycle gangs has now been taken over by at least one Mexican drug cartel. According to DEA, it is a multibillion-dollar industry in America.

California has become the front line in this new and dangerous drug war. DEA has designated California as the ''source country,'' a source country for methamphetamine, much like Colombia is the source country for cocaine. It has identified that 93 percent of the methamphetamine seized nationwide has its point of origin in California.

The explosion of this drug is being documented in hospital emergency rooms around California, and the epidemic is spreading eastward. In Sacramento just 4 weeks ago, law enforcement made the largest seizure in county history—80 pounds; street value, $2.5 million.

Large-scale labs are now commonplace. Last year in the Central Valley, law enforcement convicted a man who manufactured in excess of 900 pounds with a street value of $5 million. Literally hundreds of illicit laboratories

exist throughout the State. In two counties alone, Riverside and San Bernardino, there were 589 methamphetamine labs discovered in 1995.

Labs can be in apartments, in mobile homes, in moving vehicles, and in hotel rooms. They can be dismantled in a matter of hours. They are explosive, toxic, and they burn. Law enforcement has indicated that drug dealers come in, set up, produce their drugs in hotels, and leave.

The California Environmental Protection Agency expects that 1,150 sites will require cleanup by the end of this year in California. Most of the chemicals—iodine, refrigerants, hydrochloric gas, sodium hydroxide—are toxic and, in the case of red phosphorous, one of the precursor chemicals, highly flammable and explosive.

Two months ago, a mobile home in Riverside used as a methamphetamine lab exploded, killing three small children. Incredibly enough, the mother of these children pleaded with neighbors that they not call for help. Before firefighters could find the children's burnt bodies, the woman walked away from the scene.

Police in Phoenix say methamphetamine is mainly responsible for the 40-percent jump in homicides the city is experiencing.

In Contra-Costa County, law enforcement reports that methamphetamine is involved in 89 percent of domestic disputes.

Last year in San Diego, rival methamphetamine smuggling rings were responsible for 26 homicides.

In 1994, among all adults arrested in the San Diego area, 42 percent of men and 53 percent of women tested positive for amphetamines. Sutter Memorial Hospital in Sacramento says that methamphetamine-affected babies now outnumber crack-addicted babies 7–1.

The Methamphetamine Control Act which we are introducing today is carefully crafted. It is a targeted piece of legislation. It is drafted with the help of Federal, State, and local law enforcement, and it is aimed at the supply side of the problem.

This bill would increase criminal penalties that can be applied to large-scale methamphetamine manufacturers throughout our Nation. It restricts access to the precursor chemicals used in mass quantities to produce methamphetamine.

It would increase the penalties for possession of controlled chemicals or specialized equipment like the tripleneck flasks used to make methamphetamine.

It would add chemicals used to make methamphetamine—iodine, red phosphorous, and hydrochloric gas—to the Chemical Diversion and Trafficking Act.

It imposes a civil ''three strikes and you're out'' law, for companies that are found to be selling chemicals used to make methamphetamine.

There are in our State about seven rogue chemical companies. Anyone with $100 and a mail order catalog can put themselves into business in manufacturing methamphetamine. They can buy large-scale quantities of those chemicals that go into making methamphetamine.

This bill would double the maximum criminal penalty for possession of a chemical identified under the Chemical Diversion and Trafficking Act in methamphetamine production and would increase the maximum criminal penalty from 4 to 10 years for those who possess the specialized equipment used to manufacture methamphetamine.

It would remove the loophole on pseudoephedrine in the Controlled Substances Act. Pseudoephedrine, a common ingredient in many over-the-counter medicines, is now used as a substitute for ephedrine to make methamphetamine.

I have met with retailers and manufacturers of over-the-counter medicines and I understand the concerns about regulations which the DEA has proposed to control the illicit diversion of pseudoephedrine to make methamphetamine. I intend to work with these groups over the coming weeks to ensure that the 37 million Americans who rely on these products continue to have access to them.

We are creating an informal advisory group comprised of executives of chemical manufacturers and supply house companies, DEA officials, and other law enforcement agencies to devise strategies to see that this law is responsibly and sensibly enforced.

This bill includes a sense-of-the-Congress resolution supporting efforts for global chemical control.

The point is that many chemicals used to make methamphetamine, such as ephedrine, are tightly controlled in the United States but are literally smuggled into the United States through countries with little or no control, like Mexico. This legislation would express the sense of the Congress that ephedrine-producing countries should require approval from the Mexican Government for shipments of ephedrine and pseudoephedrine to Mexico, where they then come into this country.

I am very pleased, Mr. President, that this is a bipartisan effort. I am delighted to have the cosponsorship of Senators GRASSLEY and KYL. I note that this bill is also being introduced in the House today by Congressman RIGGS and Congressman VIC FAZIO.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1607

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Methamphetamine Control Act of 1996''.

SEC. 2. REGULATION OF CHEMICAL SUPPLY HOUSES.

Section 310 of the Controlled Substances Act (21 U.S.C. 830) is amended by adding at the end the following new subsection:

''(d)(1) Any chemical supply house that sells a listed chemical, after having been provided a warning under paragraph (2) within the previous 10 years, to a person who uses, or intends or attempts to use, the listed chemical, or causes the listed chemical to be used or attempted to be used, to manufacture or produce methamphetamine shall—

''(A) be subject to a civil penalty of not more than $250,000; or

''(B) for the second violation of this subsection, be ordered to cease the production and sale of any chemicals.

''(2) The Attorney General, acting through the Administrator of the Drug Enforcement Administration, shall provide a written warning to each chemical supply house that violates paragraph (1).

''(3) For purposes of this subsection, the term 'chemical supply house' means any manufacturer, wholesaler, or retailer, who owns, or who represents the owner of, any operation or business enterprise engaging in regulated transactions.

''(4) All amounts received from enforcement of the civil penalty under paragraph (1) shall be used by the Administrator of the Environmental Protection Agency for the environmental cleanup of clandestine laboratories used, or intended or attempted to be used, to manufacture methamphetamine.''.

SEC. 3. INCREASED PENALTIES FOR POSSESSION AND DISTRIBUTION OF LISTED CHEMICALS.

(a) IN GENERAL.—Section 401(d) of the Controlled Substances Act (21 U.S.C. 841(d)) is amended by striking ''10 years'' and inserting ''20 years in a case involving a list I chemical or 10 years in a case involving a list II chemical''.

(b) AMENDMENT OF SENTENCING GUIDELINES.—The United States Sentencing Commission shall amend the Federal Sentencing Guidelines to reflect the amendment made by subsection (a).

SEC. 4. INCREASED PENALTIES FOR MANUFACTURE AND POSSESSION OF EQUIPMENT USED TO MAKE METHAMPHETAMINE.

Section 403(d) of the Controlled Substances Act (21 U.S.C. 843(d)) is amended—

(1) by striking ''(d) Any person'' and inserting ''(d)(1) Except as provided in paragraph (2), any person''; and

(2) by adding at the end the following new paragraph:

''(2) Any person who, with the intent to manufacture methamphetamine, violates subsection (a) (6) or (7), shall be sentenced to a term of imprisonment of not more than 10 years, a fine of not more than $30,000, or both.''.

SEC. 5. REGULATION OF PSEUDOEPHEDRINE.

Section 102(39)(A)(iv) of the Controlled Substances Act (21 U.S.C. 802(3(9)(A)(iv)) is amended by striking ''ephedrine'' each place it appears and inserting ''ephedrine or pseudoephedrine,''.

SEC. 6. ADDITION OF SUBSTANCES TO DEFINITION OF LISTED CHEMICALS.

Section 102 of the Controlled Substances Act (21 U.S.C. 802) is amended—

(1) in paragraph (34) by adding at the end the following new subparagraph:

''(Y) Iodine.''; and

(2) in paragraph (35), by adding at the end the following new subparagraphs:

''(I) Red phosphorous.

''(J) Hydrochloric gas.''.

SEC. 7. SUPPORT FOR INTERNATIONAL EFFORTS TO CONTROL DRUGS.

It is the sense of the Congress that—

(1) the rise in manufacture and usage of the illegal narcotic methamphetamine is of major concern to the United States;

(2) a substantial portion of the ephedrine used to make methamphetamine is smuggled across the United States-Mexico border;

(3) the countries of China, India, the Czech Republic, Germany, and Slovenia are the largest manufacturers of ephedrine and pseudoephedrine;

(4) one means of preventing the international diversion of ephedrine and pseudoephedrine is the letter of nonobjection, which requires that the government of a country receiving a shipment of the chemical is aware of and approves the shipment, the quantity involved, the company receiving the shipment, and the ultimate use of the chemical;

(5) therefore, all ephedrine and pseudoephedrine producing countries should require letters of nonobjection from the Mexican government before exporting ephedrine or pseudoephedrine to that country; and

(6) all ephedrine and pseudoephedrine producing countries and Mexico should cooperate in any way possible to deter the smuggling of ephedrine and pseudoephedrine into the United States.

Mr. GRASSLEY. Mr. President, today I am pleased to introduce the Methamphetamine Control Act of 1996 with my colleague Senator FEINSTEIN. This bipartisan bill takes aim at a rapidly growing problem in America—the abuse of methamphetamine, known on the street as meth or crank.

I am from Iowa—a rural State which most people do not associate with rampant crime or drug use. But in Iowa today, meth use has increased dramatically. According to a report prepared by the Governor's alliance on substance abuse, seizures of methamphetamine in Des Moines increased an astounding 4,000 percent from 1993 to 1994. I repeat: meth seizures in Des Moines increased by 4,000 percent. The increase statewide was 400 percent. These numbers are scary, Mr. President. According to the Iowa Department of Public Health, 7.3 percent of Iowans seeking help from substance abuse treatment centers in 1995 cited meth as their primary addiction. That's up over 5 percent from 1994, when only 2.2 percent cited meth as their primary addiction.

Why has meth become such a problem? I do not think anyone knows definitively, but experts have been able to identify some of the reasons. Meth is cheap; a meth high lasts for a very, very long time, so you get more for your money; and perhaps most disturbingly, meth does not have the stigma associated with cocaine and crack. Kids know that crack is dangerous. But they have not yet learned that meth is.

In Waterloo, IA, though, people are beginning to learn this sad and painful lesson. According to the New York Times, a 17-year-old Iowan who had been a good boy, descended into meth addiction. His behavior changed for the worse. Last October, this young man checked himself into the hospital because he believed that he had the flu. He died only days later because meth had so destroyed his immune system that he developed a form of meningitis. I will never forget the words of this boy's mother: "He made some wrong decisions and this drug sucked him away." I ask unanimous consent that this New York Times article be printed in the RECORD.

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

[From the New York Times, Feb. 22, 1996]

GOOD PEOPLE GO BAD IN IOWA, AND A DRUG IS BEING BLAMED

(By Dirk Johnson)

NEWTON, IA. Feb. 16.—In this small town surrounded by corn fields, nothing but Sunday morning church bells ever made much noise, and the jail sat three-quarters empty most of the time.

And then about a year or so ago, things started to go haywire.

Crime began to soar, coupled with an outbreak of irrational behavior; a man with a spotless record pulled a string of burglaries; some parents suddenly became so neglectful that their children were taken away; a man fled his workplace to get a gun, terrified that helicopters were coming after him; motorists in routine traffic stops greeted the police with psychotic tirades.

Prosecutors linked all of these cases and many more in this town of 15,000 people to the influx of the drug methamphetamine, and its frequent side-effects of paranoia and violent behavior.

A problem for several years in California and other Southwestern states, the drug is now making its way across America, ruining lives and families along the way and raising the concern of policy makers in Washington.

"Meth seems to have taken control of these people," said Steve Johnson, the prosecutor here in Jasper County, where the 24-bed jail is now overflowing, and 90 percent of the inmates have a problem with the drug. "It's scary stuff. We're pretty frustrated and don't know exactly what to do to get it under control."

The drug, also known as crank or ice, is a stimulant that is swallowed, snorted or injected. It is much cheaper than cocaine, and its high lasts longer, the authorities say. Users may stay awake for several days at a stretch, feeling euphoric and full of energy before finally plunging into terrible depression and paranoia.

"This is the most malignant, addictive drug known to mankind," said Dr. Michael Abrams of Broadlawn Medical Center in Des Moines, where more patients were admitted during the past year for abuse of methamphetamine than for alcoholism. "It is often used by blue-collar workers, who feel under pressure to perform at a fast pace for long periods. And at first, it works. It turns you into wonder person. You can do everything—for a while."

Crack, wicked as it is, cannot compare to the destructive power of methamphetamine, Dr. Abrams said, He said the drug, because of its molecular structure, is more stimulating to the brain than any other drug.

The effects of cocaine, whether snorted or smoked, might be gone from the brain in 5 or 10 minutes, Dr. Abrams said, while methamphetamine continues to work on receptors in the brain for 8 to 24 hours.

The price of the drug here might be $100 a gram, about the same as that for powdered cocaine, but would last a user for a week while the cocaine would probably be used in a day.

Cocaine, which comes from the coca plant, is a natural substance. Methamphetamine is purely synthetic. "The body has enzymes that break down cocaine," he said, "but not with methamphetamine."

Methamphetamine causes psychotic and violent reactions, he said, because the drug throws out of control the production of the brain chemical dopamine, which plays an important part in movement, thought and emotion, as is the case with schizophrenia. Over time, the drug damages the brain.

"A person addicted to this stuff looks and acts exactly like a paranoid schizophrenic," he said. "You cannot tell any difference."

He said that a crack addict could reach the same point of psychotic behavior but that it would take "much longer and much more of the drug."

The drug, combined with the effects of sleep deprivation, can cause people to go mad, with ghastly consequences. In a case last July, a man in New Mexico, who was high on methamphetamine and alcohol, beheaded his 14-year-old son and tossed the severed head from his van window onto a busy highway.

The drug has already exacted a big death toll in Western states. In California, it was blamed for more than 400 deaths from overdose and suicide in 1994, the latest year with complete records on the drug. In Phoenix, it killed 122 people in 1994, the authorities said.

Here in Iowa, the ravages of the drug have reached what law-enforcement and health officials call an epidemic level. The police in Des Moines seized $4.5 million worth of methamphetamine in the last year alone.

And for the first time in Polk County, which includes Des Moines, arrests for drugs now surpass the number of arrests for drunken driving. Methamphetamine accounts for 65 percent of the drug arrests.

The drug is often manufactured in makeshift laboratories in rural areas, where the stench given off during its production is more likely to go undetected, and where law-enforcement agencies are more thinly spread.

Drug agents found seven such laboratories in Iowa last year. In the first six weeks of this year, they found five more. One of them, in a house trailer near the small town of Centerville, exploded and burned a man over 40 percent of his body.

The drug is also making its way into schools throughout Iowa, with some ghastly consequences.

One night about a year ago, 17-year-old Travis Swope of Waterloo sat down with his parents, Tim and Keely, and began to tremble. "I'm scared," the boy told them. He said he could not eat or sleep, and that he had been taking a drug called crank.

His parents, who had never heard of the drug, were shocked, but supportive. Mr. Swope, a maintenance worker at the John Deere Company, said his union insurance would cover drug treatment. The next day, however, Travis said he would quit on his own. And his parents believed him.

"I was in denial," Mr. Swope said. "I though it was something he'd get through."

Travis, who was a first-rate athlete, seemed better for a while. But then he lost weight and looked pale, all the while insisting that he was not using drugs. Then this manner changed.

"He had never been disrespectful to us," his mother said. "But all of a sudden, he'd be like, 'I'll be home when I decide to come home!' That wasn't Travis. It was like he was a different kid."

At the end of September, there was a blowup with his father, and Travis was told to leave the house.

On Oct. 6, Travis checked into a hospital, feeling as if he had a terrible case of the flue. In fact, the drug had broken down his immune system and he had developed a form of meningitis. Ten days later, he was dead.

"Learn about this drug, and sit down with your sons and daughters," said Mrs. Swope, her voice breaking with emotion as she talked with a reporter. "I learned way too

late, and I feel like I failed him. Travis was a really good kid—not a perfect kid. He made some wrong decisions, and this drug sucked him away.''

Mr. Swope said there were times he avoided discussions about drugs with his son, because he feared it would lead to a confrontation. ''But I would give everything to have him sitting here now,'' he said, ''being mad at me.''

While it seems puzzling why otherwise intelligent people would risk ruining their lives with this poison, drug counselors point out that stimulants have long held appeal in American culture. Going back more than a generation, students, athletes and workers have sought endurance by taking ''uppers'' or ''speed'' in tablets called Black Cadillacs or White Crosses.

The old country song by Dave Dudley, ''Six Days on the Road,'' spoke in the voice of a long-haul trucker in a big hurry: ''I'm taking little white pills, and my eyes are open wide.''

Methamphetamine made inroads among many blue-collar people because it did not carry the stigma of being a hard drug, the authorities said.

''Crack has the stigma of being an inner-city drug, and powder cocaine is thought to be for affluent people,'' said Mike Balmer, the chief deputy sheriff in Jasper County. ''But speed was a working-class drug. It's what people used to get them through a shift at the factory or keep up on a construction site.''

Indeed, the use of methamphetamine goes back many years, perhaps to the 20' or 30's. But today's form is farm more powerful, and deadly.

Years ago, the authorities said, a typical street does of methamphetamine consisted of perhaps 20 percent of ephedrine, the ingredient that delivers the kick. New methods that emerged in the late 1980's and early 90's often using a synthetic psuedoephedrine, have yielded a much more potent substance. Now the drug contains over 90 percent of the active ingredient.

Even before the big influx of methamphetamine, the use of stimulants was a problem in Iowa. A public health survey in 1993 found that the use of stimulants like amphetamines among Iowans was twice the national average, a finding that caused some scholars to wonder if an intense Midwestern work ethic was mainly to blame.

The latest statistics show that more than 35 percent of the people going to Iowa prisons last year reported using methamphetamine. And 90 percent of the people being committed to the mental health facilities in Polk County have used methamphetamine.

In some cases, the psychotic behavior provoked by the drug becomes permanent. The drug also causes body sores, which are worsened by the incessant scratching by users who feel like bugs are crawling over their bodies.

To fight the drug, Iowa has begun a radio and television advertising campaign to warn people of the dangers. A new prosecutor has been added to the United States Attorney's office in Des Moines, just to concentrate on drugs. At least five counties in Iowa have hired extra prosecutors to deal with the rising tide of methamphetamine cases.

''They haven't seen much of this in the East Coast,'' said Tom Murtha, the director of the First Step-Mercy Franklin Center, an alcohol and drug treatment center. ''But it's coming.''

Mr. GRASSLEY. Mr. President, what America is facing today is nothing short of an epidemic. Meth is cheap and easily manufactured from commonly available chemicals. Today, with Senator FEINSTEIN, we are striking at the root of the problem: chemical suppliers who sell chemicals to illegal meth labs. The harder it is for criminal chemists to get the raw material to make meth, the more difficult it will be to produce. This in turn will make it more expensive. And this will reduce consumption. And that will help keep our kids alive a little longer.

With the rapid increase of meth use among young people, unless we act quickly—and decisively—to pass this bill, I fear for an entire generation of Americans. Mr. President, in the 1980's, we almost lost a generation to crack and power cocaine. Let's not get that close to the edge again.

By Mr. MCCAIN (for himself and Mr. INOUYE):

S. 1608. A bill to extend the applicability of certain regulatory authority under the Indian Self-Determination and Education Assistance Act, and for other purposes; to the Committee on Indian Affairs.

EXTENSION OF THE INDIAN SELF-DETERMINATION CONTRACT REFORM ACT OF 1994

Mr. MCCAIN. Mr. President, I rise today to introduce a measure that would extend for 60 days the authority Congress delegated in 1994 to the Secretary of the Interior and the Secretary of Health and Human Services to promulgate regulations implementing the Indian Self-Determination Contract Reform Act of 1994.

Under longstanding Federal-Indian policies favoring tribal self-determination, the United States has encouraged native American tribal governments and tribal organizations to assume the responsibility of carrying out essential governmental services previously performed by Federal employees of the Bureau of Indian Affairs [BIA] and the Indian Health Service [IHS]. Indian tribes have been waiting since 1988 for regulations that would guide the implementation of the act. The bill I am introducing today would elongate that delay by an additional 60 days, extending the authority to issue final regulations from April 25, 1996 to June 25, 1996.

Despite my initial hesitancy to sponsor such an extension, tribal governments have now convinced me of the need for this 60-day extension. The United South and Eastern Tribes, the National Congress of American Indians, and numerous tribal governments have asked me to support the extension. I respect their judgment and ask that the Congress honor their request. In addition, several days ago the Senate referred executive communication No. 1959 to the Committee on Indian Affairs, which I chair. EC 1959 forwards the request of the Department of Health and Human Services and the Department of the Interior that Congress enact the bill I am introducing today. The Departments argue that a 60-day extension is needed because winter weather conditions and recent Federal employee furloughs related to the budget impasse between the Congress and the administration have made it impossible for the administration to comply with the statutory deadline.

I remain, however, very concerned that further delay in issuing the regulations will erode the power Congress placed with Indian tribes in the negotiated rulemaking provisions of the 1994 act. A 60-day delay could potentially allow the Federal agencies more time to undermine tribal provisions in the negotiated regulations that were published in proposed form in late January.

My concern is based on history. On three occasions, the Congress has had to enact precise statutory directives—in 1988, 1990, and in 1994—to overcome the two Departments' entrenched resistance to the requirements in the original act. When, for example, in 1988 the two Secretaries were given a statutory 10-month timeframe to promulgate regulations with tribal participation, they cut off all tribal input and began a delaying process that extended to 6 years. After 6 years—not 10 months—the Clinton administration released proposed regulations in 1994 that sought in every conceivable way to retard, rather than enhance, tribal self-determination contracting. The Congress responded by promptly enacting the Indian Self-Determination Contract Reform Act of 1994. That act mandated, for the first time in the history of Federal-Indian legislation, that tribal governments be directly involved in the process of drafting the proposed regulations through a negotiated rulemaking format rather than the traditional process of being ''consulted'' on drafts prepared by Federal officials.

In the 1994 act, the Congress accepted the administration's request that the 12-month regulatory period, originally proposed by the Senate, be enlarged to 18 months. That 18-month period ends on April 25, 1996. The Clinton administration assured the Congress that this would be ample time to get the job done.

I am told that the proposed regulations prepared by the joint Federal-Tribal negotiated rulemaking committee were largely completed and ready for publication in October 1995. However, the draft regulations languished in the Office of Management and Budget, or OMB, for over 3 months before they were finally released for publication in the Federal Register on January 24, 1996. Soon after publication, the administration began to mount pressure for an extension.

Mr. President, I am very concerned about reports that OMB officials recently raised dozens of questions and issues after the joint Federal-Tribal negotiated rulemaking committee had finalized the proposed regulations. This is particularly disturbing, because I and other authors of the 1994 act expected the entire administration, including the OMB, to raise its concerns and questions during the negotiated

rulemaking committee's deliberations with the Indian tribes, not afterward. What is most troubling to me, is that tribal representatives on the joint Federal-Tribal negotiated rulemaking committee have informed me that many of these OMB questions reflected a basic lack of understanding of the act and the special statutory and historic context in which these regulations have been developed. It appears that the administration's negotiators did not release these OMB questions to the tribal representatives until late last month. The questions are of the type that could easily have been addressed during the Federal-Tribal negotiated rulemaking process. I am disturbed that the OMB has apparently elected not to participate directly in the negotiations, where the OMB officials could have openly aired their concerns and afforded tribal government representatives an opportunity to respond.

The apparent risk associated with extending the deadline for final promulgation of the regulations is that the OMB, and their allies within the Departments, will have more time to unilaterally undo much of what the joint Federal-Tribal negotiated rulemaking committee has achieved to date as a result of government-to-government negotiations, and more time to resolve, against the Indian tribes, the remaining areas in dispute set forth in the January 24, 1996, notice of proposed rulemaking.

I am deeply concerned that the Departments' resistance to the act has undercut the negotiated rulemaking process, as evidenced by the nature of the issues remaining in dispute. For instance, neither Department wants to use the negotiated rulemaking process to develop their agency procedures, despite the law's directive that they do so. The Interior Department insists on incomprehensible organizational conflict-of-interest provisions which can only serve to undermine the goal of tribal self-determination. The Interior Department insists that a standard contract renewal with no material change must be processed through the full contract application and declination process even though that is plainly not what Congress intended—as the IHS, to its credit, does recognize. The Departments both seek to preserve the right to impose on tribes unpublished requirements, despite the clear statutory prohibitions against doing so. And perhaps most distressingly, the Departments have resisted placing any language in the new regulations that would state that Federal laws and regulations will be interpreted liberally for the benefit of the Indian tribes in order to facilitate contracting activities under the act. This is the position of the Departments despite the fact that this language is a well-settled U.S. Supreme Court rule of statutory construction that applies to all remedial Indian legislation.

To sum it up, Mr. President, I and other Members of Congress in 1994 were persuaded by the Indian tribes to set a hard and fast publication deadline of April 25, 1996 in response to the delays tribes had experienced in getting final regulations under the 1988 amendments. Likewise, at the request of the Indian tribes, Congress mandated that the proposed regulations be developed by a joint, tribal-Federal negotiated rulemaking committee. Assuming substantial tribal involvement in that committee, and good faith on the part of the administration, it would be reasonable to expect that these timeframes could be met. But apparently, 60 more days is needed. Accordingly, I will support the extension with the warning to the administration that I do not want to learn at some later date that the expanded timeframe has allowed the administration additional advantage over tribal governments in the negotiation of the final regulations.

Despite my reservations, I remain hopeful that the ongoing negotiated rulemaking process can be successfully concluded within the extended timeframe. But the Departments and the OMB must commit themselves to this process, just as the Indian tribes have done, and they must resist the temptation to slide back into the paternalistic, adversarial, and bureaucratic thinking that has compelled the Congress since 1988 to micromanage the Departments in the area of tribal self-determination contracting.

I thank my friend, Senator INOUYE, for joining with me as an original cosponsor of the bill. I urge my colleagues to support the 60-day extension and to join me in ensuring that the administration does not, by reason of the 60-day delay, gain any negotiation advantage over the Indian tribes.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1608

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

SECTION 1. EXTENSION OF APPLICABILITY OF CERTAIN REGULATORY AUTHORITY.

Section 107(a)(2)(B) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450k(a)(2)(B)) is amended by striking ''18 months'' and inserting ''20 months''.

By Mr. BIDEN:

S. 1609. A bill to provide for the rescheduling of flunitrazepan into schedule I of the Controlled Substances Act, and for other purposes; to the Committee on the Judiciary.

CONTROLLED SUBSTANCES ACT LEGISLATION

• Mr. BIDEN. Mr. President, the best time to target a new drug with uncompromising enforcement pressure is before abuse of that drug has overwhelmed our communities.

The advantages of doing so are clear—there are fewer pushers trafficking in the drug and, most important, fewer lives and fewer families will have suffered from the abuse of the drug.

Today, we are tracking the arrival of two new drugs—rohypnol and what is called ''special K''—as they begin to show popularity in several States. So, today is the time for action against these drugs.

Heightening this urgency is one stark fact—these new drugs are being used primarily by our children—our teens and young adults. One need not be unduly alarmist, but we must proceed with dispatch to do what we can to stop the spread of rohypnol and special K.

That is why I am today introducing legislation to make both these drugs subject to much stricter regulation. This can be accomplished by moving these drugs to different schedules under the Federal Controlled Substances Act.

This is not a step to be taken lightly, because there is a regulatory procedure in place for scheduling controlled substances. But, unfortunately, this regulatory procedure can take years to accomplish our goal, and what we need to do must be done in months, not years.

In the past decade, Congress has taken legislative action to change schedules in at least two other instances.

In 1984, in response to an alarming increase in illicit trafficking and nonmedical abuse of the drug, Congress enacted legislation to move quaaludes, a previously medically approved sedative, to schedule one of the Controlled Substances Act.

In the decade since this legislation took effect, quaalude abuse has decreased significantly, with emergency room quaalude overdose reports down 80 percent from 1985 to 1994.

And in legislation I sponsored, which was passed as part of the 1990 Crime Control Act, steroids were reclassified as a schedule three substance, subjecting them to more strict controls and penalties.

This change was also in response to an explosion of abuse—particularly by young athletes. The effects of this legislation has also been significant, with the rate of annual use of steroids down 42 percent in the first 2 years following the enactment of the legislation.

It is now time to legislate stricter controls for rohypnol and special K. The record high drug abuse rates of the 1970's were accompanied by a unique drug culture signified by the presence of ''club'' drugs—drugs that were popular with youth and young adults who frequented dance clubs and often mixed drugs with alcohol and other substances.

Recently, club drugs have made a resurgence in popularity, and they are often showing up at both bars and ''raves,'' all-night dance marathons popular with teens.

Club drugs are typified by the way they suddenly gain popularity and become the drug of choice, becoming trendy among youth. Often these drugs

are legally manufactured but are being used by youth in ways unintended by the manufacturer and unapproved by the Food and Drug Administration.

Rohypnol and special K are two of the drugs which have recently hit the youth scene and quickly become popular. Both of these drugs are very dangerous drugs whose current legal status does not reflect the dangers inherent in their abuse.

Rohypnol abuse was first documented in the United States in 1993. Although abuse was first noted in southern Florida, in the past 2 years abuse has spread rapidly, and rohypnol activity has now been reported in more than 30 States.

Without rapid and strong Government action, abuse will continue to spread to uncontrollable levels.

Teenagers find rohypnol attractive for a number of reasons. Frighteningly, one major reason is that youth do not see rohypnol as dangerous because it has a legitimate medical use in some areas of the world, and they mistakenly believe that if they are taking a drug which is in its original packaging from the manufacturer, it is both safe and unadulterated.

In addition, there are few existing means for testing and prosecuting youth for rohypnol possession and intoxication. The combination of rohypnol and alcohol makes it possible for youth to feel very intoxicated while still remaining under the legal blood-alcohol level for driving.

In addition to gaining attention for increasing rate of abuse, rohypnol has also been the focus of another social problem: crime, particularly date rape. In fact, in many areas and in a number of newspaper accounts, rohypnol has been referred to as a ''date rape drug.''

This connection between rohypnol and rape is due to the drug's disinhibitory effects and its likelihood of causing amnesia when combined with alcohol.

Unfortunately, this amnesiac effect is one of the reasons many people who abuse rohypnol are attracted to it. It is commonly reported that people taking rohypnol in combination with alcohol typically have blackouts, or memory losses lasting 8 to 24 hours.

The novelty of blackouts attract youth, particularly youth who are combining drugs with alcohol.

This has led to rohypnol being referred to as the ''forget me pill'' or the ''forget pill.'' Even more frightening, many people are finding the drug attractive as a way of creating blackouts in others.

The combination of disinhibition and memory loss caused by rohypnol mixed with alcohol makes women especially vulnerable to being victims of date rape by people who convince women to take rohypnol while drinking or put the drug in a woman's drink without her knowledge.

Recently, in Florida and Texas, there have been a number of investigations into these types of victimizations.

There have also been a number of reports of teens and young adults who have entered drug abuse treatment facilities in Florida, reporting rohypnol abuse and suicidal feelings they experienced while using rohypnol.

The most famous example of rohypnol overdose made the news with the attempted suicide of Kurt Cobain, lead singer of the rock band Nirvana. Cobain ultimately succeeded in committing suicide on March 18, 1994, but the rock singer had attempted suicide earlier in the month when he fell into a coma following a near fatal mixture of champagne and rohypnol. Cobain remained comatose for nearly 2 days before regaining consciousness after this drug experience.

Special K is also hitting the club scene at alarming rates. This drug is a hallucinogen very similar to PCP. Special K, or ketamine hydrochloride, has become popular as a new designer drug.

Although this drug has been in existence for several years, its abuse has rapidly become more prevalent in recent years.

Now many parties and raves at dance clubs are called bump parties, as a way of conveying special K is available. It is particularly attractive to kids at these types of events because along with its mind-altering effects, the drug gives a burst of energy, and it can be mixed with water so kids can take it in public without attracting attention.

In fact, a club in New Jersey was recently closed by police after it was discovered that teens were attending raves there where club employees distributed bottled water for this purpose.

In addition to seizures in New Jersey, recent newspaper articles have mentioned seizures in Maryland, New York, Pennsylvania, Arizona, California, and Florida. Drug tracking experts have also cited the presence of special K in Georgia and the District of Columbia, and in my home State of Delaware.

Special K is considered the successor to PCP—or angel dust, as it is known on the street—due to similarity of the two drugs' chemical compositions and mind-altering effects. There have also been reports of PCP being sold to people who think they are buying special K.

Ketamine is primarily a veterinary anesthetic. Although it has some limited use for human medical treatment, its use in this manner is not extensive due to the unpleasant and often dangerous side effects that can accompany its use.

It is clear that the current controls on rohypnol and ketamine do not reflect the dangers these drugs now pose to our society, particularly to women and children. In the United States rohypnol is classified under the Federal Controlled Substances Act as only a schedule four drug, and ketamine is not scheduled at all.

Last week, the Treasury Department announced that custom officials would begin seizing all rohypnol which is brought across U.S. borders. This is a step in the right direction. But this ban on all rohypnol is only the first step.

Further action is needed to make sure cracking down on the illegal trafficking of rohypnol is a high priority and that illegal traffickers of rohypnol are given tough sanctions.

That is why I am introducing legislation to increase the restrictions on both special K and rohypnol. By moving rohypnol to schedule one of the Federal Controlled Substances Act and adding special K to schedule two of the act, this legislation will subject both drugs to tighter controls, increased penalties for unlawful activity involving the two drugs, and will increase the attention and enforcement efforts directed at the drugs by Federal, State, and local law and drug enforcement officials.

In essence, these tighter regulations will mean that rohypnol will be subjected to the same restrictions and penalties as heroin, and special K will face the same controls as cocaine.

I hope my colleagues will join me in seeing to speedy passage of this legislation—taking action to make these drugs less available to our youth now.

I ask unanimous consent that a copy of the bill appear in the RECORD.

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

S. 1609

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

SECTION 1. RESCHEDULING.

Notwithstanding sections 201 and 202 (a) and (b) of the Controlled Substances Act (21 U.S.C. 811, 812 (a),(b)) respecting the scheduling of controlled substances, the Attorney General shall, by order—

(1) transfer flunitrazepam from schedule IV of such Act to schedule I of such Act; and

(2) add ketamine hydrochloride to schedule II of such Act.●

ADDITIONAL COSPONSORS

S. 942

At the request of Mr. BOND, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 942, a bill to promote increased understanding of Federal regulations and increased voluntary compliance with such regulations by small entities, to provide for the designation of regional ombudsmen and oversight boards to monitor the enforcement practices of certain Federal agencies with respect to small business concerns, to provide relief from excessive and arbitrary regulatory enforcement actions against small entities, and for other purposes.

S. 960

At the request of Mr. SANTORUM, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 960, a bill to amend title 18, United States Code, to exempt qualified current and former law enforcement officers from State laws prohibiting the

carrying of concealed handguns, and for other purposes.

S. 984

At the request of Mr. GRASSLEY, the name of the Senator from Tennessee [Mr. FRIST] was added as a cosponsor of S. 984, a bill to protect the fundamental right of a parent to direct the upbringing of a child, and for other purposes.

S. 1183

At the request of Mr. HATFIELD, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of S. 1183, a bill to amend the Act of March 3, 1931 (known as the Davis-Bacon Act), to revise the standards for coverage under the Act, and for other purposes.

S. 1423

At the request of Mr. GREGG, the name of the Senator from Florida [Mr. MACK] was added as a cosponsor of S. 1423, a bill to amend the Occupational Safety and Health Act of 1970 to make modifications to certain provisions, and for other purposes.

S. 1483

At the request of Mr. KYL, the names of the Senator from Indiana [Mr. COATS] and the Senator from Utah [Mr. HATCH] were added as cosponsors of S. 1483, a bill to control crime, and for other purposes.

S. 1487

At the request of Mr. GRAMM, the names of the Senator from North Carolina [Mr. FAIRCLOTH], the Senator from South Carolina [Mr. HOLLINGS], the Senator from New Hampshire [Mr. SMITH], and the Senator from Maryland [Ms. MIKULSKI] were added as cosponsors of S. 1487, a bill to establish a demonstration project to provide that the Department of Defense may receive Medicare reimbursement for health care services provided to certain Medicare-eligible covered military beneficiaries.

S. 1506

At the request of Mr. ABRAHAM, the name of the Senator from Tennessee [Mr. FRIST] was added as a cosponsor of S. 1506, a bill to provide for a reduction in regulatory costs by maintaining Federal average fuel economy standards applicable to automobiles in effect at current levels until changed by law, and for other purposes.

S. 1537

At the request of Mr. ROBB, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1537, a bill to require the Administrator of the Environmental Protection Agency to issue a regulation that consolidates all environmental laws and health and safety laws applicable to the construction, maintenance, and operation of above-ground storage tanks, and for other purposes.

S. 1578

At the request of Mr. FRIST, the names of the Senator from Kentucky [Mr. MCCONNELL], the Senator from Ohio [Mr. DEWINE], and the Senator from Oklahoma [Mr. INHOFE] were added as cosponsors of S. 1578, a bill to amend the Individuals With Disabilities Education Act to authorize appropriations for fiscal years 1997 through 2002, and for other purposes.

SENATE CONCURRENT RESOLUTION 43

At the request of Mr. THOMAS, the names of the Senator from New York [Mr. D'AMATO] and the Senator from Kentucky [Mr. FORD] were added as cosponsors of Senate Concurrent Resolution 43, a concurrent resolution expressing the sense of the Congress regarding proposed missile tests by the People's Republic of China.

SENATE RESOLUTION 226

At the request of Mr. DOMENICI, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of Senate Resolution 226, a resolution to proclaim the week of October 13 through October 19, 1996, as ''National Character Counts Week.''

AMENDMENT NO. 3467

At the request of Mr. BRYAN, his name was added as a cosponsor of amendment No. 3467 proposed to H.R. 3019, a bill making appropriations for fiscal year 1996 to make a further downpayment toward a balanced budget, and for other purposes.

SENATE CONCURRENT RESOLUTION 44—RELATIVE TO CAPITOL GROUNDS

Mr. CAMPBELL submitted the following concurrent resolution which was referred to the Committee on Rules and Administration:

S. CON. RES. 44

Whereas the United States public has demonstrated a continuing love affair with motor vehicles since their introduction 100 years ago, enjoying vehicles for transportation, for enthusiast endeavors ranging from racing to show competitions, and as a mode of individual expression;

Whereas research and development in connection with motorsports competition and specialty applications have provided consumers with life-saving safety features, including seat belts, air bags, and many other important innovations;

Whereas hundreds of thousands of amateur and professional participants enjoy motorsports competitions each year throughout the United States;

Whereas such competitions have a total annual attendance in excess of 14,500,000 spectators, making the competitions among the most widely attended in United States sports; and

Whereas sales of motor vehicle parts and accessories for performance and appearance enhancement, restoration, and modification exceeded $15,000,000,000 in 1995, resulting in 500,000 jobs for United States citizens: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring),

SECTION 1. USE OF CAPITOL GROUNDS FOR SPECIALTY MOTOR VEHICLE AND EQUIPMENT EVENT.

The Speciality Equipment Market Association shall be permitted to sponsor a public event displaying racing, restored and customized motor vehicles, and transporters on the Capitol Grounds on May 15, 1996, or such other date as the Speaker of the House of Representatives and the President pro tempore of the Senate may jointly designate.

SEC. 2 CONDITIONS.

The event to be carried out under this resolution shall be free of admission charge to the public and arranged not to interfere with the needs of Congress, under conditions to be prescribed by the Architect of the Capitol and the Capitol Police Board. The Speciality Equipment Market Association shall assume full responsibility for all expenses and liabilities incident to all activities associated with the event.

SEC. 3. STRUCTURE AND EQUIPMENT.

For the purposes of this resolution, the Speciality Equipment Market Association is authorized to erect upon the Capitol Grounds, subject to the approval of the Architect of the Capitol, such stage, sound amplification devices, tents, and other related structures and equipment as may be necessary for the event to be carried out under this resolution.

SEC. 4. ADDITIONAL ARRANGEMENTS.

The Architect of the Capitol and the Capitol Police Board are authorized to make any additional arrangement that may be required to carry out the event under this resolution.

SEC. 5. LIMITATIONS ON REPRESENTATIONS.

The Speciality Equipment Market Association (including its members) shall not present, either directly or indirectly, that this resolution or any activity carried out under this resolution in any way constitutes approval or endorsement by the Federal Government of the Speciality Equipment Market Association (or its members) or any product or service offered by the Speciality Equipment Market Association (or its members).

SENATE CONCURRENT RESOLUTION 45—RELATIVE TO THE CAPITOL ROTUNDA

Mr. DOLE (for himself and Mr. HELMS) submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 45

Resolved by the Senate (the House of Representatives concurring), That the rotunda of the United States Capitol is hereby authorized to be used on May 2, 1996 at 2 o'clock post meridian for the presentation of the Congressional Gold Medal to Reverend and Mrs. Billy Graham. Physical preparations for the conduct of the ceremony shall be carried out in accordance with such conditions as may be prescribed by the Architect of the Capitol.

AMENDMENTS SUBMITTED

THE 1996 BALANCED BUDGET DOWNPAYMENT ACT, II

MURKOWSKI (AND STEVENS) AMENDMENT NO. 3472

(Ordered to lie on the table.)

Mr. MURKOWSKI (for himself and Mr. STEVENS) submitted an amendment intended to be proposed by them to amendment No. 3466 proposed by Mr. HATFIELD to the bill (H.R. 3019) making appropriations for fiscal year 1996 to make a further downpayment toward a balanced budget, and for other purposes; as follows:

At the appropriate place, insert the following:

SEC. . None of the funds appropriated or otherwise made available for activities of the Department of Agriculture Agricultural Marketing Service may be expended until such time as food safety and inspection programs implemented or accepted by the Food and Drug Administration for the safety of American and overseas consumers are adopted as the standard required for the purposes of Department of Agriculture surplus seafood commodity purchase programs.

SPECTER (AND OTHERS) AMENDMENT NO. 3473

Mr. SPECTER (for himself, Mr. HARKIN, and Mr. WELLSTONE) proposed an amendment to amendment No. 3467 proposed by Mr. HARKIN to amendment No. 3466 proposed by Mr. HATFIELD to the bill H.R. 3019, supra; as follows:

In lieu of the language proposed to be inserted, insert the following:

PART 1—AMOUNTS

In addition to the amounts provided in Title I of this Act for the Department of Labor:

Under the heading ''Training and Employment Services'', $1,213,300,000, of which $487,300,000 is available for obligation for the period July 1, 1996 through June 30, 1997, and of which $91,000,000 is available from July 1, 1996, through September 30, 1997, for carrying out activities of the School-to-Work Opportunities Act, and of which $635,000,000 is for carrying out title II, part B of the Job Training Partnership Act;

Under the heading ''State Unemployment Insurance and Employment Service Operations'', $18,000,000, which shall be available for obligation for the period July 1, 1996 through June 30, 1997;

In addition to the amounts provided for in Title I of this Act for the Department of Health and Human Services:

Under the heading ''Children and Families Services Programs'', $136,700,000.

In addition to the amounts provided for in Title I of this Act for the Department of Education:

Under the heading ''Education Reform'', $151,000,000, which shall become available on October 1, 1996 and shall remain available through September 30, 1997: *Provided*, That $60,000,000 shall be for the Goals 2000: Educate Act and $91,000,000 shall be for the School-to-Work Opportunities Act.

Under the heading ''Education for the Disadvantaged'', $814,489,000, which shall become available for obligation on October 1, 1996 and shall remain available through September 30, 1997: *Provided*, That $700,228,000 shall be available for basic grants and $114,261,000 shall be for concentration grants.

Under the heading ''School Improvement Programs'', $208,000,000, which shall become available for obligation on October 1, 1996 and shall remain available through September 30, 1997.

Under the heading ''Vocational and Adult Education'', $82,750,000, which shall become available for obligation on October 1, 1996 and shall remain available through September 30, 1997.

Under the heading ''Student Financial Assistance'', the maximum Pell Grant for which a student shall be eligible during award year 1996–1997 shall be increased by $60.00: *Provided*, That funding for Title IV, part E shall be increased by $58,000,000 and funding for Title IV, Part A, subpart 4 shall be increased by $32,000,000.

Under the heading ''Education Research, Statistics, and Improvement'', $10,000,000 which shall become available for obligation on October 1, 1996 and shall remain available through September 30, 1997, shall be for sections 3136 and 3141 of the Elementary and Secondary Education Act.

PART 2—ADDITIONAL AMOUNTS

In addition to the amounts provided in Title I of this Act for the Department of Labor:

Under the heading ''Departmental Management, Salaries and Expenses'', $12,000,000, of which $10,000,000 shall be only for terminal leave, severance pay, and other costs directly related to the reduction of the number of employees in the Department.

In addition to the amounts provided for in Title I of this Act for the Department of Health and Human Services:

Under the heading ''Health Resources and Services'', $55,256,000: *Provided*, That $52,000,000 of such funds shall be used only for State AIDS Drug Assistance Programs authorized by section 2616 of the Public Health Service Act and shall be distributed to States as authorized by section 2618(b)(2) of such Act; and

Under the heading ''Substance Abuse and Mental Health Services'', $134,107,000.

PART 3—GENERAL PROVISIONS

SEC. 401. AVAILABILITY.

Notwithstanding any other provision of this Act, section 4002 shall not apply to part 1 of chapter 3 of title IV.

SEC. 402. OFFSETS.

Notwithstanding any other provision of this Act, the amounts on page 539, lines 18 and 19, and page 540, line 10, shall each be reduced by $200,000,000.

On page 546, increase the rescission amount on line 21 by $10,000,000.

Notwithstanding any other provision of this Act, the amounts on page 583, lines 4 and 14, shall each be reduced by $159,000,000.

ADMINISTRATION FOR CHILDREN AND FAMILIES

Job Opportunities and Basic Skills

(Rescission)

Of the funds made available under this heading elsewhere in this Act, there is rescinded an amount equal to the total of the funds within each State's limitation for fiscal year 1996 that are not necessary to pay such State's allowable claims for such fiscal year.

Section 403(k)(3)(F) of the Social Security Act (as amended by Public Law 100–485) is amended by adding: ''reduced by an amount equal to the total of those funds that are within each State's limitation for fiscal year 1996 that are not necessary to pay such State's allowable claims for such fiscal year (except that such amount for such year shall be deemed to be $1,000,000,000 for the purpose of determining the amount of the payment under subsection (1) to which each State is entitled),''.

FEDERAL AVIATION ADMINISTRATION

Grants-In-Aid For Airports

(Airport and Airway Trust Fund)

(Rescission of Contract Authorization)

Of the available contract authority balances under this account, $616,000,000 are rescinded.

PART 4—UNITED STATES ENRICHMENT CORPORATION PRIVATIZATION

SEC. 1. SHORT TITLE.

This Act may be cited as the ''USEC Privatization Act''.

SEC. 2. DEFINITIONS.

For purposes of this Act:

(1) The term ''AVLIS'' means atomic vapor laser isotope separation technology.

(2) The term ''Corporation'' means the United States Enrichment Corporation and, unless the context otherwise requires, includes the private corporation and any successor thereto following privatization.

(3) The term ''gaseous diffusion plants'' means the Paducah Gaseous Diffusion Plant at Paducah, Kentucky and the Portsmouth Gaseous Diffusion Plant at Piketon, Ohio.

(4) The term ''highly enriched uranium'' means uranium enriched to 20 percent or more of the uranium-235 isotope.

(5) The term ''low-enriched uranium'' means uranium enriched to less than 20 percent of the uranium-235 isotope, including that which is derived from highly enriched uranium.

(6) The term ''low-level radioactive waste'' has the meaning given such term in section 2(9) of the Low-Level Radioactive Waste Policy Act (42 U.S.C. 2021b(9)).

(7) The term ''private corporation'' means the corporation established under section 5.

(8) The term ''privatization'' means the transfer of ownership of the Corporation to private investors.

(9) The term ''privatization date'' means the date on which 100 percent of the ownership of the Corporation has been transferred to private investors.

(10) The term ''public offering'' means an underwritten offering to the public of the common stock of the private corporation pursuant to section 4.

(11) The ''Russian HEU Agreement'' means the Agreement Between the Government of the United States of America and the Government of the Russian Federation Concerning the Disposition of Highly Enriched Uranium Extracted from Nuclear Weapons, dated February 18, 1993.

(12) The term ''Secretary'' means the Secretary of Energy.

(13) The ''Suspension Agreement'' means the Agreement to Suspend the Antidumping Investigation on Uranium from the Russian Federation, as amended.

(14) The term ''uranium enrichment'' means the separation of uranium of a given isotopic content into 2 components, 1 having a higher percentage of a fissile isotope and 1 have a lower percentage.

SEC. 3. SALE OF THE CORPORATION.

(a) AUTHORIZATION.—The Board of Directors of the Corporation, with the approval of the Secretary of the Treasury, shall transfer the interest of the United States in the United States Enrichment Corporation to the private sector in a manner that provides for the long-term viability of the Corporation, provides for the continuation by the Corporation of the operation of the Department of Energy's gaseous diffusion plants, provides for the protection of the public interest in maintaining a reliable and economical domestic source of uranium mining, enrichment and conversion services, and, to the extent not inconsistent with such purposes, secures the maximum proceeds to the United States.

(b) PROCEEDS.—Proceeds from the sale of the United States' interest in the Corporation shall be deposited in the general fund of the Treasury.

SEC. 4. METHOD OF SALE.

(a) AUTHORIZATION.—The Board of Directors of the Corporation, with the approval of the Secretary of the Treasury, shall transfer ownership of the assets and obligations of the Corporation to the private corporation established under section 5 (which may be consummated through a merger or consolidation effected in accordance with, and having the effects provided under, the law of the State of incorporation of the private corporation, as if the Corporation were incorporated thereunder).

(b) BOARD DETERMINATION.—The Board, with the approval of the Secretary of the

Treasury, shall select the method of transfer and establish terms and conditions for the transfer that will provide the maximum proceeds to the Treasury of the United States and will provide for the long-term viability of the private corporation, the continued operation of the gaseous diffusion plants, and the public interest in maintaining reliable and economical domestic uranium mining and enrichment industries.

(c) ADEQUATE PROCEEDS.—The Secretary of the Treasury shall now allow the privatization of the Corporation unless before the sale date the Secretary of the Treasury determines that the method of transfer will provide the maximum proceeds to the Treasury consistent with the principles set forth in section 3(a).

(d) APPLICATION OF SECURITIES LAWS.—Any offering or sale of securities by the private corporation shall be subject to the Securities Act of 1933 (15 U.S.C. 77a et seq.), the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), and the provisions of the Constitution and laws of any State, territory, or possession of the United States relating to transactions in securities.

(e) EXPENSES.—Expenses of privatization shall be paid from Corporation revenue accounts in the United States Treasury.

SEC. 5. ESTABLISHMENT OF PRIVATE CORPORATION.

(a) INCORPORATION.—The directors of the Corporation shall establish a private for-profit corporation under the laws of a State for the purpose of receiving the assets and obligations of the Corporation at privatization and continuing the business operations of the Corporation following privatization.

(2) The directors of the Corporation may serve as incorporators of the private corporation and shall take all steps necessary to establish the private corporation, including the filing of articles of incorporation consistent with the provisions of this Act.

(3) Employees and officers of the Corporation (including members of the Board of Directors) acting in accordance with this section on behalf of the private corporation shall be deemed to be acting in their official capacities as employees or officers of the Corporation for purposes of section 205 of title 18, United States Code.

(b) STATUS OF THE PRIVATE CORPORATION.—(1) The private corporation shall not be an agency, instrumentality, or establishment of the United States, a Government corporation, or a Government-controlled corporation.

(2) Except as otherwise provided by this Act, financial obligations of the private corporation shall not be obligations of, or guaranteed as to principal or interest by, the Corporation or the United States, and the obligations shall so plainly state.

(3) No action under section 1491 of title 28, United States Code, shall be allowable against the United States based on actions of the private corporation,

(c) APPLICATION OF POST-GOVERNMENT EMPLOYMENT RESTRICTIONS.—Beginning on the privatization date, the restrictions stated in section 207, (a), (b), (c), and (d) of title 18, United States Code, shall not apply to the acts of an individual done in carrying out official duties as a director, officer, or employee of the private corporation, if the individual was an officer or employee of the Corporation (including a director) continuously during the 45 days prior to the privatization date.

(d) DISSOLUTION.—In the event that the privatization does not occur, the Corporation will provide for the dissolution of the private corporation within 1 year of the private corporation's incorporation unless the Secretary of the Treasury or his delegate, upon the Corporation's request, agrees to delay any such dissolution for an additional year.

SEC. 6. TRANSFERS TO THE PRIVATE CORPORATION.

Concurrent with privatization, the Corporation shall transfer to the private corporation—

(1) the lease of the gaseous diffusion plants in accordance with section 7.

(2) all personal property and inventories of the Corporation,

(3) all contracts, agreements, and leases under section 8(a),

(4) the Corporation's right to purchase power from the Secretary under section 8(b).

(5) such funds in accounts of the Corporation held by the Treasury or on deposit with any bank or other financial institution as approved by the Secretary of the Treasury, and

(6) all of the Corporation's records, including all of the papers and other documentary materials, regardless of physical form or characteristics, made or received by the Corporation.

SEC. 7. LEASING OF GASEOUS DIFFUSION FACILITIES.

(a) TRANSFER OR LEASE.—Concurrent with privatization, the Corporation shall transfer to the private corporation the lease of the gaseous diffusion plants and related property for the remainder of the term of such lease in accordance with the terms of such lease.

(b) RENEWAL.The private corporation shall have the exclusive option to lease the gaseous diffusion plants and related property for additional periods following the expiration of the initial term of the lease.

(c) EXCLUSION OF FACILITIES FOR PRODUCTION OF HIGHLY ENRICHED URANIUM.—The Secretary shall not lease to the private corporation any facilities necessary for the production of highly enriched uranium but may, subject to the requirements of the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.), grant the Corporations access to such facilities for purposes other than the production of highly enriched uranium.

(d) DOE RESPONSIBILITY FOR PREEXISTING CONDITIONS.—The payment of any costs of decontamination and decommissioning, response actions, or corrective actions with respect to conditions existing before July 1, 1993, at the gaseous diffusion plants shall remain the sole responsibility of the Secretary.

(e) ENVIRONMENTAL AUDIT.—For purposes of subsection (d), the conditions existing before July 1, 1993, at the gaseous diffusion plants shall be determined from the environmental audit conducted pursuant to section 1403(e) of the Atomic Energy Act of 1954 (42 U.S.C. 2297c–2(e)).

(f) TREATMENT UNDER PRICE-ANDERSON PROVISIONS.—Any lease executed between the Secretary and the Corporation or the private corporation, and any extension or renewal thereof, under this section shall be deemed to be a contract for purposes of section 170d. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(d)).

(g) WAIVER OF EIS REQUIREMENT.—The execution or transfer of the lease between the Secretary and the Corporation or the private corporation, and any extension or renewal thereof, shall not be considered to be a major Federal action significantly affecting the quality of the human environment for purposes of section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332).

SEC. 8. TRANSFER OF CONTRACTS.

(a) TRANSFER OF CONTRACTS.—Concurrent with privatization, the Corporation shall transfer to the private corporation all contracts, agreements, and leases, including all uranium enrichment contracts, that were—

(1) transferred by the Secretary to the Corporation pursuant to section 1401(b) of the Atomic Energy Act of 1954 (42 U.S.C. 2297c(b)), or

(2) entered into by the Corporation before the privatization date.

(b) NONTRANSFERABLE POWER CONTRACTS.—The Corporation shall transfer to the private corporation the right to purchase power from the Secretary under the power purchase contracts for the gaseous diffusion plants executed by the Secretary before July 1, 1993. The Secretary shall continue to receive power for the gaseous diffusion plants under such contracts and shall continue to resell such power to the private corporation at cost during the term of such contracts.

(c) EFFECT OF TRANSFER.—(1) Notwithstanding subsection (a), the United States shall remain obligated to the parties to the contracts, agreements, and leases transferred under subsection (a) for the performance of its obligations under such contracts, agreements, or leases during their terms. Performance of such obligations by the private corporation shall be considered performance by the United States.

(2) If a contract, agreement, or lease transferred under subsection (a) is terminated, extended, or materially amended after the privatization date—

(A) the private corporation shall be responsible for any obligation arising under such contract, agreement, or lease after any extension or material amendment, and

(B) the United States shall be responsible for any obligation arising under the contract, agreement, or lease before the termination, extension, or material amendment.

(3) The private corporation shall reimburse the United States for any amount paid by the United States under a settlement agreement entered into with the consent of the private corporation or under a judgment, if the settlement or judgment—

(A) arises out of an obligation under a contract, agreement, or lease transferred under subsection (a), and

(B) arises out of actions of the private corporation between the privatization date and the date of a termination, extension, or material amendment of such contract, agreement, or lease.

(d) PRICING.—The Corporation may establish prices for its products, materials, and services provided to customers on a basis that will allow it to attain the normal business objectives of a profit making corporation.

SEC. 9. LIABILITIES.

(a) LIABILITY OF THE UNITED STATES.—(1) Except as otherwise provided in this Act, all liabilities arising out of the operation of the uranium enrichment enterprise before July 1, 1993, shall remain the direct liabilities of the Secretary.

(2) Except as provided in subsection (a)(3) or otherwise provided in a memorandum of agreement entered into by the Corporation and the Office of Management and Budget prior to the privatization date, all liabilities arising out of the operation of the Corporation between July 1, 1993, and the privatization date shall remain the direct liabilities of the United States.

(3) All liabilities arising out of the disposal of depleted uranium generated by the Corporation between July 1, 1993, and the privatization date shall become the direct liabilities of the Secretary.

(4) Any stated or implied consent for the United States, or any agent or officer of the United States, to be sued by any person for any legal, equitable, or other relief with respect to any claim arising from any action taken by any agent or officer of the United States in connection with the privatization of the Corporation is hereby withdrawn.

(5) To the extent that any claim against the United States under this section is of the type otherwise required by Federal statute

or regulation to be presented to a Federal agency or official for adjudication or review, such claim shall be presented to the Department of Energy in accordance with procedures to be established by the Secretary. Nothing in this paragraph shall be construed to impose on the Department of Energy liability to pay any claim presented pursuant to this paragraph.

(6) The Attorney General shall represent the United States in any action seeking to impose liability under this subsection.

(b) LIABILITY OF THE CORPORATION.—Notwithstanding any provision of any agreement to which the Corporation is a party, the Corporation shall not be considered in breach, default, or violation of any agreement because of the transfer of such agreement to the private corporation under section 8 or any other action the Corporation is required to take under this Act.

(c) LIABILITY OF THE PRIVATE CORPORATION.—Except as provided in this Act, the private corporation shall be liable for any liabilities arising out of its operations after the privatization date.

(d) LIABILITY OF OFFICERS AND DIRECTORS.—(1) No officer, director, employee, or agent of the Corporation shall be liable in any civil proceeding to any party in connection with any action taken in connection with the privatization if, with respect to the subject matter of the action, suit, or proceeding, such person was acting within the scope of his employment.

(2) This subsection shall not apply to claims arising under the Securities Act of 1933 (15 U.S.C. 77a. et seq.), the Securities Exchange Act of 1934 (15 U.S.C. 78a. et seq.), or under the Constitution or laws of any State, territory, or possession of the United States relating to transactions in securities.

SEC. 10. EMPLOYEE PROTECTIONS.

(a) CONTRACTOR EMPLOYEES.—(1) Privatization shall not diminish the accrued, vested pension benefits of employees of the Corporation's operating contractor at the two gaseous diffusion plants.

(2) In the event that the private corporation terminates or changes the contractor at either or both of the gaseous diffusion plants, the plan sponsor or other appropriate fiduciary of the pension plan covering employees of the prior operating contractor shall arrange for the transfer of all plan assets and liabilities relating to accrued pension benefits of such plan's participants and beneficiaries from such plant to a pension plan sponsored by the new contractor or the private corporation or a joint labor-management plan, as the case may be.

(3) In addition to any obligations arising under the National Labor Relations Act (29 U.S.C. 151 et seq.), any employer (including the private corporation if it operates a gaseous diffusion plant without a contractor or any contractor of the private corporation) at a gaseous diffusion plant shall—

(A) abide by the terms of any unexpired collective bargaining agreement covering employees in bargaining units at the plant and in effect on the privatization date until the stated expiration or termination date of the agreement; or

(B) in the event a collective bargaining agreement is not in effect upon the privatization date, have the same bargaining obligations under section 8(d) of the National Labor Relations Act (29 U.S.C. 158(d)) as it had immediately before the privatization date.

(4) If the private corporation replaces its operating contractor at a gaseous diffusion plant, the new employer (including the new contractor or the private corporation if it operates a gaseous diffusion plant without a contractor) shall—

(A) offer employment to non-management employees of the predecessor contractor to the extent that their jobs still exist or they are qualified for new jobs, and

(B) abide by the terms of the predecessor contractor's collective bargaining agreement until the agreement expires or a new agreement is signed.

(5) In the event of a plant closing or mass layoff (as such terms are defined in section 2101(a) (2) and (3) of title 29, United States Code) at either of the gaseous diffusion plants, the Secretary of Energy shall treat any adversely affected employee of an operating contractor at either plant who was an employee at such plant on July 1, 1993, as a Department of Energy employee for purposes of sections 3161 and 3162 of the National Defense Authorization Act for Fiscal Year 1993 (42 U.S.C. 7274h–7274i).

(6)(A) The Secretary and the private corporation shall cause the post-retirement health benefits plan provider (or its successor) to continue to provide benefits for eligible persons, as described under subparagraph (B), employed by an operating contractor at either of the gaseous diffusion plants in an economically efficient manner and at substantially the same level of coverage as eligible retirees are entitled to receive on the privatization date.

(B) Persons eligible for coverage under subparagraph (A) shall be limited to:

(i) persons who retired from active employment at one of the gaseous diffusion plants on or before the privatization date as vested participants in a pension plan maintained either by the Corporation's operating contractor or by a contractor employed prior to July 1, 1993, by the Department of Energy to operate a gaseous diffusion plant; and

(ii) persons who are employed by the Corporation's operating contractor on or before the privatization date and are vested participants in a pension plan maintained either by the Corporation's operating contractor or by a contractor employed prior to July 1, 1993, by the Department of Energy to operate a gaseous diffusion plant.

(C) The Secretary shall fund the entire cost of post-retirement health benefits for persons who retired from employment with an operating contractor prior to July 1, 1993.

(D) The Secretary and the Corporation shall fund the cost of post-retirement health benefits for persons who retire from employment with an operating contractor on or after July 1, 1993, in proportion to the retired person's years and months of service at a gaseous diffusion plant under their respective management.

(7)(A) Any suit under this subsection alleging a violation of an agreement between an employer and a labor organization shall be brought in accordance with section 301 of the Labor Management Relations Act (29 U.S.C. 185).

(B) Any charge under this subsection alleging an unfair labor practice violative of section 8 of the National Labor Relations Act (29 U.S.C. 158) shall be pursued in accordance with section 10 of the National Labor Relations Act (29 U.S.C. 160).

(C) Any suit alleging a violation of any provision of this subsection, to the extent it does not allege a violation of the National Labor Relations Act, may be brought in any district court of the United States having jurisdiction over the parties, without regard to the amount in controversy or the citizenship of the parties.

(b) FORMER FEDERAL EMPLOYEES.—(1)(A) An employee of the Corporation that was subject to either the Civil Service Retirement System (referred to in this section as ''CSRS'') or the Federal Employees' Retirement System (referred to in this section as ''FERS'') on the day immediately preceding the privatization date shall elect—

(i) to retain the employee's coverage under either CSRS or FERS, as applicable, in lieu of coverage by the Corporation's retirement system, or

(ii) to receive a deferred annuity or lump-sum benefit payable to a terminated employee under CSRS or FERS, as applicable.

(B) An employee that makes the election under subparagraph (A)(ii) shall have the option to transfer the balance in the employee's Thrift Savings Plan account to a defined contribution plan under the Corporation's retirement system, consistent with applicable law and the terms of the Corporation's defined contribution plan.

(2) The Corporation shall pay to the Civil Service Retirement and Disability Fund—

(A) such employee deductions and agency contributions as are required by sections 8334, 8422, and 8423 of title 5, United States Code, for those employees who elect to retain their coverage under either CSRS or FERS pursuant to paragraph (1);

(B) such additional agency contributions as are determined necessary by the Office of Personnel Management to pay, in combination with the sums under subparagraph (A), the ''normal cost'' (determined using dynamic assumptions) of retirement benefits for those employees who elect to retain their coverage under CSRS pursuant to paragraph (1), with the concept of ''normal cost'' being used consistent with generally accepted actuarial standards and principles; and

(C) such additional amounts, not to exceed two percent of the amounts under subparagraphs (A) and (B) as are determined necessary by the Office of Personnel Management to pay the cost of administering retirement benefits for employees who retire from the Corporation after the privatization date under either CSRS or FERS, for their survivors, and for survivors of employees of the Corporation who die after the privatization date (which amounts shall be available to the Office of Personnel Management as provided in section 8348(a)(1)(B) of title 5, United States Code).

(3) The Corporation shall pay to the Thrift Savings Fund such employee and agency contributions as are required by section 8432 of title 5, United States Code, for those employees who elect to retain their coverage under FERS pursuant to paragraph (1).

(4) Any employee of the Corporation who was subject to the Federal Employee Health Benefits Program (referred to in this section as ''FEHBP'') on the day immediately preceding the privatization date and who elects to retain coverage under either CSRS or FERS pursuant to paragraph (1) shall have the option to receive health benefits from a health benefit plan established by the Corporation or to continue without interruption coverage under the FEHBP, in lieu of coverage by the Corporation's health benefit system.

(5) The Corporation shall pay to the Employees Health Benefits Fund—

(A) such employee deductions and agency contributions as are required by section 8906(a)–(f) of title 5, United States Code, for those employees who elect to retain their coverage under FEHBP pursuant to paragraph (4); and

(B) such amounts as are determined necessary by the Office of Personnel Management under paragraph (6) to reimburse the Office of Personnel Management for contributions under section 8906(g)(1) of title 5, United States Code, for those employees who elect to retain their coverage under FEHBP pursuant to paragraph (4).

(6) The amounts required under paragraph (5)(B) shall pay the Government contributions for retired employees who retire from the Corporation after the privatization date under either CSRS or FERS, for survivors of

such retired employees, and for survivors of employees of the Corporation who die after the privatization date, with said amounts prorated to reflect only that portion of the total service of such employees and retired persons that was performed for the Corporation after the privatization date.

SEC. 11. OWNERSHIP LIMITATIONS.

(a) SECURITIES LIMITATIONS.—No director, officer, or employee of the Corporation may acquire any securities, or any rights to acquire any securities of the private corporation on terms more favorable than those offered to the general public—

(1) in a public offering designed to transfer ownership of the Corporation to private investors,

(2) pursuant to any agreement, arrangement, or understanding entered into before the privatization date, or

(3) before the election of the directors of the private corporation.

(b) OWNERSHIP LIMITATION.—Immediately following the consummation of the transaction or series of transactions pursuant to which 100 percent of the ownership of the Corporation is transferred to private investors, and for a period of three years thereafter, no person may acquire, directly or indirectly, beneficial ownership of securities representing more than 10 percent of the total votes of all outstanding voting securities of the Corporation. The foregoing limitation shall not apply to—

(1) any employee stock ownership plan of the Corporation,

(2) members of the underwriting syndicate purchasing shares in stabilization transactions in connection with the privatization, or

(3) in the case of shares beneficially held in the ordinary course of business for others, any commercial bank, broker-dealer, or clearing agency.

SEC. 12. URANIUM TRANSFERS AND SALES.

(a) TRANSFERS AND SALES BY THE SECRETARY.—The Secretary shall not provide enrichment services or transfer or sell any uranium (including natural uranium concentrates, natural uranium hexafluoride, or enriched uranium in any form) to any person except as consistent with this section.

(b) RUSSIAN HEU.—(1) On or before December 31, 1996, the United States Executive Agent under the Russian HEU Agreement shall transfer to the Secretary without charge title to an amount of uranium hexafluoride equivalent to the natural uranium component of low-enriched uranium derived from at least 18 metric tons of highly enriched uranium purchased from the Russian Executive Agent under the Russian HEW Agreement. The quantity of such uranium hexafluoride delivered to the Secretary shall be based on a tails assay of 0.30 U^{235}. Uranium hexafluoride transferred to the Secretary pursuant to this paragraph shall be deemed under United States law for all purposes to be of Russian origin.

(2) Within 7 years of the date of enactment of this Act, the Secretary shall sell, and receive payment for, the uranium hexafluoride transferred to the Secretary pursuant to paragraph (1). Such uranium hexafluoride shall be sold—

(A) at any time for use in the United States for the purpose of overfeeding;

(B) at any time for end use outside the United States;

(C) in 1995 and 1996 to the Russian Executive Agent at the purchase price for use in matched sales pursuant to the Suspension Agreement; or,

(D) in calendar year 2001 for consumption by end users in the United States not prior to January 1, 2002, in volumes not to exceed 3,000,000 pounds U_3O_8 equivalent per year.

(3) With respect to all enriched uranium delivered to the United States Executive Agent under the Russian HEU Agreement on or after January 1, 1997, the United States Executive Agent shall, upon request of the Russian Executive Agent, enter into an agreement to deliver concurrently to the Russian Executive Agent an amount of uranium hexafluoride equivalent to the natural uranium component of such uranium. An agreement executed pursuant to a request of the Russian Executive Agent, as contemplated in this paragraph, may pertain to any deliveries due during any period remaining under the Russian HEU Agreement. The quantity of such uranium hexafluoride delivered to the Russian Executive Agent shall be based on a tails assay of 0.30 U^{235}. Title to uranium hexafluoride delivered to the Russian Executive Agent pursuant to this paragraph shall transfer to the Russian Executive Agent upon delivery of such material to the Russian Executive Agent, with such delivery to take place at a North American facility designated by the Russian Executive Agent. Uranium hexafluoride delivered to the Russian Executive Agent pursuant to this paragraph shall be deemed under U.S. law for all purposes to be of Russian origin. Such uranium hexafluoride may be sold to any person or entity for delivery and use in the United States only as permitted in subsections (b)(5), (b)(6) and (b)(7) of this section.

(4) In the event that the Russian Executive Agent does not exercise its right to enter into an agreement to take deliver of the natural uranium component of any low-enriched uranium, as contemplated in paragraph (3), within 90 days of the date such low-enriched uranium is delivered to the United States Executive Agent, or upon request of the Russian Executive Agent, then the United States Executive Agent shall engage an independent entity through a competitive selection process to auction an amount of uranium hexafluoride or U_3O_8 (in the event that the conversion component of such hexafluoride has previously been sold) equivalent to the natural uranium component of such low-enriched uranium. An agreement executed pursuant to a request of the Russian Executive Agent, as contemplated in this paragraph, may pertain to any deliveries due during any period remaining under the Russian HEU Agreement. Such independent entity shall sell such uranium hexafluoride in one or more lots to any person or entity to maximize the proceeds from such sales, for disposition consistent with the limitations set forth in this subsection. The independent entity shall pay to the Russian Executive Agent the proceeds of any such auction less all reasonable transaction and other administrative costs. The quantity of such uranium hexafluoride auctioned shall be based on a tails assay of 0.30 U^{235}. Title to uranium hexafluoride auctioned pursuant to this paragraph shall transfer to the buyer of such material upon delivery of such material to the buyer. Uranium hexafluoride auctioned pursuant to this paragraph shall be deemed under United States law for all purposes to be of Russian origin.

(5) Except as provided in paragraphs (6) and (7), uranium hexafluoride delivered to the Russian Executive Agent under paragraph (3) or auctioned pursuant to paragraph (4), may not be delivered for consumption by end users in the United States either directly or indirectly prior to January 1, 1998, and thereafter only in accordance with the following schedule:

ANNUAL MAXIMUM DELIVERIES TO END USERS

(millions lbs. U_3O_8 equivalent)

Year:	
1998	2
1999	4
2000	6
2001	8
2002	10
2003	12
2004	14
2005	16
2006	17
2007	18
2008	19
2009 and each year thereafter	20.

(6) Uranium hexafluoride delivered to the Russian Executive Agent under paragraph (3) or auctioned pursuant to paragraph (4) may be sold at any time as Russian-origin natural uranium in a matched sale pursuant to the Suspension Agreement, and in such case shall not be counted against the annual maximum deliveries set forth in paragraph (5).

(7) Uranium hexafluoride delivered to the Russian Executive Agent under paragraph (3) or auctioned pursuant to paragraph (4) may be sold at any time for use in the United States for the purpose of overfeeding in the operations of enrichment facilities.

(8) Nothing in this subsection (b) shall restrict the sale of the conversion component of such uranium hexafluoride.

(9) The Secretary of Commerce shall have responsibility for the administration and enforcement of the limitations set forth in this subsection. The Secretary of Commerce may require any person to provide any certifications, information, or take any action that may be necessary to enforce these limitations. The United States Customs Service shall maintain and provide any information required by the Secretary of Commerce and shall take any action requested by the Secretary of Commerce which is necessary for the administration and enforcement of the uranium delivery limitations set forth in this section.

(10) The President shall monitor the actions of the United States Executive Agent under the Russian HEU Agreement and shall report to the Congress not later than December 31 of each year on the effect the low-enriched uranium delivered under the Russian HEU Agreement is having on the domestic uranium mining, conversion, and enrichment industries, and the operation of the gaseous diffusion plants. Such report shall include a description of actions taken or proposed to be taken by the President to prevent or mitigate any material adverse impact on such industries or any loss of employment at the gaseous diffusion plants as a result of the Russian HEU Agreement.

(c) TRANSFERS TO THE CORPORATION.—(1) The Secretary shall transfer to the Corporation without charge up to 50 metric tons of enriched uranium and up to 7,000 metric tons of natural uranium from the Department of Energy's stockpile, subject to the restrictions in subsection (c)(2).

(2) The Corporation shall not deliver for commercial end use in the United States—

(A) any of the uranium transferred under this subsection before January 1, 1998;

(B) more than 10 percent of the uranium (by uranium hexafluoride equivalent content) transferred under this subsection or more than 4,000,000 pounds, whichever is less, in any calendar year after 1997; or

(C) more than 800,000 separative work units contained in low-enriched uranium transferred under this subsection in any calendar year.

(d) INVENTORY SALES.—(1) In addition to the transfers authorized under subsections (c) and (e), the Secretary may, from time to time, sell natural and low-enriched uranium (including low-enriched uranium derived from highly enriched uranium) from the Department of Energy's stockpile.

(2) Except as provided in subsections (b), (c), and (e), no sale or transfer of natural or low-enriched uranium shall be made unless—

(A) the President determines that the material is not necessary for national security needs,

(B) the Secretary determines that the sale of the material will not have an adverse material impact on the domestic uranium mining, conversion, or enrichment industry, taking into account the sales of uranium under the Russian HEU Agreement and the Suspension Agreement, and

(C) the price paid to the Secretary will not be less than the fair market value of the material.

(e) GOVERNMENT TRANSFERS.—Notwithstanding subsection (d)(2), the Secretary may transfer or sell enriched uranium—

(1) to a Federal agency if the material is transferred for the use of the receiving agency without any resale or transfer to another entity and the material does not meet commercial specifications;

(2) to any person for national security purposes, as determined by the Secretary; or

(3) to any State or local agency or nonprofit, charitable, or educational institution for use other than the generation of electricity for commercial use.

(f) SAVINGS PROVISION.—Nothing in this Act shall be read to modify the terms of the Russian HEU Agreement.

SEC. 13. LOW-LEVEL WASTE.

(a) RESPONSIBILITY OF DOE.—(1) The Secretary, at the request of the generator, shall accept for disposal low-level radioactive waste, including depleted uranium if it were ultimately determined to be low-level radioactive waste, generated by—

(A) The Corporation as a result of the operations of the gaseous diffusion plants or as a result of the treatment of such wastes at a location other than the gaseous diffusion plants, or

(B) any person licensed by the Nuclear Regulatory Commission to operate a uranium enrichment facility under sections 53, 63, and 193 of the Atomic Energy Act of 1954 (42 U.S.C. 2073, 2093, and 2243).

(2) Except as provided in paragraph (3), the generator shall reimburse the Secretary for the disposal of low-level radioactive waste pursuant to paragraph (1) in an amount equal to the Secretary's costs, including a pro rata share of any capital costs, but in no event more than an amount equal to that which would be charged by commercial, State, regional, or interstate compact entities for disposal of such waste.

(3) In the event depleted uranium were ultimately determined to be low-level radioactive waste, the generator shall reimburse the Secretary for the disposal of depleted uranium pursuant to paragraph (1) in an amount equal to the Secretary's costs, including a pro rata share of any capital costs.

(b) AGREEMENTS WITH OTHER PERSONS.—The generator may also enter into agreements for the disposal of low-level radioactive waste subject to subsection (a) with any person other than the Secretary that is authorized by applicable laws and regulations to dispose of such wastes.

(c) STATE OR INTERSTATE COMPACTS.—Notwithstanding any other provision of law, no State or interstate compact shall be liable for the treatment, storage, or disposal of any low-level radioactive waste (including mixed waste) attributable to the operation, decontamination, and decommissioning of any uranium enrichment facility.

SEC. 14. AVLIS.

(a) EXCLUSIVE RIGHT TO COMMERCIALIZE.—The Corporation shall have the exclusive commercial right to deploy and use any AVLIS patents, processes, and technical information owned or controlled by the Government, upon completion of a royalty agreement with the Secretary.

(b) TRANSFER OF RELATED PROPERTY TO CORPORATION.—

(1) IN GENERAL.—To the extend requested by the Corporation and subject to the requirement of the Atomic Energy Act of 1954 (42 U.S.C. 2011, et seq.), the President shall transfer without charge to the Corporation all of the right, title, or interest in and to property owned by the United States under control or custody of the Secretary that is directly related to and materially useful in the performance of the Corporation's purposes regarding AVLIS and alternative technologies for uranium enrichment, including—

(A) facilities, equipment, and materials for research, development, and demonstration activities; and

(B) all other facilities, equipment, materials, processes, patents, technical information of any kind, contracts, agreements, and leases.

(2) EXCEPTION.—Facilities, real estate, improvements, and equipment related to the gaseous diffusion, and gas centrifuge, uranium enrichment programs of the Secretary shall not transfer under paragraph (1)(B)

(3) EXPIRATION OF TRANSFER AUTHORITY.—The President's authority to transfer property under this subjection shall expire upon the privatization date.

(c) LIABILITY FOR PATENT AND RELATED CLAIMS.—With respect to any right, title, or interest provided to the Corporation under subsection (a) or (b), the Corporation shall have sole liability for any payments made or awards under section 157 b. (3) of the Atomic Energy Act of 1954 (42 U.S.C. 2187(b)(3)), or any settlements or judgments involving claims for alleged patent infringement. Any royalty agreement under subsection (a) of this section shall provide for a reduction of royalty payments to the Secretary to offset any payments, awards, settlements, or judgments under this subsection.

SEC. 15. APPLICATION OF CERTAIN LAWS.

(a) OSHA.—(1) As of the privatization date, the private corporation shall be subject to and comply with the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.).

(2) The Nuclear Regulatory Commission and the Occupational Safety and Health Administration shall, within 90 days after the date of enactment of this Act, enter into a memorandum of agreement to govern the exercise of their authority over occupational safety and health hazards at the gaseous diffusion plants, including inspection, investigation, enforcement, and rulemaking relating to such hazards.

(b) ANTITRUST LAWS.—For purposes of the antitrust laws, the performance by the private corporation of a ''matched import'' contract under the Suspension Agreement shall be considered to have occurred prior to the privatization date, if at the time of privatization, such contract had been agreed to by the parties in all material terms and confirmed by the Secretary of Commerce under the Suspension Agreement.

(c) ENERGY REORGANIZATION ACT REQUIREMENTS.—(1) The private corporation and its contractors and subcontractors shall be subject to the provisions of section 211 of the Energy Reorganization Act of 1974 (42 U.S.C. 5851) to the same extent as an employer subject to such section.

(2) With respect to the operation of the facilities leased by the private corporation, section 206 of the Energy Reorganization Act of 1974 (42 U.S.C. 5846) shall apply to the directors and officers of the private corporation.

SEC. 16. AMENDMENTS TO THE ATOMIC ENERGY ACT.

(a) REPEAL.—(1) Chapters 22 through 26 of the Atomic Energy Act of 1954 (42 U.S.C. 2297–2297e–7) are repealed as of the privatization date.

(2) The table of contents of such Act is amended as of the privatization date by striking the items referring to sections repealed by paragraph (1).

(b) NRC LICENSING.—(1) Section 11v. of the Atomic Energy Act of 1954 (42 U.S.C. 2014v.) is amended by striking ''or the construction and operation of a uranium enrichment facility using Atomic Vapor Laser Isotope Separation technology''.

(2) Section 193 of the Atomic Energy Act of 1954 (42 U.S.C. 2243) is amended by adding at the end the following:

''(f) LIMITATION.—No license or certificate of compliance may be issued to the United States Enrichment Corporation or its successor under this section or sections 53, 63, or 1701, if the Commission determines that—

''(1) the Corporation is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government; or

''(2) the issuance of such a license or certificate of compliance would be inimical to—

''(A) the common defense and security of the United States; or

''(B) the maintenance of a reliable and economical domestic source of enrichment services.''.

(3) Section 1701(c)(2) of the Atomic Energy Act of 1954 (42 U.S.C. 2297f(c)(2)) is amended to read as follows:

''(2) PERIODIC APPLICATION FOR CERTIFICATE OF COMPLIANCE.—The Corporation shall apply to the Nuclear Regulatory Commission for a certificate of compliance under paragraph (1) periodically, as determined by the Commission, but not less than every 5 years. The Commission shall review any such application and any determination made under subsection (b)(2) shall be based on the results of any such review.''

(4) Section 1702(a) of the Atomic Energy Act of 1954 (42 U.S.C. 2297f–1(a)) is amended—

(1) by striking ''other than'' and inserting ''including'', and

(2) by striking ''sections 53 and 63'' and inserting ''sections 53, 63, and 193''.

(c) JUDICIAL REVIEW OF NRC ACTIONS.—Section 189b. of the Atomic Energy Act of 1954 (42 U.S.C. 2239(b)) is amended to read as follows:

''b. The following Commission actions shall be subject to judicial review in the manner prescribed in chapter 158 of title 28, United States Code, and chapter 7 of title 5, United States Code:

''(1) Any final order entered in any proceeding of the kind specified in subsection (a).

''(2) Any final order allowing or prohibiting a facility to begin operating under a combined construction and operating license.

''(3) Any final order establishing by regulation standards to govern the Department of Energy's gaseous diffusion uranium enrichment plants, including any such facilities leased to a corporation established under the USEC Privatization Act.

''(4) Any final determination under section 1701(c) relating to whether the gaseous diffusion plants, including any such facilities leased to a corporation established under the USEC Privatization Act, are in compliance with the Commission's standards governing the gaseous diffusion plants and all applicable laws.''.

(d) CIVIL PENALTIES.—Section 234a. of the Atomic Energy Act of 1954 (42 U.S.C. 2282(a) is amended by—

(1) striking ''any licensing provision of section 53, 57, 62, 63, 81, 82, 101, 103, 104, 107, or 109'' and inserting: ''any licensing or certification provision of section 53, 57, 62, 63, 81, 82, 101, 103, 104, 107, 109, or 1701''; and

(2) by striking ''any license issued thereunder'' and inserting: ''any lease or certification issued thereunder''.

(e) REFERENCES TO THE CORPORATION.—Following the privatization date, all references in the Atomic Energy Act of 1954 to the United States Enrichment Corporation shall be deemed to be references to the private corporation.

SEC. 17. AMENDMENTS TO OTHER LAWS.

(a) DEFINITION OF GOVERNMENT CORPORATION.—As of the privatization date, section 9101(3) of title 31, United States Code, is amended by striking subparagraph (N) as added by section 902(b) of Public Law 102–486.

(b) DEFINITION OF THE CORPORATION.—Section 1018 (1) of the Energy Policy Act of 1992 (42 U.S.C. 2296b-7(1) is amended by inserting ''or its successor'' before the period.

SUBPART B—STRATEGIC PETROLEUM RESERVE

SEC. 431. SALE OF WEEKS ISLAND OIL.

Notwithstanding section 161 of the Energy Policy and Conservation Act (42 U.S.C. 6241), the Secretary of Energy shall draw down and sell in fiscal year 1996, $292,000,000 worth of oil formerly contained in the Weeks Island Strategic Petroleum Reserve.

HOLLINGS (AND OTHERS) AMENDMENT NO. 3474

Mr. HOLLINGS (for himself, Mr. DASCHLE, Mr. KERRY, Mr. LIEBERMAN, Mr. BINGAMAN, Mr. LEAHY, Mr. ROCKEFELLER, and Mr. KERREY) proposed an amendment to amendment No. 3466 proposed by Mr. HATFIELD to the bill H.R. 3019, supra; as follows:

On page 781 of the Committee amendment, strike lines 5 and 6, and insert in lieu thereof the following:

This title may be cited as the ''Contingency Appropriations Act, 1996''.

TITLE V—TECHNOLOGY INITIATIVES

CHAPTER 1—RESTORATIONS FOR PRIORITY TECHNOLOGY PROGRAMS

DEPARTMENTS OF COMMERCE, JUSTICE, STATE, THE JUDICIARY, AND RELATED AGENCIES

DEPARTMENT OF COMMERCE

NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

INDUSTRIAL TECHNOLOGY SERVICES

In addition to funds provided elsewhere in this Act, $300,000,000, to remain available until expended, for continuation grants and new program competitions under the Advanced Technology Program: *Provided,* That notwithstanding any other provision of this Act, any unobligated balances from carryover balances of current and prior year appropriations under the Advanced Technology Program may be used for continuation grants and new program competitions.

NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION

INFORMATION INFRASTRUCTURE GRANTS

In addition to funds provided elsewhere in this Act, $32,000,000, to remain available until expended, for increasing the number of grants promoting the development of the national telecommunications and information infrastructure.

TECHNOLOGY ADMINISTRATION

SALARIES AND EXPENSES

In addition to funds provided elsewhere in this Act, $4,500,000, to remain available until September 30, 1997, of which $2,500,000 shall be for grants to be awarded by the United States Israel Science and Technology Commission.

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES

In addition to the amounts provided in Title I of this Act for the Department of Education:

Under the heading, ''EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT'', of the amounts made available in title I an additional $23,000,000 shall be for part A of title III of the Elementary and Secondary Education Act of 1965, as amended.

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES ENVIRONMENTAL PROTECTION AGENCY

SCIENCE AND TECHNOLOGY

In addition to funds provided elsewhere in this Act, $31,000,000, to remain available until September 30, 1997.

ENVIRONMENTAL PROGRAMS AND MANAGEMENT

In addition to funds provided elsewhere in this Act, $31,000,000, to remain available until September 30, 1997.

CHAPTER 2—OFFSET FOR TECHNOLOGY PROGRAMS

SEC. 5101. SHORT TITLE.

This chapter may be cited as the ''Debt Collection Improvement Act of 1996''.

SEC. 5102. EFFECTIVE DATE.

Except as otherwise provided in this chapter, the provisions of this chapter and the amendments made by this chapter shall become effective October 1, 1996.

PART I—GENERAL DEBT COLLECTION INITIATIVES

Subpart A—General Offset Authority

SEC. 5201. ENHANCEMENT OF ADMINISTRATIVE OFFSET AUTHORITY.

(a) Section 3701(c) of title 31, United States Code, is amended to read as follows:

''(c) In sections 3716 and 3717 of this title, the term 'person' does not include an agency of the United States Government, or of a unit of general local government.''.

(b) Section 3716 of title 31, United States Code, is amended—

(1) by amending subsection (b) to read as follows:

''(b) Before collecting a claim by administrative offset, the head of an executive, legislative, or judicial agency must either—

''(1) adopt regulations on collecting by administrative offset promulgated by the Department of Justice, the General Accounting Office and/or the Department of the Treasury without change; or

''(2) prescribe independent regulations on collecting by administrative offset consistent with the regulations promulgated under paragraph (1).'';

(2) by amending subsection (c)(2) to read as follows:

''(2) when a statute explicitly prohibits using administrative 'offset' or 'setoff' to collect the claim or type of claim involved.'';

(3) by redesignating subsection (c) as subsection (d); and

(4) by inserting after subsection (b) the following new subsection:

''(c)(1)(A) Except as provided in subparagraph (B) or (C), a disbursing official of the Department of the Treasury, the Department of Defense, the United States Postal Service, or any disbursing official of the United States designated by the Secretary of the Treasury, is authorized to offset the amount of a payment which a payment certifying agency has certified to the disbursing official for disbursement by an amount equal to the amount of a claim which a creditor agency has certified to the Secretary of the Treasury pursuant to his subsection.

''(B) An agency that designates disbursing officials pursuant to section 3321(c) of this title is not required to certify claims arising out of its operations to the Secretary of the Treasury before such agency's disbursing officials offset such claims.

''(C) Payments certified by the Department of Education under a program administered by the Secretary of Education under title IV of the Higher Education Act of 1965, as amended, shall not be subject to offset under this subsection.

''(2) Neither the disbursing official nor the payment certifying agency shall be liable—

''(A) for the amount of the offset on the basis that the underlying obligation, represented by the payment before the offset was taken, was not satisfied; or

''(B) for failure to provide timely notice under paragraph (8).

''(3)(A) Notwithstanding any other provision of law (including sections 207 and 1631(d)(1) of the Act of August 14, 1935 (42 U.S.C. 407 and 1383(d)(1)), section 413(b) of Public Law 91–173 (30 U.S.C. 923(b)), and section 14 of the Act of August 29, 1935 (45 U.S.C. 231m)), all payments due under the Social Security Act, Part B of the Black Lung Benefits Act, or under any law administered by the Railroad Retirement Board shall be subject to offset under this section.

''(B) An amount of $10,000 which a debtor may receive under Federal benefit programs cited under subparagraph (A) within a 12-month period shall be exempt from offset under this subsection. In applying the $10,000 exemption, the disbursing official shall—

''(i) apply a prorated amount of the exemption to each periodic benefit payment to be made to the debtor during the applicable 12-month period; and

''(ii) consider all benefit payments made during the applicable 12-month period which are exempt from offset under this subsection as part of the $10,000 exemption.

For purposes of the preceding sentence, the amount of a periodic benefit payment shall be the amount after any reduction or deduction required under the laws authoring the program under which such payment is authorized to be made (including any reduction or deduction to recover any overpayment under such program).

''(C) The Secretary of the Treasury shall exempt means-tested programs when notified by the head of the respective agency. The Secretary may exempt other payments from offset under this subsection upon the written request of the head of a payment certifying agency. A written request for exemption of other payments must provide justification for the exemption under the standards prescribed by the Secretary. Such standards shall give due consideration to whether offset would tend to interfere substantially with or defeat the purposes of the payment certifying agency's program.

''(D) The provisions of sections 205(b)(1) and 1631(c)(1) of the Social Security Act shall not apply to any offset executed pursuant to this section against benefits authorized by either title II or title XVI of the Social Security Act.

''(4) The Secretary of the Treasury is authorized to charge a fee sufficient to cover the full cost of implementing this subsection. The fee may be collected either by the retention of a portion of amounts collected pursuant to this subsection, or by billing the agency referring or transferring the claim. Fees charged to the agencies shall be based only on actual offsets completed. Fees charged under this subsection concerning delinquent claims may be considered as costs pursuant to section 3717(e) of this title. Fees charged under this subsection shall be deposited into the 'Account' determined by the Secretary of the Treasury in accordance with section 3711(g) of this title, and shall be collected and accounted for in accordance with the provisions of that section.

''(5) The Secretary of the Treasury may disclose to a creditor agency the current address of any payee and any data related to certifying and authorizing such payment in

accordance with section 552a of title 5, United States Code, even when the payment has been exempt from offset. Where payments are made electronically, the Secretary is authorized to obtain the current address of the debtor/payee from the institution receiving the payment. Upon request by the Secretary, the institution receiving the payment shall report the current address of the debtor/payee to the Secretary.

''(6) The Secretary of the Treasury is authorized to prescribe such rules, regulations, and procedures as the Secretary of the Treasury deems necessary to carry out the purposes of this subsection. The Secretary shall consult with the heads of affected agencies in the development of such rules, regulations, and procedures.

''(7)(A) Any Federal agency that is owed by a named person a past-due legally enforceable non-tax debt that is over 180 days delinquent (other than any past-due support), including non-tax debt administered by a third party acting as an agent for the Federal Government, shall notify the Secretary of the Treasury of all such non-tax debts for purposes of offset under this subsection.

''(B) An agency may delay notification under subparagraph (A) with respect to a debt that is secured by bond or other instruments in lieu of bond, or for which there is another specific repayment source, in order to allow sufficient time to either collect the debt through normal collection processes (including collection by internal administrative offset) or render a final decision on any protest filed against the claim.

''(8) The disbursing official conducting the offset shall notify the payee in writing of—

''(A) the occurrence of an offset to satisfy a past-due legally enforceable debt, including a description of the type and amount of the payment otherwise payable to the debtor against which the offset was executed;

''(B) the identity of the creditor agency requesting the offset; and

''(C) a contact point within the creditor agency that will handle concerns regarding the offset.''.

Where the payment to be offset is a periodic benefit payment, the disbursing official shall take reasonable steps, as determined by the Secretary of the Treasury, to provide the notice to the payee not later than the date on which the payee is otherwise scheduled to receive the payment, or as soon as practicable thereafter, but no later than the date of the offset. Notwithstanding the preceding sentence, the failure of the debtor to receive such notice shall not impair the legality of such offset.

''(9) A levy pursuant to the Internal Revenue Code of 1986 shall take precedence over requests for offset received from other agencies.''.

(c) Section 3701(a) of title 31, United States Code, is amended by adding at the end the following new paragraph:

''(8) 'non-tax claim' means any claim from any agency of the Federal Government other than a claim by the Internal Revenue Service under the Internal Revenue Code of 1986.''.

SEC. 5202. HOUSE OF REPRESENTATIVES AS LEGISLATION AGENCY.

(a) Section 3701 of title 31, United States Code, is amended by adding at the end the following new subsections:

''(e) For purposes of subchapters I and II of chapter 37 of title 31, United States Code (relating to claims of or against United States Government), the United States House of Representatives shall be considered to be a legislative agency (as defined in section 3701(a)(4) of such title), and the Clerk of the House of Representatives shall be deemed to be the head of such legislative agency.

''(f) Regulations prescribed by the Clerk of the House of Representatives pursuant to section 3716 of title 31, United States Code, shall not become effective until they are approved by the Committee on Rules of the House of Representatives.''.

SEC. 5203. EXEMPTION FROM COMPUTER MATCHING REQUIREMENTS UNDER THE PRIVACY ACT OF 1974.

Section 552a(a) of title 5, United States Code, is amended in paragraph (8)(B)—

(1) by striking ''or'' at the end of clause (vi);

(2) by inserting ''or'' at the end of clause (vii); and

(3) by adding after clause (vii) the following new clause:

''(viii) matches for administrative offset or claims collection pursuant to subsection 3716(c) of title 31, section 5514 of this title, or any other payment intercept or offset program authorized by statute;''.

SEC. 5204. TECHNICAL AND CONFORMING AMENDMENTS.

(a) Title 31, United States Code, is amended—

(1) in section 3322(a), by inserting ''section 3716 and section 3702A of this title, section 6331 of title 26, and'' after ''Except as provided in'';

(2) in section 3325(a)(3), by inserting ''or pursuant to payment intercepts or offsets pursuant to section 3716 or 3720A, or pursuant to levies executed under section 6331 of the Internal Revenue Code of 1986 (26 U.S.C. 6331),'' after ''voucher''; and

(3) in sections 3711, 3716, 3717, and 3718, by striking ''the head of an executive or legislative agency'' each place it appears and inserting instead ''the head of an executive, judicial, or legislative agency''.

(b) Subsection 6103(l)(10) of title 26, United States Code, is amended—

(1) in subparagraph (A), by inserting ''and to officers and employees of the Department of the Treasury in connection with such reduction'' adding after ''6402''; and

(2) in subparagraph (B), by adding ''and to officers and employees of the Department of the Treasury in connection with such reduction'' after ''agency''.

Subpart B—Salary Offset Authority

SEC. 5521. ENHANCEMENT OF SALARY OFFSET AUTHORITY.

Section 5514 of title 5, United States Code, is amended—

(1) in subsection (a)—

(A) by adding at the end of paragraph (1) the following: ''All Federal agencies to which debts are owed and are delinquent in repayment, shall participate in computer match at least annually of their delinquent debt records with records of Federal employees to identify those employees who are delinquent in repayment of those debts. Matched Federal employee records shall include, but shall not be limited to, active Civil Service employees government wide, military active duty personnel, military reservists, United States Postal Service employees, and records of seasonal and temporary employees. The Secretary of the Treasury shall establish and maintain an interagency consortium to implement centralized salary offset computer matching, and promulgate regulations for this program. Agencies that perform centralized salary offset computer matching services under this subsection are authorized to charge a fee sufficient to cover the full cost for such services.'';

(b) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively;

(C) by inserting after paragraph (2) the following new paragraph:

''(3) The provisions of paragraph (2) shall not apply to routine intra-agency adjustments of pay that are attributable to clerical or administrative errors or delays in processing pay documents that have occurred within the four pay periods preceding the adjustment and to any adjustment that amounts to $50 or less, provided that at the time of such adjustment, or as soon thereafter as practical, the individual is provided written notice of the nature and the amount of the adjustment and a point of contact for contesting such adjustment.''; and

(D) by amending paragraph (5)(B) (as redesignated) to read as follows:

''(B) For purposes of this section 'agency' includes executive departments and agencies, the United States Postal Service, the Postal Rate Commission, the United States Senate, the United States House of Representatives, and any court, court administrative office, or instrumentality in the judicial or legislative branches of government, and government corporations.'';

(2) by adding at the end of subsection (b) the following new paragraphs:

''(3) For purposes of this section, the Clerk of the House of Representatives shall be deemed to be the head of the agency. Regulations prescribed by the Clerk of the House of Representatives pursuant to subsection (b)(1) shall be subject to the approval of the Committee on Rules of the House of Representatives.

''(4) For purposes of this section, the Secretary of the Senate shall be deemed to be the head of the agency. Regulations prescribed by the Secretary of the Senate pursuant to subsection (b)(1) shall be subject to the approval of the Committee on Rules and Administration of the Senate.''; and

(3) by adding after subsection (c) the following new subsection:

''(d) A levy pursuant to the Internal Revenue Code of 1986 shall take precedence over requests for offset received from other agencies.''.

Subpart C—Taxpayer Identifying Numbers

SEC. 5231. ACCESS TO TAXPAYER IDENTIFYING NUMBERS; BARRING DELINQUENT DEBTORS FROM CREDIT ASSISTANCE.

Section 4 of the Debt Collection Act of 1982 (Public Law 97–365, 96 Stat. 1749, 26 U.S.C. 6103 note) is amended—

(1) in subsection (b), by striking ''For purposes of this section'' and inserting instead ''For purposes of subsection (a)''; and

(2) by adding at the end thereof the following new subsections:

''(c) FEDERAL AGENCIES.—Each Federal agency shall require each person doing business with that agency to furnish to that agency such person's taxpayer identifying number.

''(1) For purposes of this subsection, a person is considered to be 'doing business' with a Federal agency if the person is—

''(A) a lender or servicer in a Federal guaranteed or insured loan program;

''(B) an applicant for, or recipient of—

''(i) a Federal guaranteed, insured, or direct loan; or

''(ii) a Federal license, permit, right-of-way, grant, benefit payment or insurance;

''(C) a contractor of the agency;

''(D) assessed a fine, fee, royalty, or penalty by that agency;

''(E) in a relationship with a Federal agency that may give rise to a receivable due to that agency, such as a partner of a borrower in or a guarantor of a Federal direct or insured loan; and

''(F) is a joint holder of any account to which Federal benefit payments are transferred electronically.

''(2) Each agency shall disclose to the person required to furnish a taxpayer identifying number under this subsection its intent to use such number for purposes of collecting and reporting on any delinquent

amounts arising out of such person's relationship with the government.

''(3) For purposes of this subsection:

''(A) The term 'taxpayer identifying number' has the meaning given such term in section 6109 of title 26, United States Code.

''(B) The term 'person' means an individual, sole proprietorship, partnership, corporation, nonprofit organization, or any other form of business association, but with the exception of debtors owing claims resulting from petroleum pricing violations does not include debtors under third party claims of the United States.

''(d) ACCESS TO SOCIAL SECURITY NUMBERS.—Notwithstanding section 552a of title 5, United States Code, creditor agencies to which a delinquent claim is owed, and their agents, may match their debtor records with the Social Security Administration records to verify name, name control, Social Security number, address, and date of birth.''.

SEC. 5232. BARRING DELINQUENT FEDERAL DEBTORS FROM OBTAINING FEDERAL LOANS OR LOAN GUARANTEES.

(a) Title 31, United States Code, is amended by adding after section 3720A the following new section:

''§ 3720B. Barring delinquent Federal debtors from obtaining Federal loans or loan guarantees

''(a) Unless waived by the head of the agency, no person may obtain any Federal financial assistance in the form of a loan or a loan guarantee if such person has an outstanding Federal non-tax debt which is in a delinquent status, as determined under the standards prescribed by the Secretary of the Treasury, with a Federal agency. Any such person may obtain additional Federal financial assistance only after such delinquency is resolved, pursuant to these standards. This section shall not apply to loans or loan guarantees where a status specifically permits extension of Federal financial assistance to borrowers in delinquent status.

''(b) The head of the agency may delegate the waiver authority described in subsection (a) to the Chief Financial Officer of the agency. The waiver authority may be redelegated only to the Deputy Chief Financial Officer of the agency.

''(c) For purposes of this section, 'person' means an individual; or sole proprietorship, partnership, corporation, non-profit organization, or any other form of business association.''.

(b) The table of sections for subchapter II of chapter 37 of title 31, United States Code, is amended by inserting after the item relating to section 3720A the following new item:

''3720B. Barring delinquent Federal debtors from obtaining Federal loans or loan guarantees.''.

Subpart D—Expanding Collection Authorities and Governmentwide Cross-Servicing

SEC. 5241. EXPANDING COLLECTION AUTHORITIES UNDER THE DEBT COLLECTION ACT OF 1982.

(a) Subsection 8(e) of the Debt Collection Act of 1982 (Public Law 97–365, 31 U.S.C. 3701(d) and 5 U.S.C. 5514 note) is repealed.

(b) Section 5 of the Social Security Domestic Employment Reform Act of 1994 (Public Law 103–387) is repealed.

(c) Section 631 of the Tariff Act of 1930 (19 U.S.C. 1631), is repealed.

(d) Title 31, United States Code, is amended—

(1) in section 3701—

(A) by amending subsection (a)(4) to read as follows:

''(4) 'executive, judicial or legislative agency' means a department, military department, agency, court, court administrative office, or instrumentality in the executive, judicial or legislative branches of government, including government corporations.''; and

(B) by inserting after subsection (c) the following new subsection:

''(d) Sections 3711(f) and 3716–3719 of this title do not apply to a claim or debt under, or to an amount payable under, the Internal Revenue Code of 1986.'';

(2) by amending section 3711(f) to read as follows:

''(f)(1) When trying to collect a claim of the Government, the head of an executive or legislative agency may disclose to a consumer reporting agency information from a system of records and an individual is responsible for a claim of notice required by section 552a(e)(4) of title 5, United States Code, indicates that information in the system may be disclosed to a consumer reporting agency.

''(2) The information disclosed to a consumer reporting agency shall be limited to—

''(A) information necessary to establish the identity of the individual, including name, address and taxpayer identifying number;

''(B) the amount, status, and history of the claim; and

''(C) the agency or program under which the claim arose.''; and

(3) in section 3718—

(A) in subsection (a), by striking the first sentence and inserting instead the following: ''Under conditions the head of an executive, legislative or judicial agency considers appropriate, the head of an agency may make a contract with a person for collection service to recover indebtedness owed, or to locate or recover assets of, the United States Government. No head of an agency may enter into a contract to locate or recover assets of the United States held by a State government or financial institution unless that agency has established procedures approved by the Secretary of the Treasury to identify and recover such assets.''; and

(B) in subsection (d), by inserting '', or to locate or recover assets of'', after ''owed''.

SEC. 5242. GOVERNMENTWIDE CROSS-SERVICING.

Section 3711 of title 31, United States Code, is amended by adding at the end the following new subsection:

''(g)(1) At the discretion of the head of an executive, judicial or legislative agency, referral of a non-tax claim may be made to any executive department or agency operating a debt collection center for servicing and collection in accordance with an agreement entered into under paragraph (2). Referral or transfer of a claim may also be made to the Secretary of the Treasury for servicing, collection, compromise, and/or suspension or termination of collection action. Non-tax claims referred or transferred under this section shall be serviced, collected, compromised, and/or collection action suspended or terminated in accordance with existing statutory requirements and authorities.

''(2) Executive departments and agencies operating debt collection centers are authorized to enter into agreements with the heads of executive, judicial, or legislative agencies to service and/or collect non-tax claims referred or transferred under this subsection. The heads of other executive departments and agencies are authorized to enter into agreements with the Secretary of the Treasury for servicing or collection of referred or transferred nontax claims or other Federal agencies operating debt collection centers to obtain debt collection services from those agencies.

''(3) Any agency to which non-tax claims are referred or transferred under this subsection is authorized to charge a fee sufficient to cover the full cost of implementing this subsection. The agency transferring or referring the non-tax claim shall be charged the fee, and the agency charging the fee shall collect such fee by retaining the amount of the fee from amounts collected pursuant to this subsection. Agencies may agree to pay through a different method, or to fund the activity from another account or from revenue received from Section 701. Amounts charged under this subsection concerning delinquent claims may be considered as costs pursuant to section 3717(e) of this title.

''(4) Notwithstanding any other law concerning the depositing and collection of Federal payments, including section 3302(b) of this title, agencies collecting fees may retain the fees from amounts collected. Any fee charged pursuant to this subsection shall be deposited into an account to be determined by the executive department or agency operating the debt collection center charging the fee (hereafter referred to in this section as the 'Account'). Amounts deposited in the Account shall be available until expended to cover costs associated with the implementation and operation of governmentwide debt collection activities. Costs properly chargeable to the Account include, but are not limited to—

''(A) the costs of computer hardware and software, word processing and telecommunications equipment, other equipment, supplies, and furniture;

''(B) personnel training and travel costs;

''(C) other personnel and administrative costs;

''(D) the costs of any contract for identification, billing, or collection services; and

''(E) reasonable costs incurred by the Secretary of the Treasury, including but not limited to, services and utilities provided by the Secretary, and administration of the Account.

''(5) Not later than January 1 of each year, there shall be deposited into the Treasury as miscellaneous receipts, an amount equal to the amount of unobligated balances remaining in the Account at the close of business on September 30 of the preceding year minus any part of such balance that the executive department or agency operating the debt collection center determines is necessary to cover or defray the costs under this subsection for the fiscal year in which the deposit is made.

''(6)(A) The head of an executive, legislative, or judicial agency shall transfer to the Secretary of the Treasury all non-tax claims over 180 days delinquent for additional collection action and/or closeout. A taxpayer identification number shall be included with each claim provided if it is in the agency's possession.

''(B) Subparagraph (A) shall not apply—

''(i) to claims that—

''(I) are in litigation or foreclosure;

''(II) will be disposed of under the loan sales program of a Federal department or agency;

''(III) have been referred to a private collection contractor for collection;

''(IV) are being collected under internal offset procedures;

''(V) have been referred to the Department of the Treasury, the Department of Defense, the United States Postal Service, or a disbursing official of the United States designated by the Secretary of the Treasury for administrative offset;

''(VI) have been retained by an executive agency in a debt collection center; or

''(VII) have been referred to another agency for collection;

''(ii) to claims which may be collected after the 180-day period in accordance with specific statutory authority or procedural guidelines, provided that the head of an executive, legislative, or judicial agency provides notice of such claims to the Secretary of the Treasury; and

''(iii) to other specific class of claims as determined by the Secretary of the Treasury at the request of the head of an agency or otherwise.

''(C) The head of an executive, legislative, or judicial agency shall transfer to the Secretary of the Treasury all non-tax claims on which the agency has ceased collection activity. The Secretary may exempt specific classes of claims from this requirement, at the request of the head of an agency, or otherwise. The Secretary shall review transferred claims to determine if additional collection action is warranted. The Secretary may, in accordance with section 6050P of title 26, United States Code, report to the Internal Revenue Service on behalf of the creditor agency any claims that have been discharged within the meaning of such action.

''(7) At the end of each calendar year, the head of an executive, legislative, or judicial agency which, regarding a claim owed to the agency, is required to report a discharge of indebtedness as income under the 6050P of title 26, United States Code, shall either complete the appropriate form 1099 or submit to the Secretary of the Treasury such information as is necessary for the Secretary of the Treasury to complete the appropriate form 1099. The Secretary of the Treasury shall incorporate this information into the appropriate form and submit the information to the taxpayer and Internal Revenue Service.

''(8) To carry out the purposes of this subsection, the Secretary of the Treasury is authorized—

''(A) to prescribe such rules, regulations, and procedures as the Secretary deems necessary; and

''(B) to designate debt collection centers operated by other Federal agencies.''.

SEC. 5243. COMPROMISE OF CLAIMS.

(a) Section 3711(a)(2) of title 31, United States Code, is amended by striking out ''$20,000 (excluding interest)'' and inserting in lieu thereof ''$100,000 (excluding interest) or such higher amount as the Attorney General may from time to time prescribe.

(b) This section shall be effective as of October 1, 1995.

Subpart E—Federal Civil Monetary Penalties

SEC. 5251. ADJUSTING FEDERAL CIVIL MONETARY PENALTIES FOR INFLATION.

(a) The Federal Civil Penalties Inflation Adjustment Act of 1990 (Public Law 101–410, 104 Stat. 890; 28 U.S.C. 2461 note) is amended—

''(1) by amending section 4 to read as follows:

''(SEC. 4. The head of each agency shall, not later than 180 days after the date of enactment of the Debt Collection Improvement Act of 1996, and at least once every 4 years thereafter, by regulation adjust each civil monetary penalty provided by law within the jurisdiction of the Federal agency, except for any penalty under title 26, United States Code, by the inflation adjustment described under section 5 of this Act and publish each such regulation in the Federal Register.'';

(2) in section 5(a), by striking ''The adjustment described under paragraphs (4) and (5)(A) of section 4'' and inserting ''The inflation adjustment''; and

(3) by adding at the end of the following new section:

''SEC. 7. Any increase to a civil monetary penalty resulting from this Act shall apply only to violations which occur after the date any such increase takes effect.''.

(b) The initial adjustment of a civil monetary penalty made pursuant to section 4 of Federal Civil Penalties Inflation Adjustment Act of 1990 (as amended by subsection (a)) may not exceed 10 percent of such penalty.

Subpart F—Gain Sharing

SEC. 5261. DEBT COLLECTION IMPROVEMENT ACCOUNT.

(a) Title 31, United States Code, is amended by inserting after section 3720B the following new section:

''§ 3720C. Debt Collection Improvement Account

''(a)(1) There is hereby established in the Treasury a special fund to be known as the 'Debt Collection Improvement Account' (hereinafter referred to as the 'Account').

''(2) The Account shall be maintained and managed by the Secretary of the Treasury, who shall ensure that programs are carried with the amounts described in subsection (b) and with allocations described in subsection (c).

''(b)(1) Not later than 30 days after the end of a fiscal year, an agency other than the Department of Justice is authorized to transfer to the Account a dividend not to exceed five percent of the debt collection improvement amount as described in paragraph (3).

''(2) Agency transfers to the Account may include collections from—

''(A) salary, administrative and tax referral off-sets;

''(B) automated levy authority;

''(C) the Department of Justice; and

''(D) private collection agencies.

''(3) For purposes of this section, the term 'debt collection improvement amount' means the amount by which the collection of delinquent debt with respect to a particular program during a fiscal year exceeds the delinquent debt baseline for such program for such fiscal year. The Office of Management and Budget shall determine the baseline from which increased collections are measured over the prior fiscal year, taking into account the recommendations made by the Secretary of the Treasury in consultation with creditor agencies.

''(c)(1) The Secretary of the Treasury is authorized to make payments from the Account solely to reimburse agencies for qualified expenses. For agencies with franchise funds, payments may be credited to subaccounts designated for debt collection.

''(2) For purposes of this paragraph, the term 'qualified expenses' means expenditures for the improvement of tax administration and agency debt collection and debt recovery activities including, but not limited to, account servicing (including cross-servicing under section 502 of the Debt Collection Improvement Act of 1996), automatic data processing equipment acquisitions, delinquent debt collection, measures to minimize delinquent debt, asset disposition, and training of personnel involved in credit and debt management.

''(3) Payments made to agencies pursuant to paragraph (1) shall be in proportion to their contributions to the Account.

''(4)(A) Amounts in the Account shall be available to the Secretary of the Treasury to the extent and in the amounts provided in advance in appropriation Acts, for purposes of this section. Such amounts are authorized to be appropriated without fiscal year limitation.

''(B) As soon as practicable after the end of third fiscal year after which appropriations are made pursuant to this section, and every 3 years thereafter, any unappropriated balance in the account as determined by the Secretary of the Treasury in consultation with agencies, shall be transferred to the Treasury general fund as miscellaneous receipts.

''(d) For direct loan and loan guarantee programs subject to title V of the Congressional Budget Act of 1974, amounts credited in accordance with subsection (c) shall be considered administrative costs and shall not be included in the estimated payments to the Government for the purpose of calculating the cost of such programs.

''(e) The Secretary of the Treasury shall prescribe such rules, regulations, and procedures as the Secretary deems necessary or appropriate to carry out the purposes of this section.''.

(b) The table of sections for subchapter II of chapter 37 of title 31, United States Code, is amended by inserting after the item relating to section 3720B the following new item:

''3720C. Debt Collection Improvement Account.''.

Subpart G—Tax Refund Offset Authority

SEC. 5271. OFFSET OF TAX REFUND PAYMENT BY DISBURSING OFFICIALS.

Section 3720A(h) of title 31, United States Code, is amended to read as follows:

''(h)(1) The term 'Secretary of the Treasury' may include the disbursing official of the Department of the Treasury.

''(2) The disbursing official of the Department of the Treasury—

''(A) shall notify a taxpayer in writing of—

''(i) the occurrence of an offset to satisfy a past-due legally enforceable non-tax debt;

''(ii) the identity of the creditor agency requesting the offset; and

''(iii) a contact point within the creditor agency that will handle concerns regarding the offset;

''(B) shall notify the Internal Revenue Service on a weekly basis of—

''(i) the occurrence of an offset to satisfy a past-due legally enforceable non-tax debt;

''(ii) the amount of such offset; and

''(iii) any other information required by regulations; and

''(C) shall match payment records with requests for offset by using a name control, taxpayer identifying number (as defined in 26 U.S.C. 6109), and any other necessary identifiers.''.

SEC. 5272. EXPANDING TAX REFUND OFFSET AUTHORITY.

(a) Section 3720A of title 31, United States Code, is amended by adding after subsection (h) the following new subsection:

''(i) An agency subject to section 9 of the Act of May 18, 1933 (16 U.S.C. 831h) may implement this section at its discretion.''.

(b) Section 6402(f) of title 26, United States Code, is amended to read as follows:

''(f) FEDERAL AGENCY.—For purposes of this section, the term 'Federal agency' means a department, agency, or instrumentality of the United States, and includes a government corporation (as such term is defined in section 103 of title 5, United States Code).''.

SEC. 5273. EXPANDING AUTHORITY TO COLLECT PAST-DUE SUPPORT.

(a) Section 3720A(a) of title 31, United States Code, is amended to read as follows:

''(a) Any Federal agency that is owed by a named person a past-due, legally enforceable debt (including past-due support and debt administered by a third party acting as an agent for the Federal Government) shall, in accordance with regulations issued pursuant to subsections (b) and (d), notify the Secretary of the Treasury at least once a year of the amount of such debt.''.

(b) Section 464(a) of the Social Security Act (42 U.S.C. 664(a)) is amended—

(1) in paragraph (1), by adding at the end thereof the following: ''This subsection may be implemented by the Secretary of the Treasury in accordance with section 3720A of title 31, United States Code.''; and

(2) in paragraph (2)(A), by adding at the end thereof the following: ''This subsection may be implemented by the Secretary of the Treasury in accordance with section 3720A of title 31, United States Code.''.

Subpart H—Definitions, Due Process Rights, and Severability

SEC. 5281. TECHNICAL AMENDMENTS TO DEFINITIONS.

Section 3701 of title 31, United States Code, is amended—

(1) by amending subsection (a)(1) to read as follows:

''(1) 'administrative offset' means withholding money payable by the United States (including money payable by the United States on behalf of a State government) to, or held by the United States for, a person to satisfy a claim.'';

(2) by amending subsection (b) to read as follows:

''(b)(1) The term 'claim' or 'debt' means any amount of money or property that has been determined by an appropriate official of the Federal Government to be owed to the United States by a person, organization, or entity other than another Federal agency. A claim includes, without limitation, money owed on account of loans insured or guaranteed by the Government, non-appropriated funds, over-payments, any amount the United States is authorized by statute to collect for the benefit of any person, and other amounts of money or property due the Government.

''(2) For purposes of section 3716 of this title, the term 'claim' also includes an amount of money or property owed by a person to a State, the District of Columbia, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, or the Commonwealth of Puerto Rico where there is also a Federal monetary interest or in cases of court ordered child support.''; and

(3) by adding after subsection (f) (as added in section 5202(a)) the following new subsection: ''(g) In section 3716 of this title—

''(1) 'creditor agency' means any entity owed a claim that seeks to collect that claim through administrative offset; and

''(2) 'payment certifying agency' means any Federal department, agency, or instrumentality and government corporation, that has transmitted a voucher to a disbursing official for disbursement.''.

SEC. 5282. SEVERABILITY.

If any provision of this title, or the amendments made by this title, or the application of any provision to any entity, person, or circumstance is for any reason adjudged by a court of competent jurisdiction to be invalid, the remainder of this title, and the amendments made by this title, or its application shall not be affected.

Subpart I—Reporting

SEC. 5291. MONITORING AND REPORTING.

(a) the Secretary of the Treasury, in consultation with concerned Federal agencies, is authorized to establish guidelines, including information on outstanding debt, to assist agencies in the performance and monitoring of debt collection activities.

(b) Not later than three years after the date of enactment of this Act, the Secretary of the Treasury shall report to the Congress on collection services provided by Federal agencies or entities collecting debt on behalf of other Federal agencies under the authorities contained in section 3711(g) of title 31, United States Code.

(c) Section 3719 of title 31, United States Code, is amended—

(1) in subsection (a)—

(A) by amending the first sentence to read as follows: ''In consultation with the Comptroller General, the Secretary of the Treasury shall prescribe regulations requiring the head of each agency with outstanding nontax claims to prepare and submit to the Secretary at least once a year a report summarizing the status of loans and accounts receivable managed by the head of the agency.''; and

(B) in paragraph (3), by striking ''Director'' and inserting ''Secretary''; and

(2) in subsection (b), by striking ''Director'' and inserting ''Secretary''.

(d) Notwithstanding any other provision of law, the Secretary of the Treasury is authorized to consolidate all reports concerning debt collection into one annual report.

PART II—JUSTICE DEBT MANAGEMENT

Subpart A—Private Attorneys

SEC. 5301. EXPANDED USE OF PRIVATE ATTORNEYS.

(a) Section 3718(b)(1)(A) of title 31, United States Code, is amended by striking the fourth sentence.

(b) Sections 3 and 5 of the Federal Debt Recovery Act (Public Law 99–578, 100 Stat. 3305) are hereby repealed.

Subpart B—Nonjudicial Foreclosure

SEC. 5311. NONJUDICIAL FORECLOSURE OF MORTGAGES.

Chapter 176 of title 28 of the United States Code is amended by adding at the end thereof the following:

''SUBCHAPTER E—NONJUDICIAL FORECLOSURE

''Sec.
''3401. Definitions.
''3402. Rules of construction.
''3403. Election of procedure.
''3404. Designation of foreclosure trustee.
''3405. Notice of foreclosure sale; statute of limitations.
''3406. Service of notice of foreclosure sale.
''3407. Cancellation of foreclosure sale.
''3408. Stay.
''3409. Conduct of sale: postponement.
''3410. Transfer of title and possession.
''3411. Record of foreclosure and sale.
''3412. Effect of sale.
''3413. Disposition of sale proceeds.
''3414. Deficiency judgment.

''§ 3401. Definitions

''As used in this subchapter—

''(1) 'agency' means—

''(A) an executive department as defined in section 101 of title 5, United States Code;

''(B) an independent establishment as defined in section 104 of title 5, United States Code (except that it shall not include the General Accounting Office);

''(C) a military department as defined in section 102 of title 5, United States Code; and

''(D) a wholly owned government corporation as defined in section 9101(3) of title 31, United States Code;

''(2) 'agency head' means the head and any assistant head of an agency, and may upon the designation by the head of an agency include the chief official of any principal division of an agency or any other employee of an agency;

''(3) 'bona fide purchaser' means a purchaser for value in good faith and without notice of any adverse claim who acquires the seller's interest free of any adverse claim;

''(4) 'debt instrument' means a note, mortgage bond, guaranty or other instrument creating a debt or other obligation, including any instrument incorporated by reference therein and any instrument or agreement amending or modifying a debt instrument;

''(5) 'file' or 'filing' means docketing, indexing, recording, or registering, or other requirement for perfecting a mortgage or a judgment;

''(6) 'foreclosure trustee' means an individual partnership, association, or corporation, or an employee thereof, including a successor, appointed by the agency head to conduct a foreclsoure sale pursuant to this subchapter;

''(7) 'mortgage' means a deed of trust, deed to secure debt, security agreement, or any other form of instrument under which any interest in real property, including leaseholds, life estates, reversionary interests, and any other estates under applicable law is conveyed or otherwise rendered subject to a lien, for the purpose of securing the payment of money or the performance of any other obligation.

''(8) 'of record' means an interest recorded pursuant to Federal and State statutes that provide for official recording of deeds, mortgages and judgments, and that establish the effect of such records as notices to creditors, purchasers, and other interested persons;

''(9) 'owner' means any person who has an ownership interest in property and includes heirs, devises, executors, administrators, and other personal representatives, and trustees of testamentary trusts if the owners of record is deceased;

''(10) 'sale' means a sale conducted pursuant to this subchapter, unless the context requires otherwise; and

''(11) 'security property' means real property, or any interest in real property including leaseholds, life estates, reversionary interests, and any other estates under applicable State law that secure a mortgage.

''§ 3402. Rules of construction

''(a) IN GENERAL.—If an agency head elects to proceed under this subchapter, this subchapter shall apply and the provisions of this subchapter shall govern in the event of a conflict with any other provision of Federal law or State law.

''(b) LIMITATION.—This subchapter shall not be construed to supersede or modify the operation of—

''(1) the lease-back/buy-back provisions under section 1985 of title 7, United States Code, or regulations promulgated thereunder; or

''(2) The Multifamily Mortgage Foreclosure Act of 1981 (chapter 38 of title 12, United States Code).

''(c) EFFECT ON OTHER LAWS.—This subchapter shall not be construed to curtail or limit the rights of the United States or any of its agencies—

''(1) to forclose a mortgage under any other provision of Federal law or State law; or

''(2) to enforce any right under Federal law or State law in lieu of or in addition to foreclosure, including any right to obtain a monetary judgment.

''(d) APPLICATION TO MORTGAGES.—The provisions of this subchapter may be used to foreclose any mortgage, whether executed prior or subsequent to the effective date of this subchapter.

''§ 3403. Election of procedure

''(a) SECURITY PROPERTY SUBJECT TO FORECLOSURE.—An agency head may foreclose a mortgage upon the breach of a covenant or condition in a debt instrument or mortgage for which acceleration or foreclosure is authorized. Any agency head may not institute foreclosure proceedings on the mortgage under any other provision of law, or refer such mortgage for litigation, during the pendency of foreclosure proceedings pursuant to this subchapter.

''(b) EFFECT OF CANCELLATION OF SALE.—If a foreclosure sale is canceled pursuant to section 3407, the agency head may thereafter foreclose on the security property in any manner authorized by law.

''§ 3404. Designation of foreclosure trustee

''(a) IN GENERAL.—An agency head shall designate a foreclosure trustee who shall supersede any trustee designated in the mortgage. A foreclosure trustee designated under this section shall have a nonjudicial power of sale pursuant to this subchapter.

''(b) DESIGNATION OF FORECLOSURE TRUSTEE.—

''(1) Any agency head may designate as foreclosure trustee—

''(A) an officer or employee of the agency;

''(B) an individual who is a resident of the State in which the security property is located; or

''(C) a partnership, association, or corporation, provided such entity is authorized to transact business under the laws of the State in which the security property is located.

''(2) The agency head is authorized to enter into personal services and other contracts not inconsistent with this subchapter.

''(c) METHOD OF DESIGNATION.—An agency head shall designate the foreclosure trustee in writing. The foreclosure trustee may be designated by name, title, or position. An agency head may designate one or more foreclosure trustees for the purpose of proceeding with multiple foreclosures or a class of foreclosures.

''(d) AVAILABILITY OF DESIGNATION.—An agency head may designate such foreclosure trustees as the agency head deems necessary to carry out the purposes of this subchapter.

''(e) MULTIPLE FORECLOSURE TRUSTEES AUTHORIZED.—An agency head may designate multiple foreclosures trustees for different tracts of a secured property.

''(f) REMOVAL OF FORECLOSURE TRUSTEE; SUCCESSOR FORECLOSURE TRUSTEES.—An agency head may, with or without cause or notice, remove a foreclosure trustee and designate a successor trustee as provided in this section. The foreclosure sale shall continue without prejudice notwithstanding the removal of the foreclosure trustee and designation of a successor foreclosure trustee. Nothing in this section shall be construed to prohibit a successor foreclosure trustee from postponing the foreclosure sale in accordance with this subchapter.

''§ 3405. Notice of foreclosure sale; statute of limitations

''(a) IN GENERAL.—

''(1) Not earlier than 21 days nor later than ten years after acceleration of a debt instrument or demand on a guaranty, the foreclosure trustee shall serve a notice of foreclosure sale in accordance with this subchapter.

''(2) For purposes of computing the time period under paragraph (1), there shall be excluded all periods during which there is in effect—

''(A) a judicially imposed stay of foreclosure; or

''(B) a stay imposed by section 362 of title 11, United States Code.

''(3) In the event of partial payment or written acknowledgement of the debt after acceleration of the debt instrument, the right to foreclosure shall be deemed to accrue again at the time of each such payment or acknowledgement.

''(b) NOTICE OF FORECLOSURE SALE.—The notice of foreclosure sale shall include—

''(1) the name, title, and business address of the foreclosure trustee as of the date of the notice;

''(2) the names of the original parties to the debt instrument and the mortgage, and any assignees of the mortgagor of record;

''(3) the street address or location of the security property, and a generally accepted designation used to describe the security property, or so much thereof as is to be offered for sale, sufficient to identify the property to be sold;

''(4) the date of the mortgage, the office in which the mortgage is filed, and the location of the filing of the mortgage;

''(5) the default or defaults upon which foreclosure is based, and the date of the acceleration of the debt instrument;

''(6) the date, time, and place of the foreclosure sale;

''(7) a statement that the foreclosure is being conducted in accordance with this subchapter;

''(8) the types of costs, if any, to be paid by the purchaser upon transfer of title; and

''(9) the terms and conditions of sale, including the method and time of payment of the foreclosure purchase price.

''§ 3406. Service of notice of foreclosure sale

''(a) RECORD NOTICE.—At least 21 days prior to the date of the foreclosure sale, the notice of foreclosure sale required by section 3405 shall be filed in the manner authorized for filing a notice of an action concerning real property according to the law of the State where the security property is located or, if none, in the manner authorized by section 3201 of this chapter.

''(b) NOTICE BY MAIL.—

''(1) At least 21 days prior to the date of the foreclosure sale, the notice set forth in section 3405 shall be sent by registered or certified mail, return receipt requested—

''(A) to the current owner of record of the security property as the record appears on the date that the notice of foreclosure sale is recorded pursuant to subsection (a);

''(B) to all debtors, including the mortgagor, assignees of the mortgagor and guarantors of the debt instrument;

''(C) to all persons having liens, interests or encumbrances of record upon the security property, as the record appears on the date that the notice of foreclosure sale is recorded pursuant to subsection (a); and

''(D) to any occupants of the security property. If the names of the occupants of the security property are not known to the agency, or the security property has more than one dwelling unit, the notice shall be posted at the security property.

''(2) The notice shall be sent to the debtor at the address, if any, set forth in the debt instrument or mortgage as the place to which notice is to be sent, and if different, to the debtor's last known address as shown in the mortgage record of the agency. The notice shall be sent to any person other than the debtor to that person's address of record or, if there is no address of record, to any address at which the agency in good faith believes the notice is likely to come to that person's attention.

''(3) Notice by mail pursuant to this subsection shall be effective upon mailing.

''(c) NOTICE BY PUBLICATION.—The notice of the foreclosure sale shall be published at least once a week for each of three successive weeks prior to the sale in at least one newspaper of general circulation in any county or counties in which the security property is located. If there is no newspaper published at least weekly that has a general circulation in at least one county in which the security property is located, copies of the notice of foreclosure sale shall instead be posted at least 21 days prior to the sale at the courthouse of any county or counties in which the property is located and the place where the sale is to be held.

''§ 3407. Cancellation of foreclosure sale

''(a) IN GENERAL.—At any time prior to the foreclosure sale, the foreclosure trustee shall cancel the sale—

''(1) if the debtor or the holder of any subordinate interest in the security property tenders the performance due under the debt instrument and mortgage, including any amounts due because of the exercise of the right to accelerate, and the expenses of proceeding to foreclosure incurred to the time of tender;

''(2) if the security property is a dwelling of four units or fewer, and the debtor—

''(A) pays or tenders all sums which would have been due at the time of tender in the absence of any acceleration;

''(B) performs any other obligation which would have been required in the absence of any acceleration; and

''(C) pays or tenders all costs of foreclosure incurred for which payment from the proceeds of the sale would be allowed; or

''(3) for any reason approved by the agency head.

''(b) LIMITATION.—The debtor may not, without the approval of the agency head, cure the default under subsection (a)(2) if, within the preceding 12 months, the debtor has cured a default after being served with a notice of foreclosure sale pursuant to this subchapter.

''(c) NOTICE OF CANCELLATION.—The foreclosure trustee shall file a notice of the cancellation in the same place and manner provided for the filing of the notice of foreclosure sale under section 3406(a).

''§ 3048. Stay

''If, prior to the time of sale, foreclosure proceedings under this subchapter are stayed in any manner, including the filing of bankruptcy, no person may thereafter cure the default under the provisions of section 3407(a)(2). If the default is not cured at the time a stay is terminated, the foreclosure trustee shall proceed to sell the security property as provided in this subchapter.

''§ 3409. Conduct of sale; postponement

''(a) SALE PROCEDURES.—Foreclosure sale pursuant to this subchapter shall be at public auction and shall be scheduled to begin at a time between the hours of 9:00 a.m. and 4:00 p.m. local time. The foreclosure sale shall be held at the location specified in the notice of foreclosure sale, which shall be a location where real estate foreclosure auctions are customarily held in the county or one of the counties in which the property to be sold is located or at a courthouse therein, or upon the property to be sold. Sale of security property situated in two or more counties may be held in any one of the counties in which any part of the security property is situated. The foreclosure trustee may designate the order in which multiple tracts of security property are sold.

''(b) BIDDING REQUIREMENTS.—Written one-price sealed bids shall be accepted by the foreclosure trustee, if submitted by the agency head or other persons for entry by announcement by the foreclosure trustee at the sale. The sealed bids shall be submitted in accordance with the terms set forth in the notice of foreclosure sale. The agency head or any other person may bid at the foreclosure sale, even if the agency head or other person previously submitted a written one-price bid. The agency head may bid a credit against the debt due without the tender or payment of cash. The foreclosure trustee may serve as auctioneer, or may employ an auctioneer who may be paid from the sale proceeds. If an auctioneer is employed, the foreclosure trustee is not required to attend the sale. The foreclosure trustee or an auctioneer may bid as directed by the agency head.

''(c) POSTPONEMENT OF SALE.—The foreclosure trustee shall have discretion, prior to or at the time of sale, to postpone the foreclosure sale. The foreclosure trustee may postpone a sale to a later hour the same day by announcing or posting the new time and place of the foreclosure sale at the time and place originally scheduled for the foreclosure sale. The foreclosure trustee may instead postpone the foreclosure sale for not fewer than 9 nor more than 31 days, by serving notice that the foreclosure sale has been postponed to a specified date, and the notice may include any revisions the foreclosure trustee deems appropriate. The notice shall be served by publication, mailing, and posting in accordance with section 3406 (b) and (c),

except that publication may be made on any of three separate days prior to the new date of the foreclosure sale, and mailing may be made at any time at least 7 days prior to the new date of the foreclosure sale.

''(d) LIABILITY OF SUCCESSFUL BIDDER WHO FAILS TO COMPLY.—The foreclosure trustee may require a bidder to make a cash deposit before the bid is accepted. The amount or percentage of the cash deposit shall be stated by the foreclosure trustee in the notice of foreclosure sale. A successful bidder at the foreclosure sale who fails to comply with the terms of the sale shall forfeit the cash deposit or, at the election of the foreclosure trustee, shall be liable to the agency on a subsequent sale of the property for all net losses incurred by the agency as a result of such failure.

''(e) EFFECT OF SALE.—Any foreclosure sale held in accordance with this subchapter shall be conclusively presumed to have been conducted in a legal, fair, and commercially reasonable manner. The sale price shall be conclusively presumed to constitute the reasonably equivalent value of the security property.

''§ 3410. Transfer of title and possession

''(a) DEED.—After receipt of the purchase price in accordance with the terms of the sale as provided in the notice of foreclosure sale, the foreclosure trustee shall execute and deliver to the purchaser a deed conveying the security property to the purchaser that grants and conveys title to the security property without warranty or covenants to the purchaser. The execution of the foreclosure trustee's deed shall have the effect of conveying all of the right, title, and interest in the security property covered by the mortgage. Notwithstanding any other law to the contrary, the foreclosure trustee's deed shall be a conveyance of the security property and not a quitclaim. No judicial proceeding shall be required ancillary or supplementary to the procedures provided in this subchapter to establish the validity of the conveyance.

''(b) DEATH OF PURCHASER PRIOR TO CONSUMMATION OF SALE.—If a purchaser dies before execution and delivery of the deed conveying the security property to the purchaser, the foreclosure trustee shall execute and deliver the deed to the representative of the purchaser's estate upon payment of the purchase price in accordance with the terms of sale. Such delivery to the representative of the purchaser's estate shall have the same effect as if accomplished during the lifetime of the purchaser.

''(c) PURCHASER CONSIDERED BONA FIDE PURCHASER WITHOUT NOTICE.—The purchaser of property under this subchapter shall be presumed to be a bona fide purchaser without notice of defects, if any, in the title conveyed to the purchaser.

''(d) POSSESSION BY PURCHASER; CONTINUING INTERESTS.—A purchaser at a foreclosure sale conducted pursuant to this subchapter shall be entitled to possession upon passage of title to the security property, subject to any interest or interests senior to that of the mortgage. The right to possession of any person without an interest senior to the mortgage who is in possession of the property shall terminate immediately upon the passage of title to the security property, and the person shall vacate the security property immediately. The purchaser shall be entitled to take any steps available under Federal law or State law to obtain possession.

''(e) RIGHT OF REDEMPTION; RIGHT OF POSSESSION.—This subchapter shall preempt all Federal and State rights of redemption, statutory, or common law. Upon conclusion of the public auction of the security property, no person shall have a right of redemption.

''(f) PROHIBITION OF IMPOSITION OF TAX ON CONVEYANCE BY THE UNITED STATES OR AGENCY THEREOF—No tax, or fee in the nature of a tax, for the transfer of title to the security property by the foreclosure trustee's deed shall be imposed upon or collected from the foreclosure trustee or the purchaser by any State or political subdivision thereof.

''§ 3411. Record of foreclosure and sale

''(a) RECITAL REQUIREMENTS.—The foreclosure trustee shall recite in the deed to the purchaser, or in an addendum to the foreclosure trustee's deed, or shall prepare an affidavit stating—

''(1) the date, time, and place of sale;

''(2) the date of the mortgage, the office in which the mortgage is filed, and the location of the filing of the mortgage;

''(3) the persons served with the notice of foreclosure sale;

''(4) the date and place of filing of the notice of foreclosure sale under section 3406(a);

''(5) that the foreclosure was conducted in accordance with the provisions of this subchapter; and

''(6) the sale amount.

''(b) EFFECT OF RECITALS.—The recitals set forth in subsection (a) shall be prima facie evidence of the truth of such recitals. Compliance with the requirements of subsection (a) shall create a conclusive presumption of the validity of the sale in favor of bona fide purchasers and encumbrancers for value without notice.

''(c) DEED TO BE ACCEPTED FOR FILING.—The register of deeds or other appropriate official of the county or counties where real estate deeds are regularly filed shall accept for filing and shall file the foreclosure trustee's deed and affidavit, if any, and any other instruments submitted for filing in relation to the foreclosure of the security property under this subchapter.

''§ 3412. Effect of sale

''A sale conducted under this subchapter to a bona fide purchaser shall bar all claims upon the security property by—

''(1) any person to whom the notice of foreclosure sale was mailed as provided in this subchapter who claims an interest in the property subordinate to that of the mortgage, and the heir, devisee, executor, administrator, successor, or assignee claiming under any such person;

''(2) any person claiming any interest in the property subordinate to that of the mortgage, if such person had actual knowledge of the sale;

''(3) any person so claiming, whose assignment, mortgage, or other conveyance was not filed in the proper place for filing, or whose judgment or decree was not filed in the proper place for filing, prior to the date of filing of the notice of foreclosure sale as required by section 3406(a), and the heir, devisee, executor, administrator, successor, or assignee of such a person; or

''(4) any other person claiming under a statutory lien or encumbrance not required to be filed and attaching to the title or interest of any person designated in any of the foregoing subsections of this section.

''§ 3413. Disposition of sale proceeds

''(a) DISTRIBUTION OF SALE PROCEEDS.—The foreclosure trustee shall distribute the proceeds of the foreclosure sale in the following order—

''(1)(A) to pay the commission of the foreclosure trustee, other than an agency employee, the greater of—

''(i) the sum of—

''(I) 3 percent of the first $1,000 collected, plus

''(II) 1.5 percent on the excess of any sum collected over $1,000; or

''(ii) $250; and

''(B) the amounts described in subparagraph (A)(i) shall be computed on the gross proceeds of all security property sold at a single sale;

''(2) to pay the expense of any auctioneer employed by the foreclosure trustee, if any, except that the commission payable to the foreclosure trustee pursuant to paragraph (1) shall be reduced by the amount paid to an auctioneer, unless the agency head determines that such reduction would adversely affect the ability of the agency head to retain qualified foreclosure trustees or auctioneers;

''(3) to pay for the costs of foreclosure, including—

''(A) reasonable and necessary advertising costs and postage incurred in giving notice pursuant to section 3406;

''(B) mileage for posting notices and for the foreclosure trustee's or auctioneer's attendance at the sale at the rate provided in section 1921 of title 28, United States Code, for mileage by the most reasonable road distance;

''(C) reasonable and necessary costs actually incurred in connection with any search of title and lien records; and

''(D) necessary costs incurred by the foreclosure trustee to file documents;

''(4) to pay valid real property tax liens or assessments, if required by the notice of foreclosure sale;

''(5) to pay any liens senior to the mortgage, if required by the notice of foreclosure sale;

''(6) to pay service charges and advancements for taxes, assessments, and property insurance premiums; and

''(7) to pay late charges and other administrative costs and the principal and interest balances secured by the mortgage, including expenditures for the necessary protection, preservation, and repair of the security property as authorized under the debt instrument or mortgage and interest thereon if provided for in the debt instrument or mortgage, pursuant to the agency's procedure.

''(b) INSUFFICIENT PROCEEDS.—In the event there are no proceeds of sale or the proceeds are insufficient to pay the costs and expenses set forth in subsection (a), the agency head shall pay such costs and expenses as authorized by applicable law.

''(c) SURPLUS MONIES.—

''(1) After making the payments required by subsection (a), the foreclosure trustee shall—

''(A) distribute any surplus to pay liens in the order of priority under Federal law or the law of the State where the security property is located; and

''(B) pay to the person who was the owner of record on the date the notice of foreclosure sale was filed the balance, if any, after any payments made pursuant to paragraph (1).

''(2) If the person to whom such surplus is to be paid cannot be located, or if the surplus available is insufficient to pay claimants and the claimants cannot agree on the distribution of the surplus, that portion of the sale proceeds may be deposited by the foreclosure trustee with an appropriate official authorized under law to receive funds under such circumstances. If such a procedure for the deposit of disputed funds is not available, and the foreclosure trustee files a bill of interpleader or is sued as a stakeholder to determine entitlement to such funds, the foreclosure trustee's necessary costs in taking or defending such action shall be deducted first from the disputed funds.

''§ 3414. Deficiency judgment

''(a) IN GENERAL.—If after deducting the disbursements described in section 3413, the price at which the security property is sold

at a foreclosure sale is insufficient to pay the unpaid balance of the debt secured by the security property, counsel for the United States may commence an action or actions against any or all debtors to recover the deficiency, unless specifically prohibited by the mortgage. The United States is also entitled to recover any amount authorized by section 3011 and costs of the action.

''(b) LIMITATION.—Any action commenced to recover the deficiency shall be brought within 6 years of the last sale of security property.

''(c) CREDITS.—The amount payable by a private mortgage guaranty insurer shall be credited to the account of the debtor prior to the commencement of an action for any deficiency owed by the debtor. Nothing in this subsection shall curtail or limit the subrogation rights of a private mortgage guaranty insurer.''.

CHAPTER 3—SPENDING DESIGNATION

SEC. 5501. EMERGENCY DESIGNATION.

Congress hereby designates all amounts in this entire title as emergency requirements for all purposes of the Balanced Budget and Emergency Deficit Control Act of 1985: *Provided,* That these amounts shall only be available to the extent an official budget request for a specific dollar amount that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985 is transmitted by the President to Congress.

GREGG AMENDMENT NO. 3475

Mr. GREGG proposed an amendment to amendment No. 3474 proposed by Mr. HOLLINGS to amendment No. 3466 proposed by Mr. HATFIELD to the H.R. 3019, supra; as follows:

Strike chapter 3 of the pending amendment in its entirety.

LAUTENBERG (AND OTHERS) AMENDMENT NO. 3476

Mr. GREGG (for Mr. LAUTENBERG, for himself, Mr. HOLLINGS, and Mr. KERRY) proposed an amendment to amendment No. 3466 proposed by Mr. HATFIELD to the bill H.R. 3019, supra; as follows:

At the appropriate place in title II of the Hatfield substitute amendment, insert the following new sections:

DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

For an additional amount for emergency expenses necessary to enhance the Federal Bureau of Investigation's efforts in the United States to combat Middle Eastern Terrorism, $7,000,000, to remain available until expended: *Provided,* That such activities shall include efforts to enforce Executive Order 12947 (''Prohibiting Transactions with Terrorists Who Threaten to Disrupt the Middle East Peace Process'') to prevent fundraising in the United States on the behalf of organizations that support terror to undermine the peace process: *Provided further,* That the entire amount is hereby designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(I) of the Balanced Budget Act and Emergency Deficit Control Act of 1985, as amended: *Provided further,* That the entire amount shall be available only to the extent an official budget request, for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted to Congress.

DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

For an additional amount for emergency expenses necessary to enhance the Office of Foreign Assets Control's efforts in the United States to combat Middle Eastern terrorism, $3,000,000, to remain available until expended: *Provided,* That such activities shall include efforts to enforce Executive Order 12947 (''Prohibiting Transactions with Terrorists Who Threaten to Disrupt the Middle East Peace Process'') to prevent fundraising in the United States on the behalf of organizations that support terror to undermine the peace process: *Provided further,* That the entire amount is hereby designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(I) of the Balanced Budget Act and Emergency Deficit Control Act of 1985, as amended: *Provided further,* That the entire amount shall be available only to the extent an official budget request, for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted to Congress.

REID AMENDMENT NO. 3477

Mr. GREGG (for Mr. REID) proposed an amendment to amendment No. 3466 proposed by Mr. HATFIELD to the bill H.R. 3019, supra; as follows:

At the appropriate place under the heading of ''General Provisions'' at the end of the bill, insert the following new section:

SEC. ——. (a) This section may be cited as the ''Federal Prohibition of Female Genital Mutilation Act of 1996''.

(b) Congress finds that—

(1) the practice of female genital mutilation is carried out by members of certain cultural and religious groups within the United States;

(2) the practice of female genital mutilation often results in the occurrence of physical and psychological health effects that harm the women involved;

(3) such mutilation infringes upon the guarantees of rights secured by Federal and State law, both statutory and constitutional;

(4) the unique circumstances surrounding the practice of female genital mutilation place it beyond the ability of any single State or local jurisdiction to control;

(5) the practice of female genital mutilation can be prohibited without abridging the exercise of any rights guaranteed under the First Amendment to the Constitution or under any other law; and

(6) Congress has the affirmative power under section 8 of article I of the Constitution, as well as under section 5 of the Fourteenth Amendment to the Constitution, to enact such legislation.

(c) It is the purpose of this section to protect and promote the public safety and health and activities affecting interstate commerce by establishing Federal criminal penalties for the performance of female genital mutilation.

(d)(1) Chapter 7 of title 18, United States Code, is amended by adding at the end the following new section:

''§ 116. Female genital mutilation

''(a) Except as provided in subsection (b), whoever knowingly circumcises, excises, or infibulates the whole or any part of the labia majora or labia minora or clitoris of another person who has not attained the age of 18 years shall be fined under this title or imprisoned not more than 5 years, or both.

''(b) A surgical operation is not a violation of this section if the operation is—

''(1) necessary to the health of the person on whom it is performed, and is performed by a person licensed in the place of its performance as a medical practitioner; or

''(2) performed on a person in labor or who has just given birth and is performed for medical purposes connected with that labor or birth by a person licensed in the place it is performed as a medical practitioner, or midwife, or person in training to become such a practitioner or midwife.

''(c) In applying subsection (b)(1), no account shall be taken of the effect on the person on whom the operation is to be performed of any belief on the part of that or any other person that the operation is required as a matter of custom or ritual.

''(d) Whoever knowingly denies to any person medical care or services or otherwise discriminates against any person in the provision of medical care or services, because—

''(1) that person has undergone female circumcision, excision, or infibulation; or

''(2) that person has requested that female circumcision, excision, or infibulation be performed on any person;

shall be fined under this title or imprisoned not more than one year, or both.''.

(2) The table of sections at the beginning of chapter 7 of title 18, United States Code, is amended by adding at the end the following new item:

''116. Female genital mutilation.''.

(e)(1) The Secretary of Health and Human Services shall do the following:

(A) Compile data on the number of females living in the United States who have been subjected to female genital mutilation (whether in the United States or in their countries of origin), including a specification of the number of girls under the age of 18 who have been subjected to such mutilation.

(B) Identify communities in the United States that practice female genital mutilation, and design and carry out outreach activities to educate individuals in the communities on the physical and psychological health effects of such practice. Such outreach activities shall be designed and implemented in collaboration with representatives of the ethnic groups practicing such mutilation and with representatives of organizations with expertise in preventing such practice.

(C) Develop recommendations for the education of students of schools of medicine and osteopathic medicine regarding female genital mutilation and complications arising from such mutilation. Such recommendations shall be disseminated to such schools.

(2) For purposes of this subsection, the term ''female genital mutilation'' means the removal or infibulation (or both) of the whole or part of the clitoris, the labia minor, or the labia major.

(f) Subsection (e) shall take effect on the date of enactment of this Act, and the Secretary of Health and Human Services shall commence carrying out such section not later than 90 days after the date of the enactment of this Act. Subsection (d) shall take effect on the date that is 180 days after the date of the enactment of this Act.

REID (AND OTHERS) AMENDMENT NO. 3478

Mr. REID (for himself, Mr. LAUTENBERG, Mr. LIEBERMAN, Mr. GRAHAM, Mrs. BOXER, Mr. MOYNIHAN, and Mr. AKAKA) proposed an amendment to amendment No. 3466 proposed by Mr.

HATFIELD to the bill H.R. 3019, supra; as follows:

On page 75, strike lines 1 through 9.

On page 412, line 23, strike ''$497,670,000'' and insert ''$501,420,000''.

On page 412, line 24, after ''1997,'', insert the following: ''of which $4,500,000 shall be available for species listings under section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533),''.

On page 413, strike ''1997:'' on line 11 and all that follows through line 20 and insert ''1997.''.

On page 461, line 24, strike ''$1,255,005,000'' and insert ''$1,251,255,000''.

On page 462, line 5, before the colon, insert the following: '', of which not more than $81,250,000 shall be available for travel expenses''.

HUTCHISON (AND KEMPTHORNE) AMENDMENT NO. 3479

Mrs. HUTCHISON (for herself and Mr. KEMPTHORNE) proposed an amendment to amendment No. 3478 proposed by Mr. REID to amendment No. 3466 proposed by Mr. HATFIELD to the bill H.R. 3019, supra; as follows:

In the language proposed to be stricken, on page 75, insert the following: ''*Provided further,* That no monies appropriated under this Act or any other law shall be used by the Secretary of Commerce to issue final determinations under subsections (a), (b), (c), (e), (g) or (i) of section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533), until such time as legislation reauthorizing the Act is enacted or until the end of fiscal year 1996, whichever is earlier, except that monies appropriated under this Act may be used to delist or reclassify species pursuant to subsections 4(a)(2)(B), 4(c)(2)(B)(I), and 4(c)(2)(B)(ii) of the Endangered Species Act, and may be used to issue emergency listings under section 4(b)(7) of the Endangered Species Act.''

On page 412, lines 23, strike ''$497,670,000'' and insert ''$407,670,001''.

On page 412, lines 24, after ''1997,'', insert the following: ''of which $750,001 shall be available for species listings under section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533),''.

In the language proposed to be stricken, strike all after the word 1997 on page 413, line 11, through the word Act on page 413, line 20, and insert the following: ''*Provided further,* That no monies appropriated under this Act or any other law shall be used by the Secretary of the Interior to issue final determinations under subsections (a), (b), (c), (e), (g) or (i) of section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533), until such time as legislation reauthorizing the Act is enacted or until the end of fiscal year 1996, whichever is earlier, except that monies appropriated under this Act may be used to delist or reclassify species pursuant to subsections 4(a)(2)(B), 4(c)(2)(B)(I), and 4(c)(2)(B)(ii) of the Endangered Species Act, and may be used to issue emergency listings under section 4(b)(7) of the Endangered Species Act.''

On page 461, lines 24, strike ''$1,255,005,000'' and insert ''$1,255,004,999''.

On page 462, lines 5, before the colon, insert the following: '', of which not more than $81,249,999 shall be available for travel expenses''.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. D'AMATO. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet at 9:30 a.m. on Tuesday, March 12, 1996, in open session, to receive testimony on the Defense authorization request for fiscal year 1997 and the future years Defense plan.

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

COMMITTEE ON ARMED SERVICES

Mr. D'AMATO. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet at 5 p.m. on Tuesday, March 12, 1996, in executive session, to consider Tailhook and related nominations.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. D'AMATO. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Tuesday, March 12, at 9 a.m. for a hearing on the subject of human radiation experiments.

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

SUBCOMMITTEE ON YOUTH VIOLENCE

Mr. D'AMATO. Mr. President, I ask unanimous consent that the Subcommittee on the Youth Violence of the Committee on the Judiciary, be authorized to meet during the session of the Senate on Tuesday, March 12, 1996, at 10 a.m., in the Senate Dirksen Building, Room 226, to hold a hearing on funding youth violence programs: should the strings be cut?

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

SUBCOMMITTEE ON AFRICAN AFFAIRS

Mr. D'AMATO. Mr. President, I ask unanimous consent that the Subcommittee on African Affairs of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, March 12, 1996, at 2 p.m. to hold hearing.

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

ADDITIONAL STATEMENTS

FREEDOM TO FARM

• Mr. ABRAHAM. Mr. President, after months of discussion and debate on farm legislation, I was pleased that the Senate passed a farm bill Thursday, February 7, which implements revolutionary steps toward a free market agriculture system. With farmers beginning to plan for the upcoming growing season, the urgency to pass a farm bill lead to a compromise bill which, while it certainly could have taken bolder moves toward free market agriculture, is a step in the right direction. This bill offers reform, opportunity, and flexibility for farmers in a fiscally responsible way.

The most significant reforms of current farm programs in this bill are the Freedom to Farm provisions which eliminate agriculture subsidies over the next 7 years. Freedom to Farm will allow American farmers to grow for the global market rather than for the Federal Government. The bill would eliminate supply control programs and requirements that farmers plant specific crops to preserve historical crop bases used to determine Government payments. These are very positive steps toward a free market in agriculture.

Time after time, Michigan farmers have told me that they do not want to grow for the Government—they want to grow for the marketplace. By extricating Michigan's farmers from bureaucratic planting requirements, the Freedom to Farm provisions in this bill will allow them to produce to meet consumer demand.

I would like to discuss an important change which was made in this bill before it was brought to the Senate floor. Many Michigan fruit and vegetable growers were concerned about a provision originally included in the Freedom to Farm language which would have allowed farmers receiving Government payments to grow fruits and vegetables on their land. In effect, had this been implemented, farmers receiving subsidies would have been able to plant nonsubsidized crops. This would have put those fruit and vegetable farmers who have been growing for the market without Government intervention at a disadvantage. Fruit and vegetable farmers who had never received subsidies would have been competing against subsidized farmers. Members of the committee corrected this problem before Senate floor consideration. The bill which passed the Senate maintains current policy which does not allow nonprogram crops to be grown on contract acres.

During consideration of the farm bill, Senator WELLSTONE offered an amendment to delete language in the bill which provided congressional consent for the Northeast dairy compact. This compact would allow member States to set the price for fluid milk above the existing Federal order. Thus, the compact would have been an additional step away from free market competition in that it would establish a subsidy within a subsidized industry. Not only would the compact raise the price of milk among the New England States, it would set a disturbing precedent by allowing States to insulate themselves from competition. Mr. President, in this farm bill which attempts to move the United States toward free market agriculture, the Northeast dairy compact would have been a dangerous step backward. I was pleased to support Mr. WELLSTONE's amendment which passed by a 50 to 46 vote.

The bill as written increases the interest rate for price support loans for farmers through the Commodity Credit Corporation by 1 percent. Senator HARKIN offered an amendment which would have eliminated this increase. While it is important for farmers to have access to affordable loans, I opposed Senator HARKIN's amendment. His amendment

would have cost the American taxpayers $260 million. Yet, even with the increase, interest rates on price support loans would remain below commercial rates. Mr. President, this Congress has been dedicated to efforts to reduce the U.S. budget deficit. The price tag on Mr. HARKIN's amendment, coupled with the fact that the loan rates are lower than commercial rates, even with the 1 percent increase, lead me to oppose Mr. HARKIN's amendment which failed by a vote of 37 to 59.

Senator HARKIN offered a second amendment which would have reinstated the Farmer Owned Grain Reserve. Under this program, which is no longer in existence, the Federal Government paid grain farmers for grain put in storage. This created a grain surplus which depressed prices. Farmers I have talked to in Michigan are opposed to the grain reserve—they understand that farmers cannot store themselves into prosperity. This amendment would have been out of place in a farm bill which attempts to have farmers produce for the market instead of for the Government. Along with 60 of my colleagues, I opposed this amendment.

Senator SANTORUM who has been a strong, consistent opponent of our outdated, feudalistic peanut program, offered an amendment which would have made more drastic changes to the peanut program than were included in the bill. Unfortunately, a majority of Members of the Senate voted to table the amendment thereby effectively killing it. I voted against tabling the amendment because I believe we should have had an opportunity to support further changes in the peanut program. Senator SANTORUM's amendment would have phased out the quota system which was established during the depression to guarantee a high price for peanut producers. In order to do this, the Government issued quotas. Only the holders of these quotas would be allowed to grow peanuts. The quota holders are now selling the right to grow peanuts at extremely high prices which increases the price of peanuts to the consumer. Under the peanut program, the Government dictates who has the right to grow peanuts and the amount they are allowed to grow. Mr. President, I voted against the motion to table the Santorum amendment and believe that we should go further than the bill which passed to eliminate the peanut quota system.

I was pleased to vote with 60 of my colleagues in opposition to the Gregg amendment which would have eliminated the new sugar provisions from the farm bill. Senator GREGG's amendment would have left the sugar program as it is today in the hopes of eliminating the program completely when it expires in 1997.

Mr. President, the sugar program is different than many other agriculture programs in that it is necessary to keep a trade balance with other countries. Sugar is highly subsidized in other countries, allowing the producers to dump their excess sugar on the world market at very low prices. Eliminating our sugar program completely would give our sugar producers—some of the best producers in the world—a trade disadvantage in the world market. Unilateral elimination of our sugar program would put the most efficient sugar producers in the world at a competitive disadvantage to other producers. Furthermore, the notion that other countries would follow our lead and eliminate their support programs on their own is ridiculous.

Mr. President, I have introduced legislation which would completely eliminate the U.S. agricultural price support and production adjustment programs for sugar contingent upon a GATT agreement which would eliminate export subsidies and price supports in other countries. While I firmly believe that the free market should be allowed to work, it will not work if the most efficient producers are put at a competitive disadvantage. As I have said in the past, I will continue to fight diligently on the side of free trade. I will continue to work to eliminate export subsidies and other price supports worldwide so that we may eventually achieve true free trade.

Senator DORGAN offered an amendment which would have mandated that in order to receive Government payments, farmers must grow program crops. While on the surface this appears to be a reasonable amendment, it flies in the face of the Freedom to Farm provisions. Through Freedom to Farm, over the next 7 years, farmers who have received payments in 3 of the past 5 years will receive guaranteed payments—regardless of how they use their acreage. After 7 years, however, the payments will stop. Over the 7 years during which payments will be provided, farmers are expected to transition from producing for the Government to producing for the marketplace. For the Government to dictate—in any way—how the farmers are to use their land would be counterproductive and would serve only to make it more difficult for us to accomplish free market agriculture. For these reasons, I did not support Senator DORGAN's amendment which failed in a 48 to 48 vote.

Mr. President, I am pleased that both the House and Senate were able to pass farm bills. I am hopeful that the conferees will act quickly to finalize this legislation so that America's farmers can begin to plan for the upcoming season and grow for the market.●

AMERICA NEEDS TO REVITALIZE WORK PHILOSOPHY

● Mr. SIMON. Mr. President, one of the most impressive executives in America today is Hugh Price, executive director of the National Urban League.

His commonsense approach to our needs is appreciated. One of the things he has been stressing over and over is the need to have jobs for people.

As I have said so frequently on the floor of the Senate, welfare reform without jobs is public relations and not welfare reform.

Recently he had a commentary in the Chicago Defender on this question of jobs which I ask to be printed in full in the RECORD.

The article follows:

[From the Chicago Defender, Feb. 26, 1996]

AMERICA NEEDS TO REVITALIZE WORK PHILOSOPHY

(By Hugh B. Price)

The widening gap between rich and poor in America is threatening our democracy. Workers are being laid off by the thousands, companies are downsizing, families are falling apart and the ranks of the poor and homeless seem to be growing.

Yet experts tell us the economy is on the upswing.

Certainly, good things are happening. Many cities are upgrading their ''quality of life industries'' by revitalizing their business districts and neighborhoods, building new sports stadiums, museums and sparkling restaurant districts. But in those and in so many urban centers, the poor, the unemployed and the homeless can't afford to use those facilities.

When you see them there, they're often begging or sleeping in doorways. That's not supposed to happen in America.

From what I've seen in traveling through dozens of cities, the plight of the poor is in stark contrast to economists' claims that inflation is leveling, that interest rates have fallen and that unemployment is declining. Americans are justifiably worried and skeptical about their future. Cities define civilizations. Vibrant cities boost our morale; decaying and dangerous cities depress us and scare off tourists.

If the poor, the homeless and the have-nots have no role in the rebirth of our cities, their welcome revival efforts won't reach their fullest potential. Government policymakers, business leaders and economists must devise a work-based system of self-reliance that lifts the urban poor out of poverty and allows them to support their families with dignity. Of course, such planning must include education and training in current and new skills.

Job creation programs must be established for employable but unemployed people in communities where there simply are not enough jobs to go around.

The approach must be holistic, because while it's one thing to instill potential workers with proper work skills, it's another thing to inculcate workers with the job know-how that employers require, such as punctuality, politeness and reliability.

Here are a few examples of new initiatives some of our urban league affiliates have undertaken:

In Detroit, plans are underway to establish an Employment Training and Education Center that will provide GED certification and computer training courses. Instruction in occupational, employability, entrepreneurship and customer service skills will be offered, along with an automated job search system and a day-care facility.

In Los Angeles, the Urban League and Toyota are partners in operating a modern training facility that will enable residents from the South Central community to learn all facets of automobile servicing and repair.

If our cities and our society are to prosper, if we are to continue to be the leader of the industrialized world, we must reverse socially corrosive economic trends that undermine public confidence.

America urgently needs to reorganize its employment and income policies so that the 21st century will be the century when, once

and for all, we make America work for all Americans.●

VALLEY HAVEN SCHOOL'S 20TH ANNIVERSARY HIKE/BIKE/RUN

● Mr. SHELBY. Mr. President, I would like to take a moment and bring to my colleagues' attention the 20th anniversary of the Valley Haven School Hike-Bike-Run. The Valley Haven School, located in Valley, AL, is a school for mentally retarded and multiple handicapped citizens of all ages. Started 37 years ago by volunteers, the school is now professionally staffed and currently offers skilled training to 95 students ranging in age from 3 months to 60 years.

Mr. President, local monies of $100,000 must be raised each year to meet operating expenses and match State and Federal grants. The primary source of these funds is the annual Hike-Bike-Run, which consists of a 5- or 10-mile walk, an 11- or 22-mile bike ride, a skate-a-thon, a 1-, 3.1-, or 6.2-mile run, a 5-mile bike ride for children, and the trike trek for preschoolers.

Each participant in the Hike-Bike-Run obtains pledges for their participation, and all proceeds go directly to Valley Haven to support the education and training for handicapped students. In 1995, this one day fundraiser involved over 1,000 participants and 8,000 pledging sponsors. The event generated over $100,000 in pledges to support the work of the school.

Mr. President, I would like to congratulate and commend Valley Haven and the entire Valley community for displaying such strong support and concern for these special students. This year's Hike-Bike-Run will be held on Saturday, May 4, and I know that the community will once again unite to support this wonderful program and help Valley Haven School help its students.●

IT TAKES A VILLAGE TO DESTROY A CHILD

● Mr. SIMON. Mr. President, a few years ago I read a book by Alex Kotlowitz, then a reporter for the Wall Street Journal, titled ''There are no Children Here: The Story of Two Boys Growing Up in the Other America.'' It is one of the best books I have read in the last few years.

It tells with gnawing detail how the lives of people deteriorate in our central cities.

Recently, he had an excellent op-ed piece in the New York Times titled ''It Takes a Village to Destroy a Child,'' which I ask to be printed in the RECORD.

His title is obviously a take-off on the title of the book by Mrs. Clinton, but what he has to say ought to disturb the consciences of all of us.

The article follows:

[From the New York Times, Feb. 8, 1996]

IT TAKES A VILLAGE TO DESTROY A CHILD

(By Alex Kotlowitz)

OAK PARK, ILL.—The crime is so heinous it makes me shake with anger. In the early evening hours of Oct. 13, 1994, two boys, 10 and 11 years old, dangled and then dropped 5-year-old Eric Morse from the 14th floor of a Chicago public housing complex, because Eric wouldn't steal candy for them.

His killers displayed no remorse. In court, the younger of the two, who could barely see the judge above the partition, mouthed obscenities at reporters covering the trial. Last week, they became the youngest offenders ever sent to prison in Illinois. And they have come to symbolize the so-called super-predators, children accused of maiming or killing without a second thought.

Unsurprisingly, both boys had fathers who were in prison. One had a mother who, according to school records, repeatedly missed counseling sessions. The other mother, according to court records, battled a drug addiction. I don't mention the parents of these children to excuse the crime. Nor do I mention this to state the obvious: In the absence of loving, nurturing, discipline-minded adults, children become lost.

Rather, I want to point out that while we can talk about strengthening families, there will be little success until we also find a way to strengthen our communities. We profess homage to the well-worn aphorism that it takes a village to raise a child. But where in the case of these boys—and ultimately in the case of Eric Morse—was the village?

Let's take a look at the older of the two boys, whom I will call James. He attended the primary and intermediate J.R. Doolittle Schools, two buildings which butt up against the drab-looking Ida B. Wells public housing complex. According to school documents, James earned mediocre grades, mostly C's, and then in the third grade, when his father was arrested, his grades plunged. He couldn't sit still in class. He fought other students.

In fourth grade, the school ordered a psychological evaluation, which recommended only tutoring. That same year, he flunked every subject, including gym and music. Nonetheless, the school promoted him. The next year at his new school, he missed 23 days. Because of low marks, he repeated the fifth grade.

Why didn't the school administrators sense that something was amiss in this child's life? Part of the problem may be that the primary school of 700 students could afford only once-a-week visits by a psychologist and social worker. And truant officers were axed three years ago by the financially strapped Chicago Public Schools.

One afternoon when James was on his way to pick up his cousin, he witnessed a gang member shoot and kill a rival. James was 9 at the time. His lawyer, Michelle Kaplan, said he was standing 10 feet from the victim. No adult offered him counseling. No one stepped in to make sure that such an incident didn't happen again.

In most communities, such an event would have brought quick attention, I'm reminded of the day in 1988, when Laurie Dann, a deranged woman, walked into an elementary School in Winnetka, Ill., and shot six children, killing an 8-year-old boy. Psychologists were brought in to counsel the students, their parents and teachers. The governor called for tighter school security. Some politicians demanded tougher gun control laws.

James received no such attention. In the six months before Eric's murder, the police arrested James eight times on relatively minor charges from shoplifting to possession of ammunition, presumably bullets. Each time the police released him.

After three arrests in one year, the police are supposed to—by their own guidelines—refer a child to juvenile court in the hope that he or she might receive help. That was never done in James's case. ''This was a child in crisis,'' Ms. Kaplan said. ''Here's an 11-year-old child who was expressing in the only way a child can that something's wrong.''

Now the village vigorously debates not how we failed James but what we should do with him: Send him to a youth prison or to a residential center, where the emphasis is on rehabilitation? The judge who presided over this case, Carol Kelly, has a reputation for siding with the prosecution. Indeed, she chose to send the two boys to prison, stipulating that they receive therapy. But when asked what could be learned from this case, Judge Kelly says: ''Let's focus on what brought them to this point. What happened to them? What didn't happen to them? What can we do so we don't have other Eric Morses?''

I'm haunted by one image in particular. When the two boys dropped Eric from the window, Eric's 8-year-old brother ran down the 14 flights as fast as he could. He later testified that he was hoping to catch Eric. Eric's brother did more than any one else to try to save his little brother.

He and Eric are victims of James and his cohort—and of the village guardians who failed them. James and his 10-year-old partner were not headed for trouble, they were well into it. Yet, no adult intervened.

These boys come from a neighborhood poor in spirit and resources. It we can't help rebuild their community, using schools as a foundation, we'll all end up running furiously down those stairs hoping, praying, that we can catch yet one more child dropped by their families and by the institutions that presumably serve them. It will almost always be too late.●

BUDGET SCOREKEEPING REPORT

● Mr. DOMENICI. Mr. President, I hereby submit to the Senate the budget scorekeeping report prepared by the Congressional Budget Office under section 308(b) and in aid of section 311 of the Congressional Budget Act of 1974, as amended. This report meets the requirements for Senate scorekeeping of section 5 of Senate Concurrent Resolution 32, the first concurrent resolution on the budget for 1986.

This report shows the effects of congressional action on the budget through March 7, 1996. The estimates of budget authority, outlays, and revenues, which are consistent with the technical and economic assumptions of the 1996 concurrent resolution on the budget House Concurrent Resolution 67, show that current level spending is above the budget resolution by $15.7 billion in budget authority and by $16.9 billion in outlays. Current level is $81 million below the revenue floor in 1996 and $5.5 billion above the revenue floor over the 5 years 1996–2000. The current estimate of the deficit for purposes of calculating the maximum deficit amount is $262.6 billion, $17.0 billion above the maximum deficit amount for 1996 of $245.6 billion.

Since my last report, dated February 27, 1996, Congress cleared for the President's signature an act providing tax benefits for members of the Armed

Forces performing peacekeeping services in Bosnia and Herzegovina, Croatia, and Macedonia (H.R. 2778). This action changed the current level of revenues.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 11, 1996.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget,
Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report for fiscal year 1996 shows the effects of Congressional action on the 1996 budget and is current through March 7, 1996. The estimates of budget authority, outlays and revenues are consistent with the technical and economic assumptions of the 1996 Concurrent Resolution on the Budget (H. Con. Res. 67). This report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended.

Since my last report dated February 14, 1996, Congress has cleared for the President's signature an act providing Tax Benefits for Members of the Armed Forces Performing Peacekeeping Services in Bosnia and Herzegovina, Croatia and Macedonia (H.R. 2778). This action changed the current level of revenues.

Sincerely,

JAMES L. BLUM,
(For June E. O'Neill, Director).

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, FISCAL YEAR 1996, 104TH CONGRESS, 2D SESSION, AS OF CLOSE OF BUSINESS MAR. 11, 1996

[In Billions of dollars]

	Budget resolution (H. Con. Res. 67)	Current level[1]	Current level over/under resolution
ON-BUDGET			
Budget authority	1,285.5	1,301.2	15.7
Outlays	1,288.1	1,305.0	16.9
Revenues:			
1996	1,042.5	1.042.4	−0.1
1996–2000	5,691.5	5,697.0	5.5
Deficit	245.6	262.6	17.0
Debt Subject to Limit	5,210.7	4,900.0	−310.7
OFF-BUDGET			
Social Security Outlays:			
1996	299.4	299.4	0
1996–2000	1,626.5	1,626.5	0
Social Security Revenues:			
1996	374.7	374.7	0
1996–2000	2,061.0	2,061.0	0

[1] Current level represents the estimated revenue and direct spending effects of all legislation that Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 104TH CONGRESS, 2D SESSION, SENATE SUPPORTING DETAIL FOR FISCAL YEAR 1996 AS OF CLOSE OF BUSINESS MAR. 7, 1996

[In millions of dollars]

	Budget authority	Outlays	Revenues
ENACTED IN PREVIOUS SESSIONS			
Revenues	.....	.....	1,042,557
Permanents and other spending legislation	830,272	798,924	.....
Appropriation legislation	.....	242,052	.....
Offsetting receipts	−200,017	−200,017	.....
Total previously enacted	630,254	840,958	1,042,557
ENACTED IN FIRST SESSION			
Appropriation bills:			
1995 Rescissions and Department of Defense Emergency Supplementals Act (P.L. 104–6)	−100	−885	.....
1995 Rescissions and Emergency Supplementals for Disaster Assistance Act (P.L. 104–19)	22	−3,149	.....
Agriculture (P.L. 104–37)	62,602	45,620	.....
Defense (P.L. 104–61)	243,301	163,223	.....
Energy and Water (P.L. 104–46)	19,336	11,502	.....
Legislative Branch (P.L. 105–53)	2,125	1,977	.....
Military Construction (P.L. 104–32)	11,177	3,110	.....
Transportation (P.L. 104–50)	12,682	11,899	.....
Treasury, Postal Service (P.L. 104–52	23,026	20,530	.....
Offsetting receipts	−7,946	−7,946	.....
Authorization bills:			
Self-Employed Health Insurance Act (P.L. 104–7)	−18	−18	−101
Alaska Native Claims Settlement Act (P.L. 104–42)	1	1	.....
Fishermen's Protective Act Amendments of 1995 (P.L. 104–43)	.....	(6)	.....
Perishable Agricultural Commodities Act Amendments of 1995 (P.L. 104–48)	1	(6)	1
Alaska Power Administration Sale Act (P.L. 104–58)	−20	−20	.....
ICC Termination Act (P.L. 104–88)	.....	.....	−(6)
Total enacted first session	366,191	245,845	−100
ENACTED IN SECOND SESSION			
Appropriation bills:			
Seventh Continuing Resolution (P.L. 104–92)[1]	13,165	11,037	.....
Ninth Continuing Resolution (P.L. 104–99)[1]	792	−825	.....
Foreign Operations (P.L. 104–107)	12,104	5,936	.....
Offsetting receipts	−44	−44	.....
Authorization bills:			
Gloucester Marine Fisheries Act (P.L. 104–92)[2]	30,502	19,151	.....
Smithsonian Institution Commemorative Coin Act (P.L. 104–96)	3	3	.....
Saddleback Mountain—Arizona Settlement, Act of 1995 (P.L. 104–102)	.....	−7	.....
Telecommunications Act of 1996 (P.L. 104–104)[3]	.....	.....	.....
Farm Credit System Regulatory Relief Act (P.L. 104–105)	−1	−1	.....
National Defense Authorization Act of 1996 (P.L. 104–106)	369	367	.....
Extension of Certain Expiring Authorities of the Department of Veterans Affairs (P.L. 104–111)	−5	−5	.....
To award Congressional Gold Medal to Ruth and Billy Graham (P.L. 104–111)	(6)	(6)	.....
Total enacted second session	56,884	35,613	.....
PENDING SIGNATURE			
An Act Providing for Tax Benefits for Armed Forces in Bosnia, Herzegovina, Croatia, and Macedonia (H.R. 2778)	.....	.....	−38
CONTINUING RESOLUTION AUTHORITY			
Ninth Continuing Resolution (P.L. 104–99)[4]	116,863	54,882	.....
ENTITLEMENTS AND MANDATORIES			
Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted	131,056	127,749	.....
Total Current Level[5]	1,301,247	1,305,048	1,042,419
Total Budget Resolution	1,285,500	1,288,100	1,042,500
Amount remaining:			
Under Budget Resolution	.....	.....	81
Over Budget Resolution	15,747	16,948	.....

[1] P.L. 104–92 and P.L. 104–99 provides funding for specific appropriated accounts until September 30, 1996.

[2] This bill, also referred to as the sixth continuing resolution for 1996, provides funding until September 30, 1996 for specific appropriated accounts.

[3] The effects of this Act on budget authority, outlays and revenues begin in fiscal year 1997.

[4] This is an annualized estimate of discretionary funding that expires March 15, 1996, for the following appropriation bills: Commerce-Justice, Interior, Labor-HHS-Education and Veterans-HUD.

[5] In accordance with the Budget Enforcement Act, the total does not include $3,417 million in budget authority and $1,590 million in outlays for funding of emergencies that have been designated as such by the President and the Congress.

[6] Less than $500,000.

Notes.—Detail may not add due to rounding.•

READ THE RIOT ACT TO CHINA

• Mr. SIMON. Mr. President, in response to the irresponsible statements by China recently about Taiwan and their relationship with the United States, the Chicago Tribune had an excellent editorial which I ask to be printed in full in the RECORD.

While I differ some with my friend Senator DIANNE FEINSTEIN, the other day she told me that the United States should stop zigzaging all over the place in terms of China policy.

I could not agree with her more.

Our policy should be consistent so that both China and Taiwan understand where we are. We are not hostile to China. We are not hostile to Taiwan. We want to be friends with both.

China must also understand that if there is a tilt from time to time between a democracy and a dictatorship, the tilt of the United States of America will be to democracy.

The article follows:

[From the Chicago Tribune, Jan. 25, 1996]

READ THE RIOT ACT TO CHINA

China has gone too far. According to press reports from Beijing, China has drawn up plans for possible attacks on Taiwan after that island-state completes it first democratic presidential elections in March.

But it doesn't stop there: China also has issued veiled threats to hit America with nuclear missiles if the U.S. military intervenes.

The U.S. has shown extraordinary patience with China, hoping by sweet reason and constructive engagement to coax it into behaving reasonably, constructively—and peacefully.

But threats of war are intolerable. America must put an end to Beijing's strutting and bullying. President Clinton must immediately let the Chinese know in no uncertain terms that the U.S. military will guarantee Taiwan's territorial integrity from missile attack or invasion. And he must back that warning with action: dispatching an aircraft carrier task force off the Taiwanese coast, perhaps, or sending a contingent of American soldiers to the island as a tripwire.

But Clinton must do more: He must tell the gerontocrats in Beijing that even so much as a hint of an attack on the United States will bring consequences for China more horrible than they can imagine.

The U.S. dollar had a roller-coaster ride Wednesday on rumors and denials of warmongering from China. It started when The New York Times quoted Chas. W. Freeman, a former assistant defense secretary, as saying China has plans for launching a missile a day against Taiwan should Beijing perceive the island striding too quickly toward independence.

Even more chilling were comments that the Chinese feel they can act with impunity because American leaders ''care more about Los Angeles than they do about Taiwan''—interpreted as a threat to launch nuclear missiles against the U.S. to deter involvement.

No response can be too muscular in warning China that even such fortune-cookie-style threats are intolerable. After all, this is the same China that violates nonproliferation treaties by shipping ballistic missiles to

Pakistan and by selling equipment for manufacturing chemical weapons to Iran. This is the same China that stands accused of operating an island-like chain of slave-labor camps and of dealing with unwanted orphans by allowing them to starve to death.

Beijing needs to understand that the American eagle offers a choice. The first, an olive branch, promises peaceful intercourse and free trade. But the other claw holds the mightiest quiver of arrows the world has ever known, and America is ready to use them.●

FAIRBANKS, THE ICE CAPITAL OF THE WORLD

● Mr. MURKOWSKI. Mr. President, On March 17, 1996, the great Alaskan city of Fairbanks, my hometown, is hosting the World Ice Sculpting Championships as part of the annual Fairbanks Winter Carnival. The organizers of the event have discovered that Alaska has the best ice in the world for ice sculpting. In 1988 they invited ice sculpting teams from Chicago and China to come to Fairbanks in hopes of reviving the art of ice sculpting. At the time, they were unaware of the fine quality of Alaskan ice, so to make sure they had the right ice for the guest instructors they brought in blocks of ice from Seattle, WA. In addition, however, they harvested some local ice for comparison. As a surprise result, they discovered that Alaskan ice is superior to any other ice found in the world. They now export Alaskan ice to such far away places as Frankenmuth, MI, for ice sculpting.

The organizers of this event believe that because of the superiority of Alaskan ice and other favorable conditions, they have been able to attract a growing number of artisans to participate in the Fairbanks ice art ice sculpting championships. This year, Fairbanks is proudly hosting 67 teams from countries around the world including China, Korea, Holland, Belgium, Brazil, Chile, Japan, France, Russia, Canada, and the contiguous United States.

Fairbanks is able to successfully host this event through the hard work of volunteers. The organizers hope to continue to host the world championships every year except during years when the Winter Olympics are held. I am confident that this year Fairbanks, AK, will hold one of the biggest and best Winter Carnival's ever. My congratulations to the organizers and volunteers for all their effort and hard work.●

IS WEST SLIGHTING AFRICA'S HOT SPOTS LIKE LIBERIA?

● Mr. SIMON. Mr. President, I am concerned about the deterioration in Liberia, Burundi, and a few other nations.

The pattern in Bosnia is for the United States and other nations to wait until the situation deteriorates very, very badly—until hundreds of thousands of people are killed—and then the United States and the community of nations move in.

I applaud what we are finally doing in Bosnia.

In no country in Africa do we have greater responsibility than in Liberia, where it was sometimes viewed as an American colony because it was founded by former American slaves.

Their ties to the United States have been long.

And when there was a dictatorship in Liberia, we did not hesitate to cooperate with that dictatorship. An article by Howard W. French recently appeared in the New York Times which I ask to be printed in the RECORD.

Now that the dictatorship is gone and chaos has followed, our concerns appear to be minimal.

The article follows.

[From the New York Times, Jan. 23, 1996]

IS WEST SLIGHTING AFRICA'S HOT SPOTS LIKE LIBERIA?

(By Howard W. French)

MONROVIA, LIBERIA, January 22.—When the American delegate to the United Nations, Madeleine K. Albright, stopped here briefly on Wednesday during a tour of several African countries, there were the predictable pledges of assistance from Washington to war-torn Liberia.

But along with the promise of helicopters and trucks to help in the disarming of combatants in a devastating six-year civil war, there was also a stern warning that the international community had little patience for crisis-ridden African countries that failed to settle their own problems.

''We have no intention of our logistical support being squandered by anyone's failure of political will,'' Mrs. Albright said at an airport news conference, straining at times to be heard over a Nigerian transport plane ferrying in new peacekeepers. ''Delay,'' she said, can ''no longer be in the vocabulary'' of Liberia's political actors.

But for many African leaders and diplomats, the trip of Mrs. Albright—the highest-ranking American to visit Liberia since Secretary of State George Shultz came here before the war that killed more than 150,000 people—inadvertently underscored another point: by the time African crises receive this level of outside attention, the moment for averting catastrophe or sealing the peace has all too often passed.

The most critical obstacle to fulfilling the Liberian peace agreement reached last August, these African officials say, has been the delay in getting the kind of international response needed to carry out a disarmament program and remark this country's shattered economy.

In this regard, African officials argue, the handling of the Liberian crisis by the outside world strongly resembles the ambivalent or tardy international response to past crises in other stops on Mrs. Albright's itinerary: Angola, Rwanda and Burundi.

In Liberia, despite widespread skepticism about its prospects, a cease-fire has largely held for months. But recent days have seen the first serious signs of an unraveling of the country's settlement, as unruly fighters of one of the country's several armed factions have killed as many as 50 West African peacekeepers.

Diplomats say the fighting began because of the economic desperation of the militia members, who are often unschooled boys, and add that the conflict nearly flared out of control because of the limited means available to a short-handed and poorly equipped peacekeeping force.

''Last fall, the American Government pledged $75 million to help us,'' said Wilton S. Sankawulo, the former schoolteacher who is chairman of Liberia's governing Council of State. ''But they said go home first and prove that you are serious.''

Liberia has been the first instance in which a regional organization, namely the Economic Community of West African States, or Ecowas, has acted with the official sanction of the United Nations to end a civil war. Nigeria has led this effort from the start, spending an estimated $4 billion. But with major political and economic crises at home, diplomats say Nigeria cannot now carry out Liberia's peace agreement without substantially more outside help.

Foreign diplomats say the most critical immediate element is giving the 7,500-man Nigerian-led peacekeeping force—known as Ecomog, for the Ecowas monitoring group—the means to deploy throughout the country; the trucks and helicopters pledged but not yet delivered by the Americans, and more troops from poor West African countries, which would require financing from the outside world.

Unlike other crises in which the United Nations send its own peacekeepers and directly assess contributions from members, international fund-raiding for Liberia has been conducted through voluntary donor conferences that have garnered sparse contributions.

On top of the outside world's reluctance to contribute to an African-led peacekeeping effort, which has embittered many of this region's leaders, there is the additional complication of deeply strained relations between the United States and Nigeria over the latter's human rights situation.

Rather than being turned over to the Nigerian-led peacekeepers, as is the practice in most international efforts of this sort, the troop trucks promised by the United States are leased vehicles that, at Washington's insistence, will be operated only by private contractors to keep them out of Nigerian hands.

''The resources of Ecomog have been stretched to the limit, and it would be wrong and unfair for the international community to expect it to proceed further without getting it more help,'' said Anthony Nyaki, the United Nations special representative to Liberia. ''Because of the unique mandate given by the U.N. to the West Africans whatever happens here will be precedent-setting.

''In five days as much is spent in Bosnia as was spent in a whole year on Liberia,'' he said. ''If this is allowed to fail, the question will become more pertinent than ever why the outside world cares so little for Africa.''

The comparison with Bosnia is one that comes up again and again in conversations with African officials throughout this region, and it is one that inspires cynicism among many.

The international community was slow to act and committed far too few resources to managing crises like the transition to democracy in war-torn Angola or the prevention of a genocidal civil war in Rwanda, African diplomats say. And in Burundi today, where the signs of a possible Rwanda-style civil war are multiplying, the same reluctance to act seems apparent to many.

''Since Somalia ended, I have attended three major conferences on the lessons of that crisis, but these lessons never seem to be learned,'' said Victor Gbeho, a Ghanaian diplomat who represents the West African economic community here and was the United Nations special envoy to Somalia at the height of that country's crisis.

''For some reason it still takes far too long to get the international community to react to African crises, to realize their pledges of support and work through their bureaucratic mazes,'' Mr. Gbeho said. ''It took the Americans one week to raise $1.8 billion for Bosnia.

If I were paranoid, I would say the delays we always face here are due to the fact that we are dealing with Africa.''●

THE HEZBALLAH CONFESSION

● Mr. D'AMATO. Mr. President, I rise today to discuss something that most people who follow the subject, I am sure already knew, but is nevertheless an interesting admission. In a Reuters interview, yesterday, Sheik Hassan Nasrallah, Secretary General of Hezballah in Lebanon, flatly admitted to Iranian funding when he said:

> We are not shy and they (Iranians) are not afraid about it . . . we don't hide Iranian support. There is no need to deny that we receive financial and political support from Iran.

Moreover, he admitted that Syrian forces in Lebanon's Bekkah valley help greatly in getting weapons to his forces, when he stated:

> Syrian forces are stationed in the Bekaa [sic] (valley) and the north. These two areas constituted the background of support for resistance fighters in (Israeli)-occupied areas.

These admissions, especially that of implicit Syrian support for Iranian terrorism are vital to understanding the relationship of these terrorist organizations and how they operate in the region. If we are going to support Israel while it wages peace, are we going to ignore Syria and Iran while they wage war against Israel?

We cannot ignore what is going on for mere political expediency. We must confront the facts as they exist and this means that we must question the Syrians on this admission. With Iran, I am sure that there is no disagreement. But Syria is another question altogether.

Mr. President, I ask that the text of this important interview be printed in the RECORD.

The text follows:

[From Reuters, Mar. 11, 1996]

HEZBOLLAH CHIEF ADMITS IRAN IS FINANCING GROUP WITH BC-IRAN-PRESIDENT

BEIRUT, LEBANON.—For the first time, the leader of Hezbollah acknowledged publicly in an interview published Monday that Iran is financing the group.

''We don't hide Iranian support. There is no need to deny that we receive financial and political support from Iran'' said Sheik Hassan Nasrallah, Secretary-General of the Shiite Muslim Militant Group.

''We are not shy and they (Iranians) are not afraid about it,'' he said in an interview with the London-based Arabic Language Weekly Al Wasat.

It was the first public admission of Iranian financial support by a senior leader of Hezbollah, or Party of God.

The group has vociferously denounced the planned counter-terrorism summit at Egypt's Red Sea resort of Sharm El-Sheik Wednesday.

Why doesn't one wonder why the United States is paying 3 billion dollars to the Zionist entity, which is attacking the entire region while condemnation is voiced over Iran's financial support for Hezbollah or any Islamic resistance faction fighting to liberate its land?'' Nasrallah said.

Hezbollah guerrillas are fighting to oust the 1,200 Israeli soldiers and 2,500 Israeli-backed South Lebanon Army militiamen from an occupied border enclave in South Lebanon.

Israel established the enclave, known as a ''security zone,'' in 1985 as a buffer against cross-border guerrilla attacks on its northern towns.

Hezbollah guerrillas mounted a string of attacks on Israeli troops in the ''security zone'' Sunday, killing one and wounding five.

Nasrallah also said that Syria, the main power broker in Lebanon, was facilitating Hezbollah's arms supplies through routes in northern and eastern Lebanon.

Syria maintains an estimated 40,000 troops in Lebanon, ostensibly as peacekeepers to prevent a rekindling of the 1975–90 civil war.

Nasrallah said since Hezbollah was founded in 1982 following the Israeli invasion of Lebanon that year, Syria has provided the party with ''a political cover, moral support and field facilities.''

''Syrian forces are stationed in the Bekaa (Valley) and the north. These two areas constituted the background of support for resistance fighters in (Israeli)-occupied areas,'' he said.

''Of course, Syria didn't give us money. It has supported us and facilitated'' arms supplies, Nasrallah added.

Like its sponsor, Iran, Hezbollah opposes the U.S.-sponsored Middle East peace process and has vowed to torpedo it through intensified attacks in South Lebanon, the last active Arab-Israeli war front.

The Sharm El-Sheik Summit, which will be attended by U.S. President Clinton and more than 30 other world leaders, was called to bolster Israel following a wave of suicide bombings which killed 61 people.

Hezbollah has hailed the bombings, which have been claimed by the Palestinian militant Hamas group, as an ''Act of Heroic Jihad (holy war) against occupation.'' ●

UNANIMOUS-CONSENT REQUEST—S. 942

Mr. BURNS. Mr. President, I ask unanimous consent that on Thursday, March 14, at 10 a.m., the Senate proceed to the consideration of Calendar No. 342, S. 942, the small business regulatory reform bill, to be considered under the following limitation: 90 minutes of total debate equally divided between the two managers; that the only amendments in order to the bill be the following: the managers' amendment to be offered by Senators BOND and BUMPERS, an amendment to be offered by Senator NICKLES regarding congressional review, one additional amendment, if agreed to by both leaders after consultation with the two managers; further, that following the disposition of all amendments, the bill be read a third time, the Senate then proceed to vote on final passage of the bill, all without any intervening debate or action.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Yes. I have two things I wish to correct. One would be the Nickles-Reid amendment in the body of the text, and if the Senator from Montana wishes an explanation, I would be happy to give one, but I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BURNS. Mr. President, I helped craft this legislation, and if there is one thing that we hear going down the road every day from the people who live in my State of Montana it is the way we write our rules and regulations here in Washington. This regulatory reform bill addresses those fears. This bill was reported out of the Small Business Committee with strong bipartisan support for the work that was done by Senator BUMPERS, who was chairman of that committee and has worked on this issue for so long, and I am sorry that it will not be allowed to come to the floor.

Mr. REID. Will my friend yield?

Mr. BURNS. Yes.

Mr. REID. I say to my friend, I personally feel as if the unanimous-consent request is excellent. I think the content of the unanimous-consent request would allow us to go forward with regulatory reform which is badly needed. It especially directs attention to the small business community which has been hammered with regulations with which they have difficulty complying.

I say to my friend from Montana that we have a Member on this side of the aisle who has worked very long and hard, in his own words, not hours or days but weeks with Members on the Senator's side, and his objection relates to a much bigger piece of regulatory reform that I think frankly will kill all regulatory reform, but that is what he wants. And so in the next few hours, maybe days, we are going to work with him to see if we can get him to agree to our unanimous consent request.

Mr. BURNS. I think my friend from Nevada understands the problems small business is going through right now and the margin they have to worry about. This gives them a great deal of flexibility. But it also allows Congress to take a look to see how the rules are really written with regard to legislation that we pass. It is fairly simple for us to pass legislation. We beat ourselves on the chest, and we say what a good thing we have done, but then when the law goes down and the administrative rules are written, sometimes those rules do not even look like the legislation, let alone the intent of the legislation. So I think this addresses that, and I hope we can work out something. Knowing my friend from Nevada, I understand the possibility is very good.

Mr. REID. Will my friend yield again?

The Senator is absolutely correct. This unanimous-consent request contains a provision that was passed in this body by a vote of 100 to nothing, the Nickles-Reid amendment, which would allow the Congress to look at regulations promulgated by Federal agencies. If it has a financial impact of $100 million, it would not go into effect until a reasonable period of time. This calls for 60 days, which I think is appropriate. It was originally 45 days. If it has a financial impact of less than $100 million, it goes into effect immediately but we can rescind it within 60

days. That is really I think farsighted legislation, something that is long overdue. And so I agree with my friend from Montana. I hope we can work it out so that we can debate it for a period of time as indicated in the unanimous consent request and in effect claim victory for the American people. We would be doing something that is bipartisan in nature. Heaven knows, we need to do some things on a bipartisan basis in this body.

Mr. BURNS. No question about it. The Senator from Nevada is exactly correct.

AGRICULTURE MARKET TRANSITION ACT

Mr. BURNS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 338, H.R. 2584; further, that all after the enacting clause be stricken and the text of S. 1541, as passed the Senate, be inserted in lieu thereof, the bill be read the third time, passed, and the motion to reconsider be laid on the table; further, the Senate insist on its amendments, request a conference with the House and the Chair be authorized to appoint conferees, provided that the total number of Democratic conferees signing the conference report does not exceed five.

The PRESIDING OFFICER. Is there objection?

Mr. EXON. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. EXON. Mr. President, for the information of the Senate and my colleagues who are in the Chamber, I wish to say that I intend to discuss with appropriate remarks my concerns about the agriculture bill and very likely at the end of those comments I will withdraw my objection for the reasons I will state during the remarks I intend to make about the farm bill. If the Chair will recognize me for that purpose, I will make my remarks as brief as I can but not as brief as the Senator from Nebraska usually is.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, my strong objections to the so-called freedom-to-farm act, or son of freedom to farm act, or whatever it is called now, both the version passed by the Senate and the one that passed the House of Representatives, and the technical amendments and the appointment of the conferees that has just been suggested by the acting majority leader give me pause for great concern.

I wish to state once again, in trying to wrap up, if I might, the strong objections this Senator has along with many other Senators from the farm belt with regard to the basic thrust of this law, what it does do and what it does not do, the reasons I think it is very bad legislation; and if I withdraw my objection to the unanimous-consent request it would only be with the hope, a wing and a prayer, if you will, that the conference committee itself, when it discusses the farm bill in conference and reports back the conference report for approval of both the House and the Senate, that significant changes will be made so that I will be able to accept the conference report.

However, I say that with a great deal of optimism and a great deal of concern that that in the end might not happen. Therefore, I think it is time once again as we contemplate taking the action that has just been suggested by the acting majority leader to understand what we are doing, which I think is not in the long-term interests of a sound food policy or in the long-range interests of the safety net that basically from its very beginning the freedom-to-farm act was designed to end in 7 years, notwithstanding the protestations, notwithstanding some of the efforts which have tried to be explained as providing a safety net for agriculture after 7 years.

Mr. President, I take a back seat to no one in the support of agriculture and family-size farmers and rural America. During my 8 years as Governor of Nebraska before I came to this body, until now, my 18th year in the U.S. Senate, I have fought hard for agriculture. I have joined with many of my colleagues on both sides of the aisle to try to tell the majority of the Members of this body that the safety net that we have had for a long, long time with regard to farm legislation has not been perfect, but it has led to a solid, firm food supply for America. The genius of production of our farmers feeds not only the United States but many parts of the world.

Last but not least, the farm programs that have been often criticized because of the safety net feature and the expenditures have still provided the United States with an abundance of food, more abundance than any place in the whole world. At the same time, it has provided prices for food at very competitive rates. The facts of the matter are that the cost of food in the United States of America is the cheapest of any of the industrialized nations in the world. So, certainly the farm programs that have been often abused and cursed over the last several years since the Great Depression of the 1930's, have served America and agriculture overall very well.

But where are we going from here? Where are we going to be if the freedom to farm act encompassed in the Senate version, and likewise the freedom to farm act as encompassed in the version passed by the House of Representatives, basically is designed in the form of transition payments to lead to nowhere at the end of 7 years? Mr. President, 7 years of handsome, expensive payouts to agriculture, that, in my view, is essentially a welfare system, going ahead with massive—billions of dollars in expenditures, welfare to farmers, at a time when we are trying to reduce the budget and at a time when we are trying to curtail welfare, defies reason.

I say that once again, Mr. President, as a strong supporter of family-size farms in rural Nebraska and rural America. I simply point out, first with regard to the estimates of the costs of the program, we all know, and it has been well established, that the so-called freedom to farm act came out of the budget discussions and agreements and disagreements. The freedom to farm act and the transition payments have been fostered early on as a great budget saver, to help us balance the budget by the year 2002.

I would simply point out that the facts, as the way this bill has come out of the House and the Senate, are just the opposite. The most recent CBO estimates show that the Senate farm bill will cost $1.13 billion more than the current law over the next 7 years. Some had claimed that was too expensive. In the first 2 years alone, the Senate farm bill will cost almost $4.6 billion more—and I emphasize more—than current law. Turning to the House bill, to cite the figures therein, the House bill saves only $1.8 billion over 7 years, a far cry from the savings touted earlier in the year. And what do farmers get for this? A healthy payoff but no long-term farm policy or safety net.

The CBO figures have just come out. I would like to cite those at this time. For the 1996 crop, the one that we hope will be planted or is being planted now, a corn farmer will get paid 37 cents per bushel up to the limit of $40,000 that he can receive each and every year. The corn farmer will get that 37 cents per bushel regardless of what the market price is and what the farmers receive from the market price for the products that I will identify, starting out with corn.

In other words, if corn, which is now at a price of about $3.40 a bushel at the marketplace, if that would be maintained—and the Department of Agriculture predicts that those prices will very likely be maintained for 1996 and 1997—that would mean that the farmer getting $3.40 a bushel would get 37 cents per bushel on top of that, roughly over $3.75 a bushel. Wheat farmers will get paid 98 cents per bushel over and above, as a gift from the taxpayers of America. Sorghum farmers will be paid 44 cents per bushel. And so on, and so on, and so on.

Mr. President, I point this out because I think the Republican farm bill has strayed way off course. It is not good for agriculture in the long term and it is certainly not good for balancing the budget. I simply say that, at $3.40 a bushel, we should not be paying any money out to corn farmers, unless there are some circumstances where his crop would be wiped out. I point this out because this is just one of the things wrong with this farm bill. This cost estimate brings the fact home loud and clear, that S. 1541 is a sham. It is a sham to the taxpayers, and it is a sham to the farmers over the long term.

How so? For taxpayers, it is a sham because it does not make good on deficit reduction. For months, taxpayers have been told that Congress was going to crack the whip and enact deficit reduction. Now we learn that the farm program's revisions, which were advertised as saving money, are actually going to cost more than if we would simply continue with the farm program and its costs that we have today. In fact, for 1996 and 1997, they will cost about $4.5 billion more than the current law.

For farmers, this sham is a little different. They have been led to believe that the freedom to farm contracts will protect them from fiscal unpleasantness that will surely follow. I am sad to say that these contracts that are widely heralded have been grossly oversold. Farmers have been led to believe that, once they sign up, their payments from the Federal Government will be locked in and no one can do anything about it.

A few moments ago, we were talking about the rules of the U.S. Senate. One of the rules that we all know very well is that one Congress cannot bind the succeeding Congress. Farmers should bear this in mind. The reality is that future Congresses will almost certainly take a butcher knife to the Freedom to Farm Act, and I believe that we all should recognize and realize that. These farm payments that will be received under the Freedom to Farm Act have no relationship to farm production or to the commodity prices that the farmers receive.

I agree that we should be cutting out all or most of the red tape that the farmers have to wrestle with each and every year. We should provide a piece of farm legislation that provides much more flexibility, if not total flexibility, as to what the farmers plant and how much they plant of a given product. But what kind of protection will the freedom to farm contracts provide? Not enough. The National Center for Agricultural Law Research and Information was asked to make a careful review of the freedom to farm bill. They concluded that, "* * * the annual payments are not guaranteed for the life of the Freedom to Farm legislation."

The facts, Mr. President, could not be clearer. This is a sad commentary on the way the farm bill has been handled, and I simply want to set the record straight, make it very clear on several very important points.

Mr. President, let me start out by quoting from several publications with regard to the costs that very likely will skyrocket and make it even that much more difficult to balance a budget.

I quote first from an article from the Omaha World Herald of February 27, 1996. The headline is: "Glickman Says New Farm Plan's Costs are Higher." We all know that Dan Glickman is Secretary of Agriculture and a farm expert who previously served on the Agriculture Committee of the House of Representatives with great distinction.

This article is by David Beeder of the Omaha World Herald:

WASHINGTON—Legislation guaranteeing farmers more than $40 billion over seven years would cost the Federal Government $20 billion more than it could cost to extend a farm law that expired December 31, Agricultural Secretary Dan Glickman said on Monday.

"For the first 2 or 3 years, we know we are going to be spending much more on this farm bill," Glickman said in a speech to the National Association of State Departments of Agriculture.

To save time and to stay away from being redundant, I ask unanimous consent that all of the articles I quote be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. EXON. Mr. President, I wish to carry on the discussion of the skyrocketing costs under the new farm bill. I wish to also quote from an article from the Omaha World Herald of February 25, 1996. The headline is: "USDA: Dairy, Cereal Prices Expected to Rise."

This story goes on to say that:

Food prices in the United States are likely to increase less than the rate of inflation this year, with meat prices expected to decline, Government economists say.

However, the price of milk should rise by 4 percent to 5 percent over last year because of the lowest surpluses of dairy products since the mid-1970's, the Agriculture Department said.

This goes on to explain what is happening and what the freedom to farm policy, if you want to call it that, will do for both the consumers of America and the producers as well.

Mr. President, I will further comment on an article from the Lincoln Journal Star of February 25, 1996, and this one is headlined: "Bill Raises Farm Costs, Officials Say," by Robert Greene of the Associated Press.

WASHINGTON.—A farm-program overhaul that the Senate passed this month will raise spending rather than save billions of dollars as Senate budget writers had planned, the Senate Budget Committee says.

"We've lost all our savings," said Bill Hoagland, the committee's staff director.

The original farm-program changes in the budget-balancing legislation vetoed by President Clinton last year would have cut spending for agriculture programs by $4.6 billion. The Senate-passed farm bill instead costs $200 million to $380 million more over the next seven years than if the farm bill had been left alone, Hoagland said.

Mr. President, I simply say that this farm bill, indeed, is backed by some farm organizations. I happen to think that they are taking a very short-sighted approach to the whole proposition.

This farm bill leaves beginning farmers out in the cold. It provides a rather handsome payment for the next 7 years. To those who have participated in farm programs in the past, I have cited earlier in speeches on the floor in this regard that if you take, for example, a 500-acre corn farm—and those of us who know and understand agriculture know that that is not a big farm—but 500 acres of corn, and if the farmer would sell that for $3.10 a bushel, which is under the $3.30 to $3.40 price today, he would receive, in addition to that good price for corn, a check free from the Federal Government, free from the taxpayers, of $16,000 on top of the $186,000 that that corn farmer would receive, assuming a return of about 110 bushel per acre, which is reasonable.

Many farmers and many farm organizations that I will cite in my remarks realize and recognize that if you are a 57-year-old farmer today, and I must say that that is about the average age of our farmers in Nebraska and very likely near the average age of our farmers in the United States as a whole, if you are going to farm 7 more years, and then when you are 65 and retire, this is a pretty good bill, because it gives you handsome payments from the taxpayers that cannot be justified.

In the end, it leads to nowhere, 7 years of transition payments. What does transition payments mean? Transition payments were intended and I predict eventually will be a payoff to farmers in rather handsome numbers through welfare, and they will receive this check from the Federal Government whether they even plant or not, whether they even go to the field. They get this check from the taxpayers.

But many farm groups are protesting this, and rightly so.

Mr. President, I cite an article that I have in my hand from the Omaha World Herald, again, on February 23, 1996, and this headline says: "Hundreds Expected to Protest Farm Bill," by Ann Toner of the Omaha World Herald.

By bus, car and van, farmers from as far away as North Dakota are expected to gather in Wichita, KS, today to voice their opposition to the latest farm program proposals to gain House and Senate approval.

Loosely dubbed the Freedom to Farm Act, the proposed law—officially, the Agricultural Marketing Transition Act in the Senate—is in its final stages in Washington.

This goes on to identify the farm organizations and some of the farmers who made that trip to Wichita.

The next article that I will reference is, again, from the Lincoln Journal Star. This is Sunday, February 25, 1996.

The headline is, "Only people who eat need to worry about our food policy." And the first paragraph of this article by Sally Herrin says:

The United States Senate put the family farm up for sale when it voted 64–32 to send Bob Dole's Agricultural Marketing Transition Act, S. 1541, to the House of Representatives tomorrow morning, Feb. 26. This is a modified version of Bill Barrett's and Newt Gingrich's Freedom to Farm proposal which is the "final solution" to farm programs.

But farm programs are just for farmers rights? Think again.

And Sally Herrin goes on to explain in great detail how bad this freedom to farm bill actually is.

Likewise, I will include in the RECORD an editorial from the Lincoln Journal Star of February 18, 1996. This

editorial is entitled ''Freedom To Farm: An excuse To Abandon Agriculture.''

I will read the first two or three paragraphs of this editorial because, in summation in a few words, this does about as good a job as I could imagine in saying what is wrong with this measure.

Blow a little dust off your memories of the 1988 Senate race in Nebraska. David Karnes is at the podium at State Fair Park in Lincoln. Row after row of Republican cheerleaders lean forward, gathering themselves for their next explosion. But coming out of Karnes' mouth are these fateful words: ''We need fewer farmers at this point in time.''

Groans. Gasps. Even boos. Cheerleaders slump in their seats. Bob Kerrey seizes on what Karnes later describes as a slip of the tongue and delivers a stern lecture. A few weeks later, voters elect Kerrey and cast Karnes into the basement of political esteem.

But guess what? Eight years after a promising conservative showed his poor grasp of acceptable rhetoric, the underpinnings of the once unutterable are being uttered daily. As Congress and President Clinton stumble toward passage of a new farm policy, the words ''freedom to farm'' are much in vogue. They are represented, not as the first step [the real steps] towards abandonment of agriculture, but as breath-taking reform.

Likewise, Mr. President, I will quote very briefly from another editorial, this time of February 29, 1996, again from the Lincoln Journal Star. This headline is ''Freedom To Farm: Freedom To Plunder Treasury.'' And I quote:

Farming experts will tell you that a farmer who can't make money raising corn at $3 a bushel should sell the tractor and move to town. Fortunately, most Nebraska farmers are much too smart to miss out on the $3 corn and the profits that appear well within reach as the 1996 growing season approaches.

But misfortune is in this picture, too—misfortune for taxpayers. Congress is hammering out a farm bill that proposes to give these same savvy farmers as much as $40,000 each in extra income, in precious tax money, this year. Why? Because that's how Freedom To Farm, the new approach that is supposed to get the government off the farmer's back is supposed to work. It puts more government, more cost, on the taxpayer's back instead.

Mr. President, next I will quote from a news release from the National Farmers Union, which is one of the leading farm organizations whom I have worked closely with all of my 26 years in Government service. This news release from the Farmers Union is headlined:

Senate Farm Bill A ''Sell out'' Of Farm families, Says [the National Farmers Union] President.

Washington, DC—The farm bill passed by the U.S. Senate Wednesday was termed a ''sell out of American farm families and their values to the special interests of agribusiness and a license for a few corporations to further dominate the marketing, processing and trading of agricultural commodities'' by National Farmers Union President Leland Swenson. Representing 250,000 farm, ranch and other rural families across the nation, Swenson expressed concern that the Agricultural Transition Act would escalate the move of U.S. agriculture away from its system of independently owned and operated family farms to that of contract production.

Mr. President, in addition to that, which will be printed in the RECORD, there is a bulletin of about 9 or 10 items entitled: ''What's wrong with the Farm Bill approved by the Senate?''

Clearly, in the opinion of the reliable National Farmers Union it is a disaster.

What are other knowledgeable people who have had great experience in agriculture saying? This time from the Republican side of the fence.

I refer to an article in the Sioux Falls Argus Leader of February 25, 1996, by George Anthan. George is with the Georgia Net News Service and is a columnist.

The headline of his column is: ''Iowans wary about Freedom to Farm bill.''

It goes on to say:

Two of Iowa's most respected voices on national agricultural policy—both of them Republicans and farmers—expressed strong misgivings over the GOP's Freedom to Farm bill, which would guarantee subsidies to farmers regardless of market price. Cooper Evans of Grundy Center, a former Congressman and former agriculture advisor to President Bush's White House, said the policy advanced under the Freedom to Farm bill ''would be a disaster.''

Mr. President, the article goes on and says:

Thurman Gaskill of Corwith—long active in national farm policy affairs and a high-ranking political operative for Presidents Nixon, Ford and Bush—said: ''I don't understand the thinking behind this. In the short term, it's a hell of a deal. But I don't think it's good for the long-term farm policy of this country.''

Evans, an influential member of the House Agriculture Committee during his congressional service, said: ''To me, the important point is that now is not the time for a program that can be viewed as strictly a gift in the sense that it's not at all tied to need, not all tied to current prices, not at all tied to supplies.

''It's just a gift, which seems to me to be totally incompatible with the fundamental interest of both parties to whip the budget deficit.''

Evans continued: ''We're making all kinds of claims on programs that have a much larger constituency, and I think it makes those who support [the] (Freedom to Farm) [Act] extremely vulnerable to the criticism that you're cutting Medicare, [yes,] you're cutting Medicaid . . . and yet you're giving this money to farmers regardless of what they do, regardless of what they plant, regardless of what the prices are.''

I continue to quote:

''It would be most inappropriate to do this.''

Mr. President, who are some of the supporters of the freedom to farm act, other than the Republican majorities in both the House and the Senate?

I reference at this point an article, again from the Lincoln Journal, of February 19, 1996. This headline says, ''Big Agribusiness Enjoyed Benefits in Senate Farm Bill.''

Washington, Associated Press. With a mix of luck, work and unusual organization, the lobby for big grain companies, railroads, meat companies, millers and shippers scored a big win in the Senate-passed overhaul of the farm bill.

The ''Freedom to Farm'' bill, as it's called, stops the government from forcing growers to idle land in order to keep their Federal payments. It says farmers can grow the crop that they most likely will sell without losing government payments usually tied to a particular crop. For 7 years, at least, the government would fix the price of corn, wheat and other row crops.

Further down in the article is an interesting quote from our distinguished friend and colleague, the Senator from Minnesota:

''In the long run it says you're on your own with Cargill. You're on your own with the Chicago Board of Trade,'' said Sen. PAUL WELLSTONE, Democrat from Minnesota, taking on the Minnesota-based food giant.

Cargill Inc. and the Chicago Board of Trade did work Congress. So did such giants as General Mills Inc., Tysons Foods, Kraft Foods, Procter & Gamble, Union Pacific Railroad, Rabobank Netherlands, the Fertilizer Institute and others who build a business from agriculture.

Unlike before, the food companies and the trade groups banded together. In the fall of 1994, more than 120 formed the Coalition for Competitive Food and Agricultural Systems.

''It was probably the first time in history that a broad-based group in the food industry had gotten together with market-oriented reforms in mind,'' said spokesman Stu Hardy, a former staffer on the Senate Agriculture Committee, now with the United States Chamber of Commerce.

It is really interesting, Mr. President. Any farmer or any farm organization that really believes that business interests such as I have just mentioned, who for years have lived off of cheap product prices, were very much instrumental in writing the freedom to farm bill. I think that fact alone, the U.S. Chamber of Commerce, Tysons foods, General Mills, Kraft Foods, Procter and Gamble, Union Pacific, the Fertilizer Institute—if those people helped write this farm bill, there is no way that it can be both good for them and good for the producers.

Mr. President, there was another article that drives home this point. This is from the Omaha World Herald of February 25, 1996. This headline reads: ''Businesses Put Muscle Behind Farm Bill Push,'' by David Beeder, Washington, DC:

Major changes in U.S. farm policy—passed by the Senate and pending in the House—will get a big push all the way to the White House from a powerful coalition of more than 120 grain traders, processors, shippers, retailers and producer organizations.

''We wanted to retain a farm income safety net but also eliminate acreage reduction programs (ARP),'' said Mary Waters of ConAgra Inc. of Omaha. ''Both of these bills will do that.''

Now, Mr. President, ConAgra is located in my State. It is a very fine organization. They are processors of food. I can see why they would be involved in writing a farm bill, because, basically speaking, the cheaper the cost of the raw products that they produce into edible food, the more money they make. I do not criticize ConAgra for being concerned about agriculture prices, but I do not think they represent the family-size farmer:

Stu Hardy of the U.S. Chamber of Commerce said the legislation could have been strengthened if it had reduced the amount of acreage in the $36 million Conservation Reserve Program in which farmers are paid to idle land. If there is one part of the previous farm bill and if there is one part of the new farm bill that is generally supported by all farm organizations—as far as I know, all or most farmers—it is the Conservation Reserve Program, which has been very popular. According to the U.S. Chamber of Commerce, we would have been a whole lot better off if we cut down the Conservation Reserve Program.

Mr. President, there is a lot of misinformation out there today about what this program does. I have referenced several times this evening in my remarks the fact that the freedom to farm act from its very beginning and inception was to provide transition payments originally to help reduce the costs—that has gone by the board now—but primarily to have a transition from the present payments we have historically had as part of the program, when prices were low but not when they were high as they are now, but we have been pounding this home.

Now, even some of the introducers of the legislation have come around to say we should have something in there very cleverly in the Senate bill incorporated as permanent law. The 1949 act has been permanent law for a long, long time as a fall-back position. That is soft soap to agriculture because when the people understand what is going on, and after the ''60 Minutes'' type program exposes this for what it is, it will be tough to get any kind of responsible farm program through the Congress.

For years I have fought, along with many of my colleagues, on the basic concept of selling to the 535 Members of the House and Senate the need for a farm bill, a safety net farm bill, that did not pay the farmers anything when prices were high but gave them a stipend that would get them somewhere near the cost of production when the corn price—as it has historically—not stayed at $3.10 to $3.50 a bushel, but when it drops to $2.10 to $2.50 a bushel below the cost of production. That is when we should have farm programs. That is when they should kick in. They should not kick in in a rich man type fashion of selling and buying off farmers with this healthy hefty payment for the next 7 years.

I make reference, Mr. President, to the Congressional RECORD of February 28, 1996, page 1429, to bring home how there is so much misunderstanding with regard to whether the safety net is going to be eliminated. There is included on that page a letter from the Farm Bureau to a Member of Congress. It says here by the writer of the letter, who is an official of the Farm Bureau:

> In my view, concerns about the ''freedom to farm'' approach have centered on two points: First, opponents are concerned that the contract payments will be viewed as welfare payments.

I do not know what else they are, but I think it rancors them a great deal when we call them welfare payments.

> Secondly, some are concerned that there will not be any farm program after the seventh year of the bill. These issues were also the same as some members' of the Farm Bureau. The following points were used, in part, to make our policy determination.

Then it goes on to another paragraph. I would like to quote from the same letter from the Farm Bureau:

> In regard to the future farm policy after 7 years, it is important to keep in mind that there are no provisions in the bill that require farm programs to be eliminated after 7 years. In fact, it is our view that public policymakers should actively debate what farm policy should be after the year 2002, while considering such issues as supply and demand factors, international trade barriers, financial conditions of agriculture, monetary policy, trade policy, and other issues important to our farmers and ranchers.

Soft sell. Soft soap, because the very thrust of the farm bill, known as the freedom to farm act, was to use the transition payments to eliminate farm programs in the year 2002. Why else would you pay the handsome payments from the taxpayers to the farmer regardless of what the farmer is receiving for his commodity? Certainly, that is the attitude of the New York Times. I think it is rather interesting, Mr. President, that in addition to big business writing the farm bill, we have those great defenders of the American family-size farmer, the New York Times and the Washington Post, approving of this farm bill. They have never approved of any farm bill in the history of the United States of America, but this one. Why is that? Because they know what the intent is. They know they are buying off the farmer, and it will all come to an end at the end of 7 years.

Mr. President, I quote from a New York Times editorial of March 6, 1996. The headline is: ''Big Changes Down on the Farm.''

It says:

> The Senate and House-passed bills would phase out wheat, corn, rice and cotton subsidies over a 7-year period. The Senate-House conferees need to make it clear, as the House bill attempts to do, that after 2002, farm welfare supplicants cannot count on reverting to the old discredited law.

Further, it says:

> The House bill would make it harder for lobbyists to extend the dole after 7 years and is thus preferable to the Senate version.

Mr. President, also, I think it is interesting to note this on the front page of the New York Times of Friday, March 1, 1996. I reference that at this point. Big farm paper, the New York Times. It says:

> House approves biggest change in farm policy since the New Deal.

Well, that is an honest statement. Below that, it says:

> Legislation phases out subsidies over 7 years.

You cannot have it both ways. Yet, that is being sold today.

I simply say that the whole article will appear in the RECORD. It, once again, shows that the New York Times, an opponent of agriculture as long as I can remember, has a right, and they are getting what they want, along with the chamber of commerce, along with the big-money interests that live off the products of the American farmer. If I were a farmer, I would not want those organizations saluted and backed by the New York Times, and to write a farm bill, because down the road, in the future, this is going to come home to haunt the safety net that we have relied on for so long.

Then there is another newspaper that is well known as a big booster of agriculture. This time it is the Wall Street Journal of Friday March 1, 1996. It is interesting to note that that is the same date of the article that I just quoted from the New York Times. But the farmer friendly Wall Street gurus, who speak frequently through the Wall Street Journal, had this story. The headline is: ''House Approves Ending Costliest Farm Programs.''

How ridiculous. I have just cited the facts of the matter. Yet, the Wall Street Journal, who understands the stock market but has not a clue about agriculture, says, ''House Approves Ending Costliest Farm Programs.'' The Sub-headline is, ''Plan to Be Phased in Over 7 Years, Would Stop Restrictions On Crop.''

The story:

> The House measure would spend $46.6 billion through fiscal year 2002, including $35.6 billion for transition payment.

What we have here is total allocations, if subsequent Congresses approve it—at least this is the plan—to provide $46.6 billion through fiscal year 2002, including all but $10 billion, or $35.6 billion for transition payments:

> It will have to be reconciled with a similar Senate bill in a House-Senate conference before going to the White House for the President's consideration.

Just some more, Mr. President, of what is going on today with regard to the people who wrote the farm bill that some farmers and some farm organizations think is just hunky-dory.

Mr. President, I may be wrong. Maybe this bill will be the greatest thing for agriculture that we have ever seen. If so, on down the road I will salute the Wall Street Journal, the Washington Post, the New York Times, the Union Pacific Railroad, Kraft Foods, and the many farmers in my State, and many of my friends and colleagues here in the U.S. Senate who support this. I will salute all of you.

I will salute all of you. I might be wrong. But as one who has wrestled with farm programs in fairness to rural America for a long, long time, and who consults regularly with farmers and farm organizations—in fact, just this afternoon in Nebraska wheat growers were in to see me. And since this is my last year in the U.S. Senate they presented me with a plaque that I treasure saluting me for the help I have given to—and have been part of in—protecting the interests of family-sized farmers and the food production in America. Each and every one of them—

there were seven there—were firmly opposed to the so-called freedom-to-farm act. Yes. There are lots of farmers out there that have bought on to this very expensive and unfair program that I am very fearful will be the death knell for farm safety nets and make it almost impossible for young farmers who do not share in this program. The money only goes to farmers who have been in the program previously. It is a bad piece of legislation.

I am about to withdraw my objection only with the hope that maybe some miracle will occur and we will be able to get some changes in a whole series of areas made in the conference with the House, and that a conference report which is eventually forwarded back to the House and the Senate will have a much improved farm bill.

In the meantime, I have consulted with the Secretary of Agriculture about this on several occasions. I have discussed this with the President of the United States. Some people are speculating right now that the President will sign the bill, or that he will not sign the bill. I know that the President of the United States has not made up his mind. The Secretary of Agriculture has not made up his mind. They are waiting the outcome of the conference. I hope we can have a bill that makes some sense.

With that I withdraw my objection that I raised earlier, and I will work constructively with all concerned to make changes in this bill in conference that I think are absolutely essential.

Mr. President, I yield the floor.

EXHIBIT 1

[From the Omaha World-Herald, Feb. 27, 1996]

GLICKMAN SAYS NEW FARM PLAN'S COSTS ARE HIGHER

(By David C. Beeder)

WASHINGTON.—Legislation guaranteeing farmers more than $40 billion over seven years would cost the federal government $20 billion more than it could cost to extend a farm law that expired Dec. 31, Agriculture Secretary Dan Glickman said Monday.

''For the first two or three years, we know we are going to be spending much more on this farm bill,'' Glickman said in a speech to the National Association of State Departments of Agriculture.

Farmers would receive little or no subsidy payments if the five-year 1990 farm law still were in effect, Glickman said.

''Why? Because prices are higher now,'' he said.

Subsidies, under 60-year-old U.S. farm policy, have been based on the difference between the market price of crops and the so-called target price set by Congress, which is usually higher.

Glickman said economists at the U.S. Agriculture Department expect the market price of corn and wheat to match or exceed target prices for two or three years.

He said giving farmers a guaranteed annual payment in a period when they are being paid high market prices ''could create potential political problems'' for farm legislation in the future.

''We need a well-rounded farm bill, one that people in nonrural areas can support,'' he said. ''That's what we are working on, and we think the Senate bill moved a few steps in that direction.''

Glickman's speech before state agricultural directors was followed a few hours later by Rep. Pat Roberts, R-Kan., chairman of the House Agriculture Committee, who defended the plan to guarantee annual payments to farmers.

He disputed Glickman's estimate that the legislation would cost $20 billion more than would extending the farm law that expired Dec. 31.

Roberts said the Freedom to Farm Act, which he has co-sponsored with Rep. Bill Barrett, R-Neb., would reduce the average annual cost of commodity subsidies from $10 billion a year to $5 billion.

''The Freedom to Farm Act will save $5.2 billion over seven years, and that's what I intend to say on the House floor Thursday when we debate this legislation.'' Roberts said.

''What this debate is all about is who makes the decision,'' he said. ''We feel very strongly that under Freedom to Farm, the farmers make the decision. They have the freedom to plant whatever they want to plant.''

Roberts said the high prices being paid for crops this year have had little effect in the Great Plains, where poor growing conditions left many farmers with little or nothing to sell.

Under the 1990 farm law, many of these farmers received subsidy payments in advance, he said.

Those subsidies must now be repaid even though a farmer may have lost the crop, Roberts said.

''It is true that if you have the current (1990) farm bill the farmer gets no payment this year or next year, but he has to pay back advanced deficiency payments and there is no requirement for conservation compliance,'' Roberts said.

[From the Omaha World-Herald, Feb. 27, 1996]

STATE AG LEADERS WON'T BACK PLAN

WASHINGTON.—State agriculture leaders from Nebraska and Iowa said Monday they could not support farm legislation that guarantees a fixed government payment to farmers regardless what they are paid for their crops.

Larry Sitzman, Nebraska director of agriculture, said the plan would be politically vulnerable in a period like today when farmers are receiving high crop prices.

''I am concerned that a seven-year program with guaranteed benefits would be difficult to sell with the mood of Congress and the mood of taxpayers in this country,'' Sitzman said.

He said the plan, if adopted, could lead to elimination of a long-standing policy of subsidizing farmers during periods of low crop prices.

''The safety net probably would be gone in two years,'' said Sitzman, who operates a 2,000-acre farm near Culbertson, Neb.

Dale Cochran, Iowa secretary of agriculture said he expects Congress to pass a farm bill that includes guaranteed payments while continuing to provide subsidies when crop prices fall.

Cochran, of Eagle Grove, Iowa, said it would be difficult to convince taxpayers that farmers should receive a payment when crop prices are high.

Cochran, a Democrat who served more than 22 years in the Iowa House of Representatives, is in his third term a secretary of agriculture, an elective office in Iowa.

Sitzman, a Democrat, was appointed director of the Nebraska Agriculture Department by Gov. Nelson in 1991.

[From the Omaha World-Herald, Feb. 25, 1996]

USDA: DAIRY, CEREAL PRICES EXPECTED TO RISE

WASHINGTON.—Food prices in the United States are likely to increase less than the rate of inflation this year, with meat prices expected to decline, government economists say.

However, the price of milk should rise by 4 percent to 5 percent over last year because of the lowest surpluses of dairy products since the mid-1970s, the Agriculture Department predicted.

The Consumer Price Index for food rose 2.8 percent last year—the overall CPI was up 2.5 percent—and higher prices for fruits and vegetables were the prime reason, USDA Chief Economist Keith Collins noted in a report to the annual Agricultural Outlook Forum.

''In 1996 the highlight for the American consumer will be food-price increases below the overall inflation rate, as the strong increase in meat production lowers meat prices slightly,'' Collins said. Red meat and poultry account for 24 percent of the at-home food CPI.

With average weather, Collins added, this year's fruit and vegetable price increases should be less than last year's. Although the price of cereal and baked goods should go up because of rising grain costs, the increase is likely to be no more than about 5 percent because farm-level grain prices represent only about one-tenth of the retail prices of the finished products.

The USDA forecast relies in large part on the expectation that 1996 beef production will increase by 2 percent to 3 percent despite higher feed costs. This envisions feed corn prices peaking at about $3.70 per bushel.

However, Collins said, ''If 1996-crop corn prices were to move into the $4-per-bushel range due to reduced yield prospects, hog and poultry producers would reduce animal numbers first with cow-calf operators making their big reductions in the fall.

''The result would be higher meat prices in late 1996 and into 1997, and, for beef, into 1998 and beyond.''

USDA foresees record-high season-average farm prices for wheat in this harvest year and near-record prices for corn. Carryover stocks of wheat on June 1 are forecast at 346 million bushels, which, as a percent of total use, would be the lowest since 1947–1948. Corn carryover was put at 457 million bushels, lowest as a percent of use since 1937–1938.

Such low stocks make it very difficult to forecast prices, Collins acknowledged. ''The low stocks have put feeders, processors, traders and consumers at much greater risk if 1996 harvests are subpar.''

With higher corn prices, better planting weather and no reduction in acreage, USDA said corn planted this year may increase nearly 15 percent, to more than 80 million acres. Winter wheat acreage was up 7 percent, and total wheat acreage this year could rise about 6 percent, to 73 million acres. That would support a wheat price near the $4-a-bushel level.

[From the Lincoln Journal Star, Feb. 25, 1996]

BILL RAISES FARM COSTS, OFFICIALS SAY

(By Robert Greene)

WASHINGTON.—A farm-program overhaul that the Senate passed this month will raise spending rather than save billions of dollars as Senate budget writers had planned, the Senate Budget Committee says.

''We've lost all our savings,'' said Bill Hoagland, the committee's staff director.

The original farm-program changes in the budget-balancing legislation vetoed by President Clinton last year would have cut spending for agricultural programs by $4.6 billion.

The Senate-passed farm bill instead costs $200 million to $380 million more over seven years than if farm law had been left alone. Hoagland said.

The new estimates create problems for the farm bill as the House prepares to take it up this week. Many added costs were the result of amendments needed to ensure its 64–32 passage Feb. 7. Those amendments included guaranteed spending for new conservation, rural development and farmland preservation programs.

Stripping down the bill could lose votes, many from Democrats, when a final version is crafted. Or law-makers could be forced to tinker with the core ''Freedom to Farm'' proposal, which substitutes fixed-but-declining payments for unpredictable, price-based crop subsidies.

Democrats remain opposed to ''Freedom to Farm'' because it continues to pay farmers even when crop prices are high. New projections released last week by the U.S. Department of Agriculture suggest that farmers will cash in big if Congress removes the link between farmer payments and movements in crop prices.

Prices for major crops are expected to be high for several years because of heavy world demand and extreme shortages going into the wheat and corn harvests this year.

As a result, crop subsidies could wind up costing a little more than $12 billion over seven years, the figures show, if farm law is unchanged.

The Senate bill and the version headed for the House calls for giving farmers $35.5 billion over seven years—nearly three times what the Agricultural Department forecasts.

The department estimates are based on more optimistic forecasts for crop prices than those used by the Congressional Budget Office, which Congress uses for estimating program costs, and other forecasters.

The wide gap points to the larger debate over the massive overhaul, including who should get the money.

The Republican bill guarantees the payments against future budget cuts and leaves the way open for farm programs to end after seven years. The high payments in 1996 will offset the $2 billion in advance subsidies that farmers will have to refund from 1995 because prices shot up.

The Democrats, including Agriculture Secretary Dan Glickman, say farmers still need a safety net in case crop prices unexpectedly plunge—despite the department's rosy predictions.

Advocates for conservation and more help to small farmers say that locking in payments to farmers, including the large ones, means danger, especially if the House version passes without any of the Senate amendments.

''The likely result will be that future agriculture budget cuts will be in beginning farmer, rural development, research and conservation programs,''said Chuck Hassebrook, an analyst with the Center for Rural Affairs in Walthill, Neb.

Andy Fisher, spokesman for the Senate Agriculture Committee, hinted that the Freedom to Farm payments may have to be cut. He also said the committee was awaiting final cost estimates from the Congressional Budget Office.

He noted that the 1990 farm bill cost $57 billion over five years—$15 billion more than forecast. The new bill would allow no such overruns.

Hoagland, at the Budget Committee, said that even though the farm bill had been separated from the budget-balancing bill: ''Most of our discussions had always assumed that we would still get some savings, even in any final negotiated agreement, in the $3 billion to $4 billion range. But we have no savings at all. We have a cost.''

[From the Omaha World-Herald, Feb. 23, 1996]

HUNDREDS EXPECTED TO PROTEST FARM BILL

(By Ann Toner)

By bus, car and van, farmers from as far away as North Dakota are expected to gather in Wichita, Kan., today to voice their opposition to the latest farm program proposals to gain House and Senate approval.

Loosely dubbed the Freedom to Farm Act, the proposed law—officially, the Agricultural Marketing Transition Act in the Senate—is in its final stages in Washington.

While some other farm groups favor the proposal, the opponents believe that unless substantial changes are made, President Clinton should veto the bill.

''Doing nothing is a far better option than committing economic suicide just to end the suspense of waiting,'' said John Hansen of Tilden, president of the Nebraska Farmers Union.

Proponents ''listened to the grain trade and shut out the interests of production agriculture,'' he said. ''It's a hostile takeover of ag policy by the grain trade that will flood the market with lots of cheap product at the expense of family farmers.''

John Whitaker, president of the Iowa Farmers Union, said he hopes to convince Agriculture Secretary Dan Glickman that unless substantial changes are made in the bill, Clinton should veto it.

''Real farmers don't want welfare,'' Whitaker said. ''We want to veto it and unless it can be improved, revert to 1949 law.

''Under the Senate bill, you don't even have to farm for seven years to get a payment. Farm programs are supposed to be a safety net. In years when they don't need it, like this year, they shouldn't get a payment.''

The final bill isn't finished—House and Senate versions are due to be reconciled before being forwarded to Clinton—but opponents said they are meeting now to send their message to Washington.

But the proposal has strong defenders, said Rep. Bill Barrett, R-Neb.

''This bill echoes the sentiment of the majority of those in agriculture,'' Barrett said. ''This bill provides planting flexibility, promises full production, and allows farmers to manage their own businesses based on economic factors without government intervention.''

Rob Robertson, vice president of the Nebraska Farm Bureau Federation, said provisions of the law would ''benefit farmers by providing income stability over seven years and allowing U.S. agriculture to compete in the world marketplace.''

Opponents include Sen. J.J. Exon, D-Neb.

''If we buy into the Freedom to Farm Act now, by the year 2002 there would be no farm programs at all, no safety net, not anything,'' Exon said. ''For the next seven years, it turns farm programs into welfare programs.''

Today's rally is scheduled to start at 4 p.m. in the parking lot of the Cotillion Ballroom in Wichita. Between 1,500 and 2,000 farmers are expected to participate, representing several farm groups that oppose all or parts of the proposal.

Some of the groups represent mostly small farmers, but others have many large-farm members as well.

After the rally and a 6 p.m. barbecue, a 7 p.m. question-and-answer session with Glickman is planned inside the ballroom.

Glickman, a former Kansas congressman, opposes many aspects of both versions.

But sponsors of the Glickman dinner—Kansas Farmers Union and KFDI, a Kansas radio station—said Glickman is not coming to Wichita either to take part in the rally or to be rallied against.

In fact, Glickman isn't even scheduled to arrive until the rally is over.

The sponsors said Glickman is coming to Wichita for the sole purpose of breaking bread with the farmers, speaking and answering questions from farmers after dinner.

National Farmers Union President Leland Swenson and Farmers Union leaders from about 15 states are expected to be in attendance.

''After two years under this program, production would increase significantly, driving down prices,'' Swenson said. That would leave farmers no chance to sell their crops at a profit, he said.

Gene Paul of Delavan, Minn., president of the National Farmers Organization, also opposes the bill.

''Freedom to Farm will do nothing to improve the image of agriculture, nor will it deal with the solution of America's farm problem: sustained, profitable commodity prices,'' he said.

Wheat grower Tom Giesel of Larned, Kan., one of the organizers of the rally, said farmers, not farm leaders, will speak.

''We've invited speakers who can speak from the heart about how this farm bill will affect their farms and rural communities,'' Giesel said. ''Their message, that this bill will devastate the rural economy, is very important for people to understand.''

More than a busload of Nebraskans are expected to attend the Wichita event, said Hansen, the Nebraska Farmers Union president.

Other Nebraskans will represent the American Corn Growers Association, the Nebraska State Grange, the NFO, the Nebraska Wheat Growers Association and the League of Rural Voters.

Hansen said he and many of the attending Nebraskans believe the House and Senate bills would make their farms too vulnerable to the marketplace and the whims of grain trading giants.

''It's a political and economic bonanza to the grain trade,'' he said. ''They got what they've wanted for a long time.''

Hansen said the promise of payments to farmers during the transition without program restrictions would be so offensive to taxpayer groups and members of Congress that it will ''set us up for the political kill'' later on.

Roy Frederick, a public policy specialist for the University of Nebraska-Lincoln, said calling it an Agricultural Market Transition Program is appropriate.

''It seems highly unlikely that flat payments without regard for market conditions could last beyond 2002,'' Frederick said.

John Dittrich of Meadow Grove, Neb., who will speak at the rally, said ending price supports would be ''extremely destabilizing to farmers and destabilizing to consumers.''

The increased risk of farming without a safety net would discourage young farmers from entering the business and jeopardize older farmers, Dittrich said.

He said the proposals are influenced by businesses and ''legislative theoreticians'' who don't understand the risks and instabilities of farming.

''They've never had to look nature in the eye the way farmers have had to do,'' he said.

KEY PROVISIONS OF ''FREEDOM TO FARM'' ACT

Subsidies

Eliminate crop subsidies and reduce payments annually to farmers, ending them altogether in seven years.

Planting

Eliminate crop acreage restrictions. Farmers would be allowed to plant as much or little of any crop as they choose.

Maximum payments

Lower the maximum payment to farmers under the programs from $50,000 to $40,000 but enlarge provisions that could increase payments to large farmers who create several subentities.

Conservation

Senate version: Reauthorize the Conservation Reserve Program through 2002 for up to 36.4 million acres, provide incentives for farmers leaving the program to protect the most environmentally sensitive land and fund a program to reduce pollution from farm and livestock runoff.

House version: Reduce the Conservation Reserve Program and allow land to be withdrawn from the program at any time.

Future

Senate version: Require Congress to pass additional farm legislation when the current bill expires.

House version: Instead of requiring a new bill, name a Commission on 21st Century Production Agriculture to make future policy recommendations.

LUGAR TO KEEP CAMPAIGNING, HOLD AG PANEL POSITION

WASHINGTON.—Sen. Dick Lugar, R–Ind., said Thursday that he would not consider stepping down as chairman of the Senate Agriculture Committee while he continues campaigning for the Republican presidential nomination.

Lugar also said that Sen. Bob Dole, R–Kan., should remain as Senate majority leader while campaigning for the nomination.

''I think Bob Dole is doing a great job as our majority leader.'' Lugar said at a press conference. ''I hope I have done a good job getting a farm bill through the Senate.''

Lugar, who received less than 6 percent of the vote in the Iowa party caucuses and the New Hampshire primary election, said he plans to continue campaigning ''as long as there is money and some momentum.''

[From the Lincoln Journal Star, Feb. 25, 1996]

ONLY PEOPLE WHO EAT NEED TO WORRY ABOUT OUR FOOD POLICY

(By Sally Herrin)

The United States Senate put the family farm up for sale when it voted 64–32 to send Bob Dole's Agriculture Marketing Transition Act. S1541, to the House of Representatives tomorrow morning, Feb. 26. This is a modified version of Bill Barrett's and Newt Gingrich's Freedom to Farm proposal, which is the ''final solution'' to farm programs.

But farm programs are just for farmers, rights? Think again.

Concerned about the environment? No wilderness protection initiative has anything like the impact on soil and water quality that a national farm policy has, because farmers and ranchers own more than three-fourths of the non-public land in the country. And while S1541 retains authorization for the Conservation Reserve (the butt of many a late night's comic joke, this poorly understood program builds the nation's environmental capital), the stone truth is the carrot-and-stick good faith partnership between ag producers and the nation is broken. Added long-term conservation goals will be sacrificed for short-term economic survival.

Is food security national security? Europeans old enough to have survived World War II would say so. Yet, the proposed farm bill excludes farmers who haven't participated in farm programs in at least one of the last five years, cutting off farm kids at the knees.

The average farmer in Nebraska is 57. Seven years of declining severance pay takes most of them right up to retirement. Who will farm then?

Nebraska lost 33.9 percent of its rural population between 1980 and 1990. Just as agriculture is the prime economic base for the state as a whole, farm families are the economic base for the main street businesses which serve them. When the families leave and fail, the towns dry up and stand rattling like pin oaks in the wind.

Earl Butz—former secretary of agriculture, forced to resign for telling off-color, racist jokes and later convicted of income tax fraud, mentor to Clayton Yeutter and economic godfather to Freedom to Farm—Earl Butz described rural depopulation resulting from low commodity prices this way: ''This trend toward fewer farms isn't bad. Rather, it's good because it frees a larger percentage of the population to become productive members of society.''

While Butz and Yeutter laid the groundwork for the industrialization of our food supply, it has taken Dole and Gingrich to bring big business to its perilous new heights of corporate economic advantage, which is what Freedom to Farm is all about.

The only people who should care about farm policy are the people who eat. As for so much else in modern life, we are in denial about how food comes to our table. But no Martha Stewart recipe will take away the stink of corporate hog farming and the environmental and economic devastation that it means to communities just across the Missouri River in Iowa.

National food security is a matter of reasonable production goals that also give something back to the land, and it's a matter of a strategic food reserve. Freedom to Farm creates planting chaos and a world of boom-and-bust cycles with huge surpluses and terrible shortages. The last time the agricultural market was this ''free,'' they called it the Great Depression. It not only can happen here, it has.

Freedom to Farm means seven years of decoupled welfare payments to farmers, politically indefensible in times when welfare to poor women and children being gutted, and lending new meaning to ''planned obsolescence.''

In a letter to the editor (LJS, Feb. 21), Bill Barrett claimed his proposal was designed to let farmers get their income from the market. But his bill strips farmers of their traditional marketing tools, including the Farmer-Owned Reserve and the Emergency Livestock Fee Program, and caps the loan rate for corn at $1.89. Since loan caps in practice generally become price ceilings, this means farmers selling corn at or below the cost of production.

The food sector, the most profitable in the national economy bar none, is shared by four corporations: Cargill, ConAgra, ADM and IBP. Mexican farmers call them the Coyotes, and I'm hoping the tag will catch on.

There is no free market. The food sector has become a system of shared monopolies, and by letting men like Dole and Barrett shape our national policy who consistently favor big corporations at the expense of the public good, we permit it to happen.

While you may want government off your back as the shadow of tax time creeps near, you'd do well to remember that government is all you've got to mitigate, much less control, big business.

Bob Dole has been one of Archer Daniels Midland's best long-term political investments. Bill Barrett, ConAgra's largest single PAC recipient for the years 1980–92, is repaying his contributor with the Freedom to Farm the Farmer is Spades.

The farm hits the auction block tomorrow morning when the House takes up debate. The land is the only thing the Coyotes don't own. Yet. But unless our president and representatives get a lot of calls and wires tonight, we've just sold the family farm.

[From the Lincoln Journal Star, Feb. 18, 1996]

FREEDOM TO FARM: AN EXCUSE TO ABANDON AGRICULTURE

Blow a little dust off your memories of the 1988 Senate race in Nebraska. David Karnes is at the podium at State Fair Park in Lincoln. Row after row of Republican cheerleaders lean forward, gathering themselves for their next explosion. But coming out of Karnes' mouth are these fateful words: ''We need fewer farmers at this point in time.''

Groans. Gasps. Even boos. Cheerleaders slump in their seats. Bob Kerrey seizes on what Karnes later describes as a slip of the tongue and delivers a stern lecture. A few weeks later, voters elect Kerrey and cast Karnes into the basement of political esteem.

But guess what? Eight years after a promising conservative showed his poor grasp for acceptable rhetoric, the underpinnings of the once unutterable are being uttered daily. As Congress and President Clinton stumble toward passage of new farm policy, the words ''freedom to farm'' are much in vogue. They are represented, not as the first step toward abandonment of agriculture, but as breathtaking reform.

When Karnes charged into Lincoln with a solid shot at beating Kerrey, the underpinnings for sweeping change were called ''decoupling.'' It was a simply slogan meant to break the link between public payments to financially challenged farmers and public attempts to manage grain supplies and natural resources.

Eight years later, ''freedom to farm'' is a softer sell of essentially the same thing. If conservatives have their way with the next farm bill, farmers will still get money from the government over the next seven years, but there will no longer be any requirement of idle acres.

The trouble with this policy is that it neglects farmers' protection against mountainous and ruinous grain surpluses. It neglects consumers' protection against shortage. It edges farmers away from earning their way by conserving and under-utilizing their land assets. The new policy has the government doling out compassion and dollars in diminishing increments over the next seven years.

Momentum is still building to send this very message to farmers by mid March, before the last-ditch deadline for enrollment in the payment-compliance system and the start of planting season. The freedom to farm crowd continues to describe it as the one true path toward self-reliance and cutting into the federal debt.

It is not. It's not even close. Reformers could save tons of money if they just targeted farm payments toward the smaller and often younger farmers who need them and cut off the big farmers who have plenty of equity and cash. In what may be the only country in the world that has never known food shortages, rational policy makers could keep a proven food security system in place, cut costs and still offer farmers familiar incentives for controlling erosion and groundwater contamination.

According to the most recent portrayals of its leadership, the American Farm Bureau Federation, the largest alliance of grain producers nationally and in Nebraska, is among those sold on much rasher behavior. Its legions are ready to roll up their sleeves, renounce reliance on tax dollars, and exercise this new freedom to farm.

According to recent portrayals by Sen. Jim Exon, the Farm Bureau is mentally ill. It

must be schizophrenia. Exon said, that has its spokesmen calling for more of the same in the federal-farmer partnership one moment and much less of the same the next.

Those eager to demolish farm programs suggest the average farmer is a millionaire, because he has a million dollars' worth of paper assets. They smugly suggest that the government could have bought all the farmland in 41 states with the money it spent on the farm program in the last 10 years.

Much of this is the rhetoric of insanity. But regardless of what farm groups and farmers really want, consumers should embrace sanity and a system that can continue to serve their food needs at a more acceptable budget price.

Reform is a wonderful thing. Adjusting farm policy so that farmers are cast in the role of welfare recipients is not reform. It is a calculated abandonment of government's crucial role in ensuring a good supply and reasonable food prices.

TERM LIMITS CAN'T GO ON '96 BALLOT

Any attempt to put another question dealing with term limits on the November ballot could run afoul of the Nebraska Constitution, said Secretary of State Scott Moore.

Article III, Section 2 of the constitution says: ''The same measure, either in form or in essential substance, shall not be submitted to the people by initiative petition, either affirmatively or negatively, more often than once in three years.''

The Nebraska Supreme Court last week threw out term limits that were placed on the ballot in 1994.

Moore said his warning did not apply to a petition already filed that would seek to force legislators to support term limits. Rather than putting term limits in the State constitution, that measure seeks to label on the ballot those candidates who do not support the idea.

FREEDOM TO FARM: FREEDOM TO PLUNDER TREASURY

Farming experts will tell you that a farmer who can't make money raising corn at $3 a bushel should sell the tractor and move to town. Fortunately, most Nebraska farmers are much too smart to miss out on the $3 corn and the profits that appear will within reach as the 1996 growing season approaches.

But misfortune is in this picture, too—misfortune for taxpayers. Congress is hammering out a farm bill that proposes to give these same savvy farmers as much as $40,000 each in extra income, in precious tax money, this year. Why? Because that how Freedom To Farm, the new approach that is supposed to get the government off the farmer's back, is supposed to work. It put more government, more cost, on the taxpayer's back instead.

It does this by severing the long-standing connection between grain supplies, market conditions and levels of price support payments to producers.

Conservatives have opened the door to one of the biggest boondoggles in farm program history. In the first year of this ill-named ''reform,'' farmers can get almost $4 a bushel for any corn they have in the bin right now. The have every night to expect that they can lock in prices of $3 per bushel or better on their 1996 production—and they will still qualify for thousands of dollars in government support!

Freedom to Farm sets aside several billions dollars for the first of seven years of annually declining financial support to farmers. Allocators of that amount are completely oblivious to need and profit influences. Right in front of us here, in fact, is a year when farmers are unlikely to need any help at all.

A typical Nebraska farmers could easily make $200 an irrigated acre in profit in 1996—$200 after expenses. If he has 1,000 acres of corn, that's profit in six figures. That's not the sort of financial statement that ought to be supported by another $40,000 from taxpayers.

Much less likely, but not impossible is this market scenario: A bad export forecast or the kind of weather that causes bin-busting surpluses intrudes in the next few weeks, prices plummet, and this financial safety net is suddenly woefully inadequate.

The point in either case is that this twisted vision of farm policy helps farmers when they don't need help and could well help them too little when they need lots of help. That's what Freedom to Farm would do if it passes in present form.

As it exists in the House, scene of the debate this week, it is even worse. Freedom to Farm on the House side is also woefully deficient in protection of soil and water resources and in support for rural development of things that should matter to farmers, to consumers, and anybody who understands that farm policy is also food policy and environmental policy.

In all of those areas, Congress has edged dangerously close to handing us bad policy.

SENATE FARM BILL A ''SELL OUT'' OF FARM FAMILIES, SAYS NFU PRESIDENT

WASHINGTON, DC.—The farm bill passed by the U.S. Senate Wednesday was termed a ''sell out of American farm families and their values to the special interests of agibusiness and a licence for a few corporations to further dominate the marketing, processing and trading of agricultural commodities'' by National Farmers Union President Leland Swenson. Representing 250,000 farm, ranch and other rural families across the nation, Swenson expressed concern that the Agricultural Transition Act would escalate the move of U.S. agriculture away from its system of independently owned and operated family farms to that of contract production.

''How ironic it is for this reform-mined Congress to establish a brand new bureaucracy instead of enacting real farm policy reforms. The Agricultural Transition Act guarantees payments regardless of commodity prices and regardless of whether or not a crop is even planted,'' Said Swenson. ''This bill would provide producers with a short-term gain, but it will inevitably lead to long-term economic pain for independent family farmers and for other rural communities,'' said Swenson.

The Senate is irresponsible in this proposal to enact policies which maximize production, lower commodity prices at the farm gate and make set payment,'' said Swenson. He also notes that under this bill farmers would be asked to sign seven-year compliance contracts without even knowing what their transition payments will be.

The Agricultural Transition Act caps marketing loan rates for seven years. The maximum loan rates under this bill would be: corn—$1.89 per bushel; wheat—$2.58 per bushel; soybeans—$5.26 per bushel; cotton—52 cents per pound; and rice—$6.50 cwt.

''Loan rates are capped at artifically low levels, stripping away any opportunity producers might have to market their commodities in a manner that positively affects farm income,'' said Swenson. ''After two years under this program, production would increase significantly, driving down prices.''

Farmers Union supports the U.S. Senate's retention of permanent farm law and the reauthorization of nutrition, conservation and rural development programs, as well as increased planting flexibility.

''The bottom line is that the Agricultural Transition Act will drive down commodity prices, lower farm income and make it difficult for young farmers to enter production agriculture,'' said Swenson. ''We will urge President Clinton to veto the proposal if it reaches his desk.''

''Beyond the devastating economic impact this proposal would have on rural communities, we need to question the long-term consequences of a food supply controlled by a handful of multi-national corporations. We also need to ask ourselves if such a system of food production is worth the environmental degradation and the loss of rural businesses and infrastructrue,'' said Swenson.

WHAT'S WRONG WITH THE FARM BILL APPROVED BY THE SENATE?

S. 1541, the Agriculture Market Transition Act, is still ''Freedom to Farm.'' This is the grain trade bill, designed as a watershed legislation to end farm programs.

This bill decouples production from payments. Farmers don't want decoupled welfare payment, they want a fair price for what they produce. In a political climate where welfare payments to the poorest children are under attack, given the already massive national negative press characterizations of farmers as rich welfare cheats, given the declining population and political base of farmers, given the fact that farmers will collect decoupled welfare type payments during periods of relatively high commodity prices, Congress will most likely eliminate the Farm Bill before its scheduled 7 years. This amounts to an invitation to our own hanging.

How can anyone be expected to sign a seven-year contract for declining payments without knowing what is being offered? There is nothing in S. 1541 to even allow producers to calculate what their transition payment would be. All we know is that payment is limited to 85 percent of contract acres, and based on historical yields, frozen since 1985. There is no price factor in this formula. USDA just divides the available pool of money between contracting farmers.

S. 1541 provides what amounts to as ''severance payment'' to older farmers looking to get out of farming, but what about young farmers trying to get in? Young farmers are locked out.

This bill actually reduces marketing flexibility. It eliminates traditional marketing tools used by farmers to store farm commodities during periods of low commodity prices: The Farmer Owned Reserve is dead. So is the Emergency Feed Program and the Emergency Livestock Feed Assistance Program.

This lowers the non-recourse marketing assistance loans down to: corn—$1.89, wheat—$2.58, rice—$6.50/cwt, and soybeans based on 85% of recent average prices, using the same formula used for wheat and feed grains or between $4.92 to $5.25/bu. In addition, it gives the Secretary of Agriculture the authority to make downward adjustments to wheat and feed grain loan rates based on stocks-to-use-formulas, but no authority to raise loan rates.

Contracts must be signed by April 15. The House has yet to act on the Farm Bill, and will not likely do so until the end of February. The House and Senate versions will then need to go to Conference Committee, and then reported to the President. Will that be enough time to develop new rules and program regs by then? No.

This Farm Bill will cause a tremendous amount of uncertainty in crop production as farmers chase whatever crop they think will work best this year. Boom and Bust. Huge surpluses, and major crop shortages. National Food Safety is clearly at risk. Land values and other assets will decrease as crop prices wildly gyrate and auger their way to

the bottom of the unprotected world market price, which tends to be the ''dump price.''

So what is so bad about the 1949 Permanent Farm Bill? Not much. Is it better than the current law or the proposed Farm Bills in either the Senate or House? Yes, much better.

What do we want the President to do? VETO the Farm Bill.

[From the Sioux Falls Argus Leader, Feb. 25, 1996]

IOWANS WARY ABOUT FREEDOM TO FARM BILL

(By George Anthan)

WASHINGTON.—Two of Iowa's most respected voices on national agricultural policy—both of them Republicans and farmers—express strong misgivings over the GOP's Freedom to Farm bill, which would guarantee subsidies to farmers regardless of market prices.

Cooper Evans of Grundy Center, a former congressman and former agriculture adviser to President Bush's White House, said the policy advanced under the Freedom To Farm bill ''would be a disaster.''

Thurman Gaskill of Corwith—long active in national farm policy affairs and a high-ranking political operative for Presidents Nixon, Ford and Bush—said: ''I don't understand the thinking behind this. In the short term, it's a hell of a deal. But I don't think it's good for the long-term farm policy of this country.''

Evans, an influential member of the House Agriculture Committee during his congressional service, said: ''To me, the important point is that now is not the time for a program that can be viewed as strictly a gift in the sense that it's not at all tied to need, not at all tied to current prices, not at all tied to supplies.

''It's just a gift, which seems to me to be totally incompatible with the fundamental interest of both parties to whip the budget deficit.''

Evans continued: ''We're making all kinds of claims on programs that have a much larger constituency, and I think it makes those who support (Freedom To Farm) extremely vulnerable to the criticism that you're cutting Medicare, you're cutting Medicaid . . . and yet you're giving this money to farmers regardless of what they do, regardless of what they plant, regardless of what the prices are.

''It would be most inappropriate to do this.''

Conversely, Rep. Tom Latham, R-Iowa, who strongly supports Freedom To Farm, said it ''eases our farm economy into a market-oriented economy though guaranteed market transition payments.''

But Freedom To Farm, approved recently by the Senate, isn't law, yet. The House returns this week to take it up amid signs of rebellion among conservatives, environmentalists, consumer advocates and even farm-state legislators.

House conservatives are upset because the Senate, to avoid a filibuster, added $4 billion to the bill's cost and reauthorized food stamps and other nutrition programs they wanted to cut back as part of welfare reform.

Also, the Senate avoided dealing with the complex dairy issue. But a House proposal is being attacked by consumer and food manufacturing interests as a measure that would force higher milk prices.

ECONOMIST: FARM BILL WILL DROP CROP PRICES

The Freedom to Farm bill, as written, would mean lower crop prices, more production and could ultimately affect property tax revenues, an agricultural economist said.

The bill, passed by the U.S. Senate, would phase out crop subsidies to producers over a seven-year period.

Because farmers will no longer be told what to plant and how much to plant, production will increase, said Gene Murra, an economist at South Dakota State University.

''I think it would be very easy, in many cases, for producers to say, 'Well heck, I might just as well plant as much as I can,' and given the fact that we have a relatively high price this year, that's going to encourage even more of that kind of thing. So we could have very large production in any given year if the weather is just right,'' Murra said.

Lower crop prices could lower values of agricultural property lending to lower property tax collections, he said.

NFO OPPOSES ''FREEDOM TO FARM ACT'' AS PASSED BY SENATE

AMES, IA.—The National Farmers Organization (NFO) opposes the Freedom to Farm Act as passed by the U.S. Senate.

''The statement that Iowa U.S. Senator Charles Grassley is circulating that all farm organizations support the Freedom to Farm Act is erroneous,'' says NFO president Gene Paul. ''The NFO cannot support the act because in the long run it will not benefit NFO members, nor rural communities.''

''The one thing that farmers and ranchers in this country need is more economic stability and sustained profitability based on fair farm commodity prices. Otherwise, they are unable to make sound farm management and marketing decisions. Freedom to Farm does just the opposite. It transitions farmers into a world market that is anything but free, and is most notable for price instability,'' Paul explains.''

''Furthermore, while no one wants deep government intrusion into day-to-day farming decisions, the federal government has a legitimate role in agriculture,'' Paul notes. ''It needs to insure fair competition, both domestic and foreign. It needs to keep accurate records of the agricultural industry. And it needs to provide some form of an income safety net to food and fiber producers who are the victims of circumstances beyond their control, such as severe weather, political shenanigans, and market manipulations.''

Another NFO concern about Freedom to Farm, according to Paul, is the image it will convey to consumers and taxpayers that farmers are benefitting from an unnecessary government subsidy or handout.

''The American public already has a false conception that family farmers are doing well economically, when in fact thousands of them continue to go out of business each year,'' Paul concludes. ''Freedom to Farm will do nothing to improve the image of agriculture, nor will it deal with the solution to America's farm problem, which is sustained, profitable commodity prices.''

[From the New York Times, Mar. 1, 1996]

HOUSE APPROVES BIGGEST CHANGE IN FARM POLICY SINCE NEW DEAL

LEGISLATION PHASES OUT SUBSIDIES OVER 7 YEARS

(By Eric Schmitt)

WASHINGTON.—The House today approved a major overhaul of American farm programs, voting to end 1930's policies that pay farmers not to plant certain crops and to replace many subsidies with fixed payments that would end after seven years.

The $46 billion legislation, the most far-reaching agricultural bill since the New Deal, ends most Government controls over planting decisions for America's 1.5 million farmers. The vote was 270 to 155, with 54 Democrats voting for the bill and 19 Republicans voting against.

''We've now changed the farm-program world,'' said Representative Pat Roberts, a Kansas Republican who heads the House Agriculture Committee.

The Senate approved a similar, but slightly more costly bill earlier this month. Lawmakers from both chambers will likely meet next week to hammer out a compromise version. Agriculture Secretary Dan Glickman said the House bill ''fell short'' in maintaining financing for research, rural development and food for the poor. He said he would not recommend the bill to Mr. Clinton unless the conference committee altered these and other provisions.

The Administration and Congress both want to pass a farm bill soon and farmers are clamoring for a resolution because planting season has begun or will begin soon in many areas.

Mr. Glickman also complained that elimination of the market-based subsidy payments would deprive farmers of a vital safety net. But with crop prices at 10-year highs, consumer groups say the fixed payments the bill calls for would actually cost more in the next few years than the current subsidies, which fall when prices are high.

From the New York Times, Mar. 6, 1996]

BIG CHANGES DOWN ON THE FARM

Reforming the nation's bloated farm subsidy programs is no overnight task. It has taken 60 years for an emergency relief program to mutate into what now amounts to a welfare system for the rural middle class. Nevertheless, Congress has moved an amazing distance toward ending support programs for wheat, corn, rice and cotton. It even took aim, although it missed, at peanuts, sugar and dairy support systems that milk consumers.

The Senate and House have passed bills that would phase out wheat, corn, rice and cotton subsidies over a seven-year period. The House came within a few votes of ending peanut and sugar programs and beat back an audacious attempt by some dairy interests to make milk marketing even more costly to consumers. Senate-House conferees need to make clear, as the House bill attempts to do, that after 2002 the farm welfare supplicants cannot count on reverting to old, discredited law.

The seven-year weaning process, a schedule of declining annual payments to farmers regardless of their planting decisions, is itself a form of welfare designed to appease long-pampered farm lobbyists. The House bill would make it harder for lobbyists to extend the dole after seven years and is thus preferable to the Senate version.

Peanuts and sugar have narrowly survived but they are rapidly becoming endangered species at a time of budget constraints and growing impatience with wasteful government spending. It is now planting season, time for the Senate and House to adopt the better elements of both bills.

[From the Lincoln Journal-Star, Feb. 19, 1996]

BIG AGRIBUSINESS ENJOYED BENEFITS IN SENATE FARM BILL

WASHINGTON.—With a mix of luck, work and unusual organization, the lobby for big grain companies, railroads, meat companies, millers and shippers scored a big win in the Senate-passed overhaul of farm programs.

The ''Freedom to Farm'' bill, as it's called, stops the government from forcing growers to idle land in order to keep getting federal payments. It says farmers can grow the crop that's most likely to sell without losing government payments usually tied to a particular crop. For seven years, at least, the government won't fix the price of corn, wheat and other row crops.

Those things please the people who depend on a steady stream of raw farm goods. The stress on volume over price has made farmers suspicious of being exploited. Still, farmers wanted some of the same things, too, which is one reason the Senate could pass the bill 64–32 on Feb. 7.

Not that the antagonisms, dating to the last century, will end. Democratic advocates for small farmers from states like North Dakota and Minnesota futilely hammered the bill for helping corporate America while leaving the yeoman farmer out in the cold when price-based subsidies end.

''In the long run it says you're on your own with Cargill. You're on your own with the Chicago Board of Trade,'' said Sen. Paul Wellstone, D-Minn., taking on the Minnesota-based food giant during the Senate debate.

Cargill Inc., and the Chicago Board of Trade did work Congress. So did such giants as General Mills Inc., Tyson Foods, Kraft Foods and Procter & Gamble, Union Pacific Railroad, Rabobank Nederland, The Fertilizer Institute and others who build a business from agriculture.

Unlike before, the food companies and trade groups banded together. In the fall of 1994, more than 120 formed the Coalition for a Competitive Food & Agricultural System.

''It was probably the first time in history that a broad-based group in the food industry had gotten together with market-oriented reforms in mind,'' said spokesman Stu Hardy, a former staffer on the Senate Agriculture Committee, now with the U.S. Chamber of Commerce.

Individual members had tried to shape earlier farm bills, he said, but congressional committees answered mainly to grower groups and general farm organizations like the American Farm Bureau Federation. Others were ''pesky intruders,'' he said.

This time the coalition planned and carried out a lobbying campaign to show urban and suburban lawmakers what their stake was in farm law. Farmers who depend on crop subsidies number in the hundreds of thousands. The mills, railroads, ports and food companies and rest of the business provide 19 million jobs, often a long distance from the fields.

The group and its members met with every member of Congress or their staffs, putting together information on each district. It held farm bill seminars for congressional staff and the media.

The job turned out to be a lot easier than first thought. The Republican takeover of Congress, the move to overhaul government and the push to balance the budget were not sure things.

Wanting to keep the safety net but have more freedom to switch crops, farmers were ready for some change, then more. The Agriculture Department made corn growers idle 8 percent of their land in 1995. The way the market went, growers could have planted those acres and sold the crop at a good price. Western Kansas wheat growers suffered a crop disaster, but had to repay advance subsidies when prices soared.

Rep. Pat Roberts, R–Kan., chairman of the House Agriculture Committee, came up with the Freedom to Farm bill, which guaranteed a payment for farmers that falls over seven years and is not linked to crop prices.

The coalition didn't get everything. It couldn't cut the Conservation Reserve Program, which keeps 36 million acres of land out of production, including some good farm land. The Senate bill keeps ''permanent'' farm law in the attic, meaning the old system of crop-based subsidies could return.

[From the Omaha World-Herald, Feb. 25, 1996]

BUSINESSES PUT MUSCLE BEHIND FARM BILL PUSH

(By David C. Beeder)

WASHINGTON.—Major changes in U.S. farm policy—passed by the Senate and pending in the House—will get a big push all the way to the White House from a powerful coalition of more than 100 grain traders, processors, shippers, retailers and producer organizations.

''We wanted to retain a farm income safety net but also eliminate acreage reduction programs (ARPs),'' said Mary Waters of ConAgra Inc. of Omaha. ''Both of these bills do that.''

Stu Hardy of the U.S. Chamber of Commerce said the legislation could have been strengthened if it had reduced the amount of acreage in the 36 million acre Conservation Reserve Program, in which farmers are paid to idle land.

''This program goes on and on without adequate opportunities for an early out,'' Hardy said.

He said the Coalition for a Competitive Food & Agricultural System also was concerned about the Senate's retention of government programs restricting an open market for peanuts, sugar and dairy products.

''But we are pleased with the planting flexibility, the elimination of ARPs and the decoupling of income support and crop prices on a per-bushel or per-pound basis,'' Hardy said.

The seven-year Senate bill, which passed 64–32 Feb. 7, would end government subsidies for corn, wheat, cotton and rice on farms where those crops were planted on government-authorized acreage year after year.

Under the Senate bill, farmers would be allowed to plant any crop—or no crop at all—while continuing to receive government payments based on a declining percentage of subsidies paid in the past.

''It's a buyout. That's what it is,'' said Hardy. ''But the costs are fixed, and they are capped.''

In the past, he said, Congress would pass a five-year farm bill with a cost estimate that generally fell far short of the eventual expenditure.

Opponents of the Senate-passed bill include Sens. Tom Harkin, D-Iowa, J.J. Exon, D-Neb., and Bob Kerrey, D-Neb., who contend it will destroy a system intended to protect consumers and America's food supply in years when commodity prices fall below the cost of production.

Bob Petersen of the National Grain Trade Council said the coalition would not have endorsed a bill without income protections for farmers.

''But we felt the time for a 1930s-style farm bill had come and gone,'' said Petersen, a native of Burwell, Neb. ''We wanted an income safety net that would not distort markets.''

Petersen, whose organization represents grain markets including the Chicago Board of Trade and the Lincoln, Neb., grain exchange, said U.S. farmers should have the opportunity to capture a greater share of global markets at a time when prices are strong.

He said the coalition of organizations supporting major change came together gradually over a period of a year.

''Some of the farm groups were pretty suspicious of us at first,'' Petersen said. ''As the year has gone on we've all gravitated toward the same position.''

Petersen said the bill passed by the House could be considerably different than the Senate bill.

''However, I think it will get done,'' he said. ''Farmers and farm groups have been quite vocal in telling Congress they want a bill.''

Stephanie Patrick of Cargill Inc. of Minneapolis, like ConAgra a large grain buyer and meat packer, said she couldn't predict the fate of the farm bill in the House or whether it might be vetoed by President Clinton.

However, she said, the coalition has been a major factor in moving the legislation to a point of decision.

''The most gratifying thing about this bill is that we all were going for the same goal,'' she said.

Floyd Gaibler of the 1,200-member, 8,000-outlet Agricultural Retailers Association, said his organization joined the coalition because it supported the goal of ending supply-management policies in agriculture.

''I think everybody agrees they don't work in today's global market,'' said Gaibler, a native of Farnam, Neb., who was an assistant to former Secretary of Agriculture Richard Lyng.

Drew Collier of Union Pacific Railroad, a coalition member, said the Senate-passed bill would move the country toward a market-oriented farm policy that would result in more grain being transported by rail to export markets.

''The market place ultimately is the best arbiter of these issues,'' Collier said. ''Supply-side management has not proved to be the solution.''

At the Chicago Board of Trade, where farm policy is translated into prices and price protections, Celesta Jurkovich said the need for more U.S. production has been apparent for some time.

''You can see it in what's happening to prices,'' she said. ''They've been going through the roof. The demand out there far exceeds the supply.''

Ms. Jurkovich, a senior vice president at the Chicago Board of Trade, said global trends in population and rising living standards indicate demand will remain strong into the next century.

The PRESIDING OFFICER. Does the Senator from Montana renew his unanimous-consent request?

Mr. BURNS. I propound that same unanimous-consent request.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

So the bill (H.R. 2584), as amended, was passed.

The PRESIDING OFFICER (Mr. BROWN) appointed Senators LUGAR, DOLE, HELMS, COCHRAN, MCCONNELL, CRAIG, LEAHY, PRYOR, HEFLIN, HARKIN, and CONRAD conferees on the part of the Senate.

Mr. BURNS. Mr. President, I inquire of my friend from Nebraska who probably knows more about football than the average Senator. I once heard Darrell Royal, who was head football coach at the University of Texas. They always asked him why he never passed the ball very much. He had a great running team, and had a couple of national championships. He said, ''You know, when you pass the football, three things happen. And two of them are bad.''

That is kind of like the way we are running the farm program now. When you are in the grain business because the grain companies can buy the grain cheap, if you take out a market loan on your grain you can forfeit the grain, if it is not market price. And that goes into the pockets of the taxpayer. Then

the grain companies buy that after that happens probably at a lower price. Or they can go ahead and buy the grain, and the taxpayers pick up the difference between the grain and the target price. Three things happen. Two of them are bad for the taxpayer, and I think for agriculture.

The reason we have high prices right now is because we had a crop failure. How can you pay a deficiency payment when you do not have any wheat?

We had a great crop in Montana. We had a big crop and got a big price, and everybody is wealthy without the luxury of the deficiency payments.

So I think what we are doing is so that a majority of agriculture would like to get their dollars at the marketplace, and I hope that this will work. If it does not then I will be the first Senator on the door of the Senator from Nebraska after he has retired in Lincoln, NE, and we might enjoy a football game and watch Big Red roll. And then we will talk about all the mistakes that we made together.

Mr. EXON. If the Senator will yield, I thank him very much for his comments.

There is one thing that I want to correct, because no one knows it better than my friend and colleague from Montana. Certainly each and every cattle farmer is not doing well today. And no one knows that better than my friend from Montana because at one time he was a very prominent cattle person in Montana, and he knows better than anybody else the sad condition that our cattle industry is in today. I just wanted to correct the record. I know that he agrees with that. So everybody in Montana is not doing well. If there are any corn people up there, and the wheat people are probably doing pretty good and will the next 7 years, I do not know about the cattle business.

Mr. BURNS. We will hope for better times in the cattle business. The Senator from Nebraska knows that we have been through these times before, and we will go through this one.

I will be honest with you. I have a hard time, I say to the Senator from Nebraska, of going down the aisle in the grocery store. And these people are setting up here tonight. They buy a box of Wheaties. Wheaties is $3.46 cents a pound. It is not $3.46 cents a box, but a pound. Until this year we had a hard time getting $3.50 cents a bushel for a bushel of wheat, and there are 60 pounds in that bushel. I have a hard time dealing with that.

So I appreciate the comments of my friend from Nebraska.

WHITEWATER DEVELOPMENT CORP. AND RELATED MATTERS—MOTION TO PROCEED

CLOTURE MOTION

Mr. BURNS. Mr. President, I now move to proceed to Senate Resolution 227, the Whitewater legislation, and I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the clerk will report.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to S. Res. 227 regarding the Whitewater extension.

Alfonse D'Amato, Trent Lott, C.S. Bond, Fred Thompson, Slade Gorton, Don Nickles, Paul Coverdell, Spencer Abraham, Chuck Grassley, Conrad Burns, Rod Grams, Richard G. Lugar, Mike DeWine, Mark Hatfield, Orrin G. Hatch, and Thad Cochran.

Mr. BURNS. Mr. President, I ask unanimous consent that the vote occur on Thursday, March 14, at a time to be determined by the two leaders and the mandatory quorum under rule XXII be waived.

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

Mr. BURNS. Mr. President, I now withdraw the motion.

The PRESIDING OFFICER. The motion is withdrawn.

AUTHORIZING THE USE OF THE CAPITOL ROTUNDA

Mr. BURNS. Mr. President, I ask unanimous consent that the Senate proceed to Senate Concurrent Resolution 45, submitted earlier by Senators DOLE and HELMS.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:.

A concurrent resolution (S. Con. Res. 45) authorizing the use of the Capitol rotunda on May 2d, 1996, for the presentation of the Congressional Gold Medal to Reverend and Mrs. Billy Graham.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. BURNS. Mr. President, I ask unanimous consent that the concurrent resolution be considered and agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the concurrent resolution appear in the appropriate place in the RECORD.

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

So the concurrent resolution (S. Con. Res. 45) was agreed to, as follows:

S. CON. RES. 45

Resolved by the Senate (the House of Representatives concurring), That the rotunda of the United States Capitol is hereby authorized to be used on May 2, 1996, at 2 o'clock post meridian, for the presentation of the Congressional Gold Medal to Reverend and Mrs. Billy Graham. Physical preparations for the conduct of the ceremony shall be carried out in accordance with such conditions as may be prescribed by the Architect of the Capitol.

NOMINATION OF THOMAS A. FINK TO BE A MEMBER OF THE FEDERAL RETIREMENT THRIFT INVESTMENT BOARD

Mr. BURNS. Mr. President, as in executive session, I ask unanimous consent that the Governmental Affairs Committee be immediately discharged of the nomination of Thomas Fink to be a Member of the Federal Retirement Thrift Investment Board; further, that the Senate proceed immediately to the consideration of the nomination; that the nomination be confirmed; that any statement appear in the RECORD as if read; that upon confirmation the motion to reconsider be laid upon the table, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The nomination was considered and confirmed, as follows:

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD

Thomas A. Fink, of Alaska, to be a Member of the Federal Retirement Thrift Investment Board for a term expiring October 11, 1999.

HOUSING OPPORTUNITY PROGRAM EXTENSION ACT OF 1995

Mr. BURNS. Mr. President, I ask that the Chair lay before the Senate a message from the House on S. 1494, a bill to provide an extension for fiscal year 1996 for certain programs administered by the Secretary of Housing and Urban Development and the Secretary of Agriculture, and for other purposes.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1494) entitled ''An Act to provide an extension for fiscal year 1996 for certain programs administered by the Secretary of Housing and Urban Development and the Secretary of Agriculture, and for other purposes.'', do pass with the following amendment:

Strike out all after the enacting clause, and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Housing Opportunity Program Extension Act of 1996''.

SEC. 2. MULTIFAMILY HOUSING ASSISTANCE.

(a) SECTION 8 CONTRACT RENEWAL.—Notwithstanding section 405(b) of the Balanced Budget Downpayment Act, I (Public Law 104–99; 110 Stat. 44), at the request of the owner of any project assisted under section 8(e)(2) of the United States Housing Act of 1937 (as such section existed immediately before October 1, 1991), the Secretary of Housing and Urban Development may renew, for a period of 1 year, the contract for assistance under such section for such project that expires or terminates during fiscal year 1996 at current rent levels.

(b) LOW-INCOME HOUSING PRESERVATION.—

(1) USE OF AMOUNTS.—Notwithstanding any provision of the Balanced Budget Downpayment Act, I (Public Law 104–99; 110 Stat. 26) or any other law, the Secretary shall use the amounts described in paragraph (2) of this subsection under the authority and conditions provided in the 2d undesignated paragraph of the item relating to ''HOUSING PROGRAMS—ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING'' in title II of

the bill, H.R. 2099 (104th Congress), as passed the House of Representatives on December 7, 1995; except that for purposes of this subsection, any reference in such undesignated paragraph to March 1, 1996, shall be construed to refer to April 15, 1996, any reference in such paragraph to July 1, 1996, shall be construed to refer to August 15, 1996, and any reference in such paragraph to August 1, 1996, shall be construed to refer to September 15, 1996.

(2) DESCRIPTION OF AMOUNTS.—Except as otherwise provided in any future appropriation Act, the amounts described under this paragraph are any amounts that—

(A) are—

(i) unreserved, unobligated amounts provided in an appropriation Act enacted before the date of the enactment of this Act;

(ii) provided under the Balanced Budget Downpayment Act, I; or

(iii) provided in any appropriation Act enacted after the date of the enactment of this Act; and

(B) are provided for use in conjunction with properties that are eligible for assistance under the Low-Income Housing Preservation and Resident Homeownership Act of 1990 or the Emergency Low Income Housing Preservation Act of 1987.

SEC. 3. COMMUNITY DEVELOPMENT BLOCK GRANTS.

(a) DIRECT HOMEOWNERSHIP ACTIVITIES.—Notwithstanding the amendments made by section 907(b)(2) of the Cranston-Gonzalez National Affordable Housing Act, section 105(a)(25) of the Housing and Community Development Act of 1974, as in existence on September 30, 1995, shall apply to the use of assistance made available under title I of the Housing and Community Development Act of 1974 during fiscal year 1996.

(b) INCREASE IN CUMULATIVE LIMIT.—Section 108(k)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5308(k)(1)) is amended by striking ''$3,500,000,000'' and inserting ''$4,500,000,000''.

SEC. 4. EXTENSION OF RURAL HOUSING PROGRAMS.

(a) UNDERSERVED AREAS SET-ASIDE.—Section 509(f)(4)(A) of the Housing Act of 1949 (42 U.S.C. 1479(f)(4)(A)) is amended—

(1) in the first sentence, by striking ''fiscal years 1993 and 1994'' and inserting ''fiscal year 1996''; and

(2) in the second sentence, by striking ''each''.

(b) RURAL MULTIFAMILY RENTAL HOUSING.—Section 515(b)(4) of the Housing Act of 1949 (42 U.S.C. 1485(b)(4)) is amended by striking ''September 30, 1994'' and inserting ''September 30, 1996''.

(c) RURAL RENTAL HOUSING FUNDS FOR NONPROFIT ENTITIES.—The first sentence of section 515(w)(1) of the Housing Act of 1949 (42 U.S.C. 1485(w)(1)) is amended by striking ''fiscal years 1993 and 1994'' and inserting ''fiscal year 1996''.

SEC. 5. LOAN GUARANTEES FOR MULTIFAMILY RENTAL HOUSING IN RURAL AREAS.

(a) IN GENERAL.—The provisions of section 5 of the bill, H.R. 1691 (104th Congress), as passed the House of Representatives on October 30, 1995, are hereby enacted into law.

(b) TECHNICAL AMENDMENT.—Section 538 of the Housing Act of 1949 (as added by the amendment made pursuant to subsection (a) of this section) is amended by striking ''Homesteading and Neighborhood Restoration Act of 1995'' each place it appears and inserting ''Housing Opportunity Program Extension Act of 1996''.

SEC. 6. EXTENSION OF FHA MORTGAGE INSURANCE PROGRAM FOR HOME EQUITY CONVERSION MORTGAGES.

(a) EXTENSION OF PROGRAM.—The first sentence of section 255(g) of the National Housing Act (12 U.S.C. 1715z–20(g)) is amended by striking ''September 30, 1996'' and inserting ''September 30, 2000''.

(b) LIMITATION ON NUMBER OF MORTGAGES.—The second sentence of section 255(g) of the National Housing Act (12 U.S.C. 1715z–20(g)) is amended by striking ''30,000'' and inserting ''50,000''.

(c) ELIGIBLE MORTGAGES.—Section 255(d)(3) of the National Housing Act (12 U.S.C. 1715z–20(d)(3)) is amended to read as follows:

''(3) be secured by a dwelling that is designed principally for a 1- to 4-family residence in which the mortgagor occupies 1 of the units;''.

SEC. 7. LIMITATION ON GNMA GUARANTEES OF MORTGAGE-BACKED SECURITIES.

Section 306(g)(2) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1721(g)(2)) is amended to read as follows:

''(2) Notwithstanding any other provision of law and subject only to the absence of qualified requests for guarantees, to the authority provided in this subsection, and to the extent of or in such amounts as any funding limitation approved in appropriation Acts, the Association shall enter into commitments to issue guarantees under this subsection in an aggregate amount of $110,000,000,000 during fiscal year 1996. There are authorized to be appropriated to cover the costs (as such term is defined in section 502 of the Congressional Budget Act of 1974) of guarantees issued under this Act by the Association such sums as may be necessary for fiscal year 1996.''.

SEC. 8. EXTENSION OF MULTIFAMILY HOUSING FINANCE PROGRAMS.

(a) RISK-SHARING PILOT PROGRAM.—The first sentence of section 542(b)(5) of the Housing and Community Development Act of 1992 (12 U.S.C. 1707 note) is amended by striking ''on not more than 15,000 units over fiscal years 1993 and 1994'' and inserting ''on not more than 7,500 units during fiscal year 1996''.

(b) HOUSING FINANCE AGENCY PILOT PROGRAM.—The first sentence of section 542(c)(4) of the Housing and Community Development Act of 1992 (12 U.S.C. 1707 note) is amended by striking ''on not to exceed 30,000 units over fiscal years 1993, 1994, and 1995'' and inserting ''on not more than 12,000 units during fiscal year 1996''.

SEC. 9. SAFETY AND SECURITY IN PUBLIC AND ASSISTED HOUSING.

(a) CONTRACT PROVISIONS AND REQUIREMENTS.—Section 6 of the United States Housing Act of 1937 (42 U.S.C. 1437d) is amended—

(1) in subsection (k), in the matter following paragraph (6)—

(A) by striking ''on or near such premises'' and inserting ''on or off such premises''; and

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

(2) in subsection (l)(5), by striking ''on or near such premises'' and inserting ''on or off such premises''.

(b) AVAILABILITY OF CRIMINAL RECORDS FOR SCREENING AND EVICTION.—Section 6 of the United States Housing Act of 1937 (42 U.S.C. 1437d) is amended by adding at the end the following new subsection:

''(q) AVAILABILITY OF RECORDS.—

''(1) IN GENERAL.—

''(A) PROVISION OF INFORMATION.—Notwithstanding any other provision of law, except as provided in subparagraph (B), the National Crime Information Center, police departments, and other law enforcement agencies shall, upon request, provide information to public housing agencies regarding the criminal conviction records of adult applicants for, or tenants of, public housing for purposes of applicant screening, lease enforcement, and eviction.

''(B) EXCEPTION.—A law enforcement agency described in subparagraph (A) shall provide information under this paragraph relating to any criminal conviction of a juvenile only to the extent that the release of such information is authorized under the law of the applicable State, tribe, or locality.

''(2) OPPORTUNITY TO DISPUTE.—Before an adverse action is taken with regard to assistance under this title on the basis of a criminal record, the public housing agency shall provide the tenant or applicant with a copy of the criminal record and an opportunity to dispute the accuracy and relevance of that record.

''(3) FEE.—A public housing agency may be charged a reasonable fee for information provided under paragraph (1).

''(4) RECORDS MANAGEMENT.—Each public housing agency shall establish and implement a system of records management that ensures that any criminal record received by the public housing agency is—

''(A) maintained confidentially;

''(B) not misused or improperly disseminated; and

''(C) destroyed, once the purpose for which the record was requested has been accomplished.

''(5) DEFINITION.—For purposes of this subsection, the term 'adult' means a person who is 18 years of age or older, or who has been convicted of a crime as an adult under any Federal, State, or tribal law.''.

(c) INELIGIBILITY BECAUSE OF EVICTION FOR DRUG-RELATED ACTIVITY.—Section 6 of the United States Housing Act of 1937 is amended by adding after subsection (q) (as added by subsection (b) of this section) the following new subsection:

''(r) INELIGIBILITY BECAUSE OF EVICTION FOR DRUG-RELATED ACTIVITY.—Any tenant evicted from housing assisted under this title by reason of drug-related criminal activity (as that term is defined in section 8(f)) shall not be eligible for housing assistance under this title during the 3-year period beginning on the date of such eviction, unless the evicted tenant successfully completes a rehabilitation program approved by the public housing agency (which shall include a waiver of this subsection if the circumstances leading to eviction no longer exist).''.

(d) INELIGIBILITY OF ILLEGAL DRUG USERS AND ALCOHOL ABUSERS FOR ASSISTED HOUSING.—Section 16 of the United States Housing Act of 1937 (42 U.S.C. 1437n) is amended—

(1) in the section heading by striking ''INCOME''; and

(2) by adding at the end the following new subsection:

''(e) INELIGIBILITY OF ILLEGAL DRUG USERS AND ALCOHOL ABUSERS.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency shall establish standards for occupancy in public housing dwelling units and assistance under section 8—

''(A) that prohibit occupancy in any public housing dwelling unit by, and assistance under section 8 for, any person—

''(i) who the public housing agency determines is illegally using a controlled substance; or

''(ii) if the public housing agency determines that it has reasonable cause to believe that such person's illegal use (or pattern of illegal use) of a controlled substance, or abuse (or pattern of abuse) of alcohol, may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents of the project; and

''(B) that allow the public housing agency to terminate the tenancy in any public housing unit of, and the assistance under section 8 for, any person—

''(i) who the public housing agency determines is illegally using a controlled substance; or

''(ii) whose illegal use of a controlled substance, or whose abuse of alcohol, is determined by the public housing agency to interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents of the project.

''(2) CONSIDERATION OF REHABILITATION.—In determining whether, pursuant to paragraph (1), to deny occupancy or assistance to any person based on a pattern of use of a controlled substance or a pattern of abuse of alcohol, a public housing agency may consider whether such person—

''(A) has successfully completed a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal

use of a controlled substance or abuse of alcohol (as applicable);

''(B) has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable); or

''(C) is participating in a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable).

''(3) INAPPLICABILITY TO INDIAN HOUSING.—This subsection does not apply to any dwelling unit assisted by an Indian housing authority.''.

SEC. 10. PUBLIC HOUSING DESIGNATED FOR ELDERLY AND DISABLED FAMILIES.

(a) AUTHORITY FOR DESIGNATION.—Section 7 of the United States Housing Act of 1937 (42 U.S.C. 1437e) is amended to read as follows:

''DESIGNATED HOUSING FOR ELDERLY AND DISABLED FAMILIES

''SEC. 7. (a) AUTHORITY TO PROVIDE DESIGNATED HOUSING.—

''(1) IN GENERAL.—Subject only to provisions of this section and notwithstanding any other provision of law, a public housing agency for which a plan under subsection (d) is in effect may provide public housing projects (or portions of projects) designated for occupancy by (A) only elderly families, (B) only disabled families, or (C) elderly and disabled families.

''(2) PRIORITY FOR OCCUPANCY.—In determining priority for admission to public housing projects (or portions of projects) that are designated for occupancy as provided in paragraph (1), the public housing agency may make units in such projects (or portions) available only to the types of families for whom the project is designated.

''(3) ELIGIBILITY OF NEAR-ELDERLY FAMILIES.—If a public housing agency determines that there are insufficient numbers of elderly families to fill all the units in a project (or portion of a project) designated under paragraph (1) for occupancy by only elderly families, the agency may provide that near-elderly families may occupy dwelling units in the project (or portion).

''(b) STANDARDS REGARDING EVICTIONS.—Except as provided in section 16(e)(1)(B), any tenant who is lawfully residing in a dwelling unit in a public housing project may not be evicted or otherwise required to vacate such unit because of the designation of the project (or portion of a project) pursuant to this section or because of any action taken by the Secretary or any public housing agency pursuant to this section.

''(c) RELOCATION ASSISTANCE.—A public housing agency that designates any existing project or building, or portion thereof, for occupancy as provided under subsection (a)(1) shall provide, to each person and family who agrees to be relocated in connection with such designation—

''(1) notice of the designation and an explanation of available relocation benefits, as soon as is practicable for the agency and the person or family;

''(2) access to comparable housing (including appropriate services and design features), which may include tenant-based rental assistance under section 8, at a rental rate paid by the tenant that is comparable to that applicable to the unit from which the person or family has vacated; and

''(3) payment of actual, reasonable moving expenses.

''(d) REQUIRED PLAN.—A plan under this subsection for designating a project (or portion of a project) for occupancy under subsection (a)(1) is a plan, prepared by the public housing agency for the project and submitted to the Secretary, that—

''(1) establishes that the designation of the project is necessary—

''(A) to achieve the housing goals for the jurisdiction under the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act; and

''(B) to meet the housing needs of the low-income population of the jurisdiction; and

''(2) includes a description of—

''(A) the project (or portion of a project) to be designated;

''(B) the types of tenants for which the project is to be designated;

''(C) any supportive services to be provided to tenants of the designated project (or portion);

''(D) how the design and related facilities (as such term is defined in section 202(d)(8) of the Housing Act of 1959) of the project accommodate the special environmental needs of the intended occupants; and

''(E) any plans to secure additional resources or housing assistance to provide assistance to families that may have been housed if occupancy in the project were not restricted pursuant to this section.

For purposes of this subsection, the term 'supportive services' means services designed to meet the special needs of residents.

''(e) REVIEW OF PLANS.—

''(1) REVIEW AND NOTIFICATION.—The Secretary shall conduct a limited review of each plan under subsection (d) that is submitted to the Secretary to ensure that the plan is complete and complies with the requirements of subsection (d). The Secretary shall notify each public housing agency submitting a plan whether the plan complies with such requirements not later than 60 days after receiving the plan. If the Secretary does not notify the public housing agency, as required under this paragraph or paragraph (2), the plan shall be considered, for purposes of this section, to comply with the requirements under subsection (d) and the Secretary shall be considered to have notified the agency of such compliance upon the expiration of such 60-day period.

''(2) NOTICE OF REASONS FOR DETERMINATION OF NONCOMPLIANCE.—If the Secretary determines that a plan, as submitted, does not comply with the requirements under subsection (d), the Secretary shall specify in the notice under paragraph (1) the reasons for the noncompliance and any modifications necessary for the plan to meet such requirements.

''(3) STANDARDS FOR DETERMINATION OF NONCOMPLIANCE.—The Secretary may determine that a plan does not comply with the requirements under subsection (d) only if—

''(A) the plan is incomplete in significant matters required under such subsection; or

''(B) there is evidence available to the Secretary that challenges, in a substantial manner, any information provided in the plan.

''(4) TREATMENT OF EXISTING PLANS.—Notwithstanding any other provision of this section, a public housing agency shall be considered to have submitted a plan under this subsection if the agency has submitted to the Secretary an application and allocation plan under this section (as in effect before the date of the enactment of the Housing Opportunity Program Extension Act of 1996) that have not been approved or disapproved before such date of enactment.

''(f) EFFECTIVENESS.—

''(1) 5-YEAR EFFECTIVENESS OF ORIGINAL PLAN.—A plan under subsection (d) shall be in effect for purposes of this section during the 5-year period that begins upon notification under subsection (e)(1) of the public housing agency that the plan complies with the requirements under subsection (d).

''(2) RENEWAL OF PLAN.—Upon the expiration of the 5-year period under paragraph (1) or any 2-year period under this paragraph, an agency may extend the effectiveness of the designation and plan for an additional 2-year period (that begins upon such expiration) by submitting to the Secretary any information needed to update the plan. The Secretary may not limit the number of times a public housing agency extends the effectiveness of a designation and plan under this paragraph.

''(3) TRANSITION PROVISION.—Any application and allocation plan approved under this section (as in effect before the date of the enactment of the Housing Opportunity Program Extension Act of 1996) before such date of enactment shall be considered to be a plan under subsection (d) that is in effect for purposes of this section for the 5-year period beginning upon such approval.

''(g) INAPPLICABILITY OF UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITIONS POLICY ACT OF 1970.—No tenant of a public housing project shall be considered to be displaced for purposes of the Uniform Relocation Assistance and Real Property Acquisitions Policy Act of 1970 because of the designation of any existing project or building, or portion thereof, for occupancy as provided under subsection (a) of this section.

''(h) INAPPLICABILITY TO INDIAN HOUSING.—The provisions of this section shall not apply with respect to low-income housing developed or operated pursuant to a contract between the Secretary and an Indian housing authority.''.

(b) AUTHORIZATION OF APPROPRIATIONS FOR IMPLEMENTATION OF ALLOCATION PLANS.—There are authorized to be appropriated for fiscal year 1996 such sums as may be necessary for rental subsidy contracts under the existing housing certificate and housing voucher programs under section 8 of the United States Housing Act of 1937 for public housing agencies to implement allocations plans for designated housing under section 7 of such Act that are approved by the Secretary of Housing and Urban Development.

SEC. 11. ASSISTANCE FOR HABITAT FOR HUMANITY AND OTHER SELF-HELP HOUSING PROVIDERS.

(a) GRANT AUTHORITY.—The Secretary of Housing and Urban Development may, to the extent amounts are available to carry out this section and the requirements of this section are met, make grants for use in accordance with this section to—

(1) Habitat for Humanity International, whose organizational headquarters are located in Americus, Georgia; and

(2) other national or regional organizations or consortia that have experience in providing or facilitating self-help housing homeownership opportunities.

(b) GOALS AND ACCOUNTABILITY.—In making grants under this section, the Secretary shall take such actions as may be necessary to ensure that—

(1) assistance provided under this section is used to facilitate and encourage innovative homeownership opportunities through the provision of self-help housing, under which the homeowner contributes a significant amount of sweat equity toward the construction of the new dwelling;

(2) assistance provided under this section for land acquisition and infrastructure development results in the development of not less than 4,000 new dwellings;

(3) the dwellings constructed in connection with assistance provided under this section are quality dwellings that comply with local building and safety codes and standards and are available at prices below the prevailing market prices;

(4) the provision of assistance under this section establishes and fosters a partnership between the Federal Government and Habitat for Humanity International, its affiliates, and other organizations and consortia, resulting in efficient development of affordable housing with minimal governmental intervention, limited governmental regulation, and significant involvement by private entities;

(5) activities to develop housing assisted pursuant to this section involve community participation similar to the homeownership program

carried out by Habitat for Humanity International, in which volunteers assist in the construction of dwellings; and

(6) dwellings are developed in connection with assistance under this section on a geographically diverse basis, which includes areas having high housing costs, rural areas, and areas underserved by other homeownership opportunities that are populated by low-income families unable to otherwise afford housing.

If, at any time, the Secretary determines that the goals under this subsection cannot be met by providing assistance in accordance with the terms of this section, the Secretary shall immediately notify the applicable Committees in writing of such determination and any proposed changes for such goals or this section.

(c) ALLOCATION.—Of any amounts available for grants under this section—

(1) 62.5 percent shall be used for a grant to the organization specified in subsection (a)(1); and

(2) 37.5 percent shall be used for grants to organizations and consortia under subsection (a)(2).

(d) USE.—

(1) PURPOSE.—Amounts from grants made under this section, including any recaptured amounts, shall be used only for eligible expenses in connection with developing new decent, safe, and sanitary nonluxury dwellings in the United States for families and persons who otherwise would be unable to afford to purchase a dwelling.

(2) ELIGIBLE EXPENSES.—For purposes of paragraph (1), the term ''eligible expenses'' means costs only for the following activities:

(A) LAND ACQUISITION.—Acquiring land (including financing and closing costs).

(B) INFRASTRUCTURE IMPROVEMENT.—Installing, extending, constructing, rehabilitating, or otherwise improving utilities and other infrastructure.

Such term does not include any costs for the rehabilitation, improvement, or construction of dwellings.

(e) ESTABLISHMENT OF GRANT FUND.—

(1) IN GENERAL.—Any amounts from any grant made under this section shall be deposited by the grantee organization or consortium in a fund that is established by such organization or consortium for such amounts, administered by such organization or consortium, and available for use only for the purposes under subsection (d). Any interest, fees, or other earnings of the fund shall be deposited in the fund and shall be considered grant amounts for purposes of this section.

(2) ASSISTANCE TO HABITAT FOR HUMANITY AFFILIATES.—Habitat for Humanity International may use amounts in the fund established for such organization pursuant to paragraph (1) for the purposes under subsection (d) by providing assistance from the fund to local affiliates of such organization.

(f) REQUIREMENTS FOR ASSISTANCE TO OTHER ORGANIZATIONS.—The Secretary may make a grant to an organization or consortium under subsection (a)(2) only pursuant to—

(1) an expression of interest by such organization or consortia to the Secretary for a grant for such purposes;

(2) a determination by the Secretary that the organization or consortia has the capability and has obtained financial commitments (or has the capacity to obtain financial commitments) necessary to—

(A) develop not less than 30 dwellings in connection with the grant amounts; and

(B) otherwise comply with a grant agreement under subsection (i); and

(3) a grant agreement entered into under subsection (i).

(g) TREATMENT OF UNUSED AMOUNTS.—Upon the expiration of the 6-month period beginning upon the Secretary first providing notice of the availability of amounts for grants under subsection (a)(2), the Secretary shall determine whether the amount remaining from the aggregate amount reserved under subsection (c)(2) exceeds the amount needed to provide funding in connection with any expressions of interest under subsection (f)(1) made by such date that are likely to result in grant agreements under subsection (i). If the Secretary determines that such excess amounts remain, the Secretary shall provide the excess amounts to Habitat for Humanity International by making a grant to such organization in accordance with this section.

(h) GEOGRAPHICAL DIVERSITY.—In using grant amounts provided under subsection (a)(1), Habitat for Humanity International shall ensure that the amounts are used in a manner that results in national geographic diversity among housing developed using such amounts. In making grants under subsection (a)(2), the Secretary shall ensure that grants are provided and grant amounts are used in a manner that results in national geographic diversity among housing developed using grant amounts under this section.

(i) GRANT AGREEMENT.—A grant under this section shall be made only pursuant to a grant agreement entered into by the Secretary and the organization or consortia receiving the grant, which shall—

(1) require such organization or consortia to use grant amounts only as provided in this section;

(2) provide for the organization or consortia to develop a specific and reasonable number of dwellings using the grant amounts, which number shall be established taking into consideration costs and economic conditions in the areas in which the dwellings will be developed, but in no case shall be less than 30;

(3) require the organization or consortia to use the grant amounts in a manner that leverages other sources of funding (other than grants under this section), including private or public funds, in developing the dwellings;

(4) require the organization or consortia to comply with the other provisions of this section;

(5) provide that if the organization or consortia has not used any grant amounts within 24 months after such amounts are first disbursed to the organization or consortia, the Secretary shall recapture such unused amounts; and

(6) contain such other terms as the Secretary may require to provide for compliance with subsection (b) and the requirements of this section.

(j) FULFILLMENT OF GRANT AGREEMENT.—If the Secretary determines that an organization or consortia awarded a grant under this section has not, within 24 months after grant amounts are first made available to the organization or consortia, substantially fulfilled the obligations under the grant agreement, including development of the appropriate number of dwellings under the agreement, the Secretary shall use any such undisbursed amounts remaining from such grant for other grants in accordance with this section.

(k) RECORDS AND AUDITS.—During the period beginning upon the making of a grant under this section and ending upon close-out of the grant under subsection (l)—

(1) the organization awarded the grant under subsection (a)(1) or (a)(2) shall keep such records and adopt such administrative practices as the Secretary may require to ensure compliance with the provisions of this section and the grant agreement; and

(2) the Secretary and the Comptroller General of the United States, and any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the grantee organization or consortia and its affiliates that are pertinent to the grant made under this section.

(l) CLOSE-OUT.—The Secretary shall close out a grant made under this section upon determining that the aggregate amount of any assistance provided from the fund established under subsection (e)(1) by the grantee organization or consortium exceeds the amount of the grant. For purposes of this paragraph, any interest, fees, and other earnings of the fund shall be excluded from the amount of the grant.

(m) ENVIRONMENTAL REVIEW.—A grant under this section shall be considered to be funds for a special project for purposes of section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994.

(n) REPORT TO CONGRESS.—Not later than 90 days after close-out of all grants under this section is completed, the Secretary shall submit a report to the applicable Committees describing the grants made under this section, the grantees, the housing developed in connection with the grant amounts, and the purposes for which the grant amounts were used.

(o) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) APPLICABLE COMMITTEES.—The term ''applicable Committees'' means the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

(3) UNITED STATES.—The term ''United States'' includes the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, and any other territory or possession of the United States.

(p) REGULATIONS.—The Secretary shall issue any final regulations necessary to carry out this section not later than 30 days after the date of the enactment of this Act. The regulations shall take effect upon issuance and may not exceed, in length, 5 full pages in the Federal Register.

SEC. 12. FUNDING FOR SELF-HELP HOUSING ASSISTANCE, NATIONAL CITIES IN SCHOOLS COMMUNITY DEVELOPMENT PROGRAM, AND CAPACITY BUILDING THROUGH NATIONAL COMMUNITY DEVELOPMENT INITIATIVE.

(a) AUTHORITY TO USE ASSISTED HOUSING AMOUNTS.—To the extent and for the purposes specified in subsection (b), the Secretary of Housing and Urban Development may use amounts in the account of the Department of Housing and Urban Development known as the Annual Contributions for Assisted Housing account, but only such amounts which—

(1) have been appropriated for a fiscal year that occurs before the fiscal year for which the Secretary uses the amounts; and

(2) have been obligated before becoming available for use under this section.

(b) FISCAL YEAR 1996.—Of the amounts described in subsection (a), $60,000,000 shall be available to the Secretary of Housing and Urban Development for fiscal year 1996 in the following amounts for the following purposes:

(1) SELF-HELP HOUSING ASSISTANCE.—$40,000,000 for carrying out section 11 of this Act.

(2) NATIONAL CITIES IN SCHOOLS COMMUNITY DEVELOPMENT PROGRAM.—$10,000,000 for carrying out section 930 of the Housing and Community Development Act of 1992 (Public Law 102–550; 106 Stat. 3887).

(3) CAPACITY BUILDING THROUGH NATIONAL COMMUNITY DEVELOPMENT INITIATIVE.—$10,000,000 for carrying out section 4 of the HUD Demonstration Act of 1993 (42 U.S.C. 9816 note).

SEC. 13. APPLICABILITY AND IMPLEMENTATION.

(a) APPLICABILITY.—This Act and the amendments made by this Act shall be construed to have become effective on October 1, 1995.

(b) IMPLEMENTATION.—The amendments made by sections 9 and 10 shall apply as provided in subsection (a) of this section, notwithstanding the effective date of any regulations issued by the Secretary of Housing and Urban Development to implement such amendments or any failure by the Secretary to issue any such regulations.

Mr. BURNS. Mr. President, I ask unanimous consent that the Senate concur in the amendment of the House.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ORDERS FOR WEDNESDAY, MARCH 13, 1996

Mr. BURNS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand adjourned until the hour of 9:15 on Wednesday, March 13; further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day, and the Senate begin a period for the transaction of morning business until the hour of 9:30 a.m., with Senators permitted to speak for up to 5 minutes each, with the following exception, and that is Senator BOND for 10 minutes.

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

Mr. BURNS. Mr. President, I further ask that at 9:30 a.m. on Wednesday, the Senate resume consideration of the omnibus appropriations bill, H.R. 3019, and as under the previous order, resume consideration of the pending Hutchison amendment. I further ask unanimous consent that at 10 a.m., the pending amendments be temporarily set aside and Senator DOLE be recognized to offer an amendment.

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

Mr. BURNS. Mr. President, I further ask unanimous consent that the cloture vote with respect to the Whitewater Special Committee occur at 2 p.m. on Wednesday and at 1 p.m. there be 1 hour for debate prior to the cloture vote to be equally divided in the usual form.

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

PROGRAM

Mr. BURNS. Mr. President, for the information of all Senators, the Senate will resume consideration of the omnibus appropriations bill at 9:30 a.m. Additional amendments are expected to be offered, and it is still hoped that we may complete action on the appropriations bill during tomorrow's session.

Under a previous order, there will be a cloture vote at 2 p.m. on Wednesday to be immediately followed by at least one additional vote in relation to the endangered species amendment to the continuing resolution. Additional votes can be expected throughout Wednesday's session of the Senate, and a late session can be anticipated in order to complete action on the omnibus appropriations bill.

ADJOURNMENT UNTIL 9:15 TOMORROW

Mr. BURNS. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent the Senate stand adjourned under the previous order.

There being no objection, the Senate, at 9:32 p.m., adjourned until Wednesday, March 13, 1996, at 9:15 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate March 12, 1996:

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD

THOMAS A. FINK, OF ALASKA, TO BE A MEMBER OF THE FEDERAL RETIREMENT THRIFT INVESTMENT BOARD FOR A TERM EXPIRING OCTOBER 11, 1999.